SUMMIT

FIRST
COMES
YOUR
TRUST
THEN THE

ACKNOWLEDGEMENTS

this is your company

SUMMIT POWER LIMITED

ISO 9001/ISO 14001/OHSAS 18001
Integrated Management System
BUREAU VERITAS
Certification

ANNUAL REPORT 2014

SUMMIT POWER LIMITED IS THE **FIRST INDEPENDENT POWER PRODUCER** IN PRIVATE SECTOR IN THE COUNTRY

One of the most stirring phenomenon of human civilization was to harness the earth's energy to generate electricity. Albeit the generation and use of electricity is a demotic event today, it uplifted the human civilization to the modernity level and improved it thereafter.

With this view in mind Summit exerts it all efforts to make this utility more and widely available by supporting the national electricity generation for personal, social and economic development. SPL was incorporated on March 30, 1997 and started to supply electricity to the national grid from 2001. On an average the amount/ unit of electricity Summit produces in a year, which can light up 57 Lac Tube Lights or 23 Lac Ceiling Fans uninterruptedly for one year.

VISION

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

MISSION

"Empowering Bangladesh"

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

OBJECTIVES

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

PHOTO CAPTION FOR COVER PAGE

Summit Meghnaghat Power Company Limited received the "Best Power Generation Project Award 2014" in Private Sector Power Generation by the Government of the country.

Best Power Generation Company Award 2013 in Private Sector Power Generation

13th ICAB National Award: Certificate of Merit

ICMAB Best Corporate Award 2013

Summit Narayanganj Power Limited (SNPL) Received Gold Award for The Best Fast Track project in Asia in 2011 By Asian Power Awards

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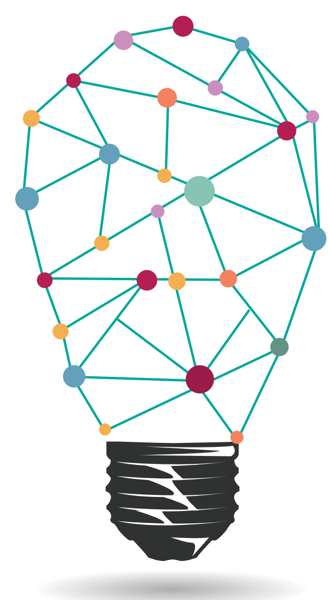
SUMMIT



ABOUT **OUR COMPANY**

The Summit Group is one of the leading private sector conglomerates of Bangladesh, comprising more than twenty business units ranging from power to shipping to communications and currently generating 792 MW of electricity and another 393 MW is under construction. Summit Power Limited (SPL), a subsidiary of Summit Group is the first Bangladeshi Independent Power Producer (IPP) in Bangladesh in private sector providing power to national grid. SPL was incorporated in Bangladesh on March 30, 1997 as a Private Limited Company. On June 7, 2004, the Company was converted into Public Limited Company under the Companies Act 1994.

Today Summit Power Limited owns and operates 11 (eleven) power plants at different locations across the country having a total capacity of 317 MW. Our power plants are equipped with engines manufactured by world famous technotex companies, i.e. Wartsila – Finland, Caterpillar - USA, and GE Jenbacher, Austria. All of its power plants run 24 hours a day to support the national grid. As per private sector power generation policy of Bangladesh, Summit sells electricity to the Bangladesh Power Development Board (BPDB) and Bangladesh Rural Electrification Board (BREB) only. Due to the practice of Integrated Management System (IMS) to run the day-to-day business operation, the Company has been certified by ISO 9001: 2008 - Quality Management System, ISO 14001: 2004 - Environmental Management System and OSHAS 18001: 2007 - Occupational Health and Safety Assessment System.

Apart from three existing subsidiaries (Summit Purbanchol Power Company Limited, Summit Uttaranchol Power Company Limited and Summit Narayanganj Power Limited), Summit Power Limited holds 17.64% ownership of Khulna Power Company Limited (KPCL) and 30% of Summit Meghnaghat Power Company Limited. That means 153 (50 + 103) MW (approximately) has been added with that of SPL's 317 MW, being the total capacity of 470 MW. This fast-growing company has set a mission to expand the company with a power generation capacity to the tune of a modest 20% of the electricity requirement in Bangladesh. In the way to this mission to enlighten the nation, recently, the Company is implementing two new power plants with a total generation capacity of 165 MW.

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

CORE **VALUES**


ETHICS INTEGRITY WITH HONESTY & SINCERITY
CUSTOMER SATISFACTION GOAL WITH QUALITY SUPPLY OF ELECTRICITY
OPPORTUNITY BELIEVE IN EQUAL OPPORTUNITY, BASED ON MERIT
GOODWILL - TO BUILD GOODWILL THROUGH LONG TERM AND CONGENIAL APPROACH WITH CUSTOMERS
BELONGINGNESS INSTILLED BY COMPACT TEAMWORK WITH RESPECT FOR EACH OTHER
TRANSPARENCY - PROVIDING UNRESTRICTED ACCURATE AND TIMELY INFORMATION ABOUT COMPANY'S PERFORMANCE AND FINANCIAL ASPECTS

ENVIRONMENT

"Meeting the needs of the current generation without compromising the ability of future generations to meet their needs (brundtland commission, 1987)"


ASHULIA POWER PLANT | 44.75 MW


Meghnaghat CC Power Plant | 335 MW


CHANDINA POWER PLANT | 24.50 MW


JANGALIA POWER PLANT | 33 MW


MADANGANJ POWER PLANT | 102 MW


MADHABDI POWER PLANT | 35.30 MW


ULLAPARA POWER PLANT | 11 MW


MAONA POWER PLANT | 33 MW


RUPGANJ POWER PLANT | 33 MW

CORPORATE DIRECTORY

Board of Directors

Muhammed Aziz Khan
Chairman

Md. Latif Khan
Vice-Chairman

Lt Gen (Retd) Abdul Wadud
Managing Director

Anjuman Aziz Khan
Director

Md. Farid Khan
Director

Ayesha Aziz Khan
Director

Mr. Jafer Ummeed Khan
Director

Faisal Karim Khan
Director

Syed Fazlul Haque FCA
Director

Abbas Uddin Ahmed
Independent Director

Ziaul Hasan Siddiqui
Independent Director

Helal Uddin Ahmed
Director

Mustafizur Rahman Khan
Independent Director

Company Secretariat

Mahmud Hasan FCMA
Company Secretary

Swapon Kumar Pal ACA
Deputy Financial Controller

Rahmat-e-Rabbi
Assistant General Manager (Accounts)

Registered Office

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

Auditors

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

Legal Advisor

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

Power Plants

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

Main Bankers

Standard Chartered Bank
Dutch Bangla Bank Limited
IIDFC
BRAC Bank Limited
Bank Asia Limited
The City Bank Limited

NOTICE OF THE 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of Summit Power Limited will be held on Sunday the 28th day of June, 2015, at Krishibid Institution Complex Bangladesh (KIB), Krishi Khamar Sark, (Khamarbari) Farmgate, Dhaka 1215 at 12.00 P.M to transact the following businesses:

Agenda:

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended December 31, 2014 together with the Auditors' Report thereon.
2. To declare dividend for the year 2014 as recommended by the Board of Directors.
3. To elect Directors in place of those retiring under Article 20(c) and 23(a) of the Company's Articles of Association.
4. To appoint Auditors for the year 2015 and to fix their remuneration.

By order of the Board

(Mahmud Hasan FCMA)
Company Secretary

Dhaka, May 18, 2015.

NOTES:

1. Shareholders whose names appeared at the record date i.e. **May 17, 2015** in the Share Register of the Company or in the Depository Register on that date will be eligible to attend and vote in the Annual General Meeting and to receive dividend as approved in the AGM.
2. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the Registered Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.
3. Admission into the meeting venue will be allowed on production of the Attendance Slip attached with the Proxy Form.

SPECIAL NOTE:

No benefit or gift in cash or kind shall be given to the Shareholders for attending the 18th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

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

17TH ANNUAL GENERAL MEETING

CODE OF **CONDUCT** AND **ETHICS**

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

A. OBJECTIVE

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

B. ETHICAL STANDARDS

1. *Conflicts of Interest*

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

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

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

2. *Corporate Opportunities*

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

3. *Fair Dealing*

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

4. *Insider Trading*

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

5. *Confidentiality*

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

6. *Discrimination & Harassment*

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

7. *Protection and Proper Use of SPL Assets*

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

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

8. *Health and Safety of Officers*

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

9. *Compliance with Laws, Rules and Regulations*

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

10. *Timely and Truthful Public Disclosure*

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

11. *Significant Accounting Deficiencies*

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

C. WAIVERS

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

D. VIOLATIONS OF ETHICAL STANDARDS

1. *Reporting Known or Suspected Violations*

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

2. *Accountability for Violations*

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

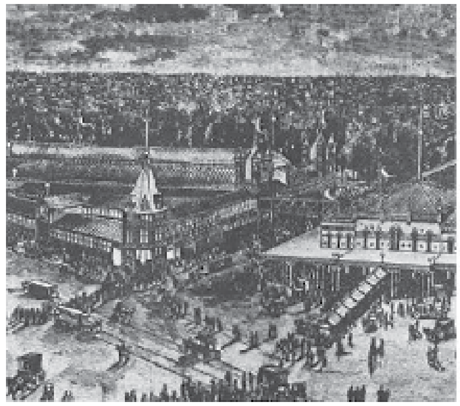
E. COMPLIANCE PROCEDURES

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

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

OUR PRODUCT - **ELECTRICITY**

1884 Exhibition In the United States, nothing promoted the future of electricity like the 1884 International Electrical Exhibition. Just imagine a world without electricity, a world illuminated by candles and gaslights, a world where the most common transportation was by walking and riding on horseback or by horse-drawn carriage. Into this world an exhibition was created that highlighted Thomas Edison and reflected his highly developed ability to promote his inventions and products. His exhibit featured spectacular lighting displays powered by an impressive 100-kW “Jumbo” generator.



Edward Weston’s dynamos and lamps were featured in the United States Electric Lighting Company’s display. Weston’s well known collection of scientific instruments was also shown.

Other prominent exhibitors included Frank Sprague, Elihu Thompson, and the Brush Electric Company of Cleveland. The American Institute of Electrical Engineers (AIEE) held its first technical meeting on October 7–8 at the Franklin Institute during the exhibit. AIEE merged with the Institute of Radio Engineers (IRE) in 1964 to form the Institute of Electrical and Electronics Engineers (IEEE).

Andre-Marie Ampere (1775–1836), a French mathematician and physicist, laid the foundation of electrodynamics. He defined the electric current and developed a way to measure it in the 1820s. Born in Lyons, France, Ampere at age 12 mastered Latin in a few weeks, as he was intensely interested in mathematics and many of the best mathematical works were in Latin. He was a brilliant scientist and a prolific writer. He formulated the laws of electromagnetics. He invented the electromagnet and the ammeter. The unit of electric current, the ampere, was named after him.

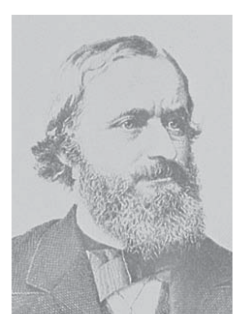
The Burndy Library Collection
at The Huntington Library,
San Marino, California.

Fundamentals of Electric Circuits by Alexander and Sadiku

Georg Simon Ohm (1787–1854), a German physicist, in 1826 experimentally determined the most basic law relating voltage and current for a resistor. Ohm’s work was initially denied by critics. Born of humble beginnings in Erlangen, Bavaria, Ohm threw himself into electrical research. His efforts resulted in his famous law. He was awarded the Copley Medal in 1841 by the Royal Society of London. In 1849, he was given the Professor of Physics chair by the University of Munich. To honor him, the unit of resistance was named the ohm.

Georg Simon Ohm (1787–1854)

Gustav Robert Kirchhoff (1824–1887), a German physicist, stated two basic laws in 1847 concerning the relationship between the currents and voltages in an electrical network. Kirchhoff’s laws, along with Ohm’s law, form the basis of circuit theory. Born the son of a lawyer in Konigsberg, East Prussia, Kirchhoff entered the University of Konigsberg at age 18 and later became a lecturer in Berlin. His collaborative work in spectroscopy with German chemist Robert Bunsen led to the discovery of cesium in 1860 and rubidium in 1861. Kirchhoff was also credited with the Kirchhoff law of radiation. Thus Kirchhoff is famous among engineers, chemists, and physicists.



Gustav Robert Kirchhoff (1824–1887

THE ELECTRIC POWER INDUSTRY IS COMMONLY SPLIT UP INTO FOUR PROCESSES. THESE ARE ELECTRICITY GENERATION SUCH AS A POWER STATION, ELECTRIC POWER TRANSMISSION, ELECTRICITY DISTRIBUTION AND ELECTRICITY RETAILING. IN OUR COUNTRY, THE GENERATION IS DONE BY BOTH GOVERNMENT AND PRIVATE COMPANIES AND THE REST OF THE THREE STEPS ARE EITHER DIRECTLY OWNED AND OPERATED BY GOVERNMENT OR HEAVILY REGULATED BY GOVERNMENT.

Electricity Backbone in BANGLADESH

Generation

Transmission

Distribution

Retail – Consumption

Government and Private Organizations Generates Electricity

BPDB, BREB and their related concerns Transmits and Distributes electricity to the retail consumers.

Whatever electricity the power plants produce, are sold to the Government Directly (National Grid).

Usually the generated electricity cannot be stored, so it is consumed upon generation.

The demand of the electricity fluctuates by day-night and season, i.e. - in the nights of winter due to the low demand some power plants are required shut down sometimes.

Power plants usually run 24 hours a day, 7 days in a week 12 months in year, unless some predefined and allowed maintenance hours.

The total generated electricity of Summit Power Limited and its subsidiaries is equivalent to the whole year uninterruptable electricity consumption of more than 05 (five) lac families.

MESSAGE FROM **THE CHAIRMAN**

"When we generate electricity at the lowest cost and tariff, society benefits. The government can provide the most essential infrastructure, electricity at a lower rate for the student to continue studies after sunset, for the garment industry to keep on producing when the demands are high and for the patient to have the needed surgery. You help create a prosperous and happy nation. Your investment matters."

Greetings. It is always a happy time to sit in front of you since 2006 during the first AGM. Your company has never looked back, kept adding to generating electricity, thus providing infrastructure for Bangladesh's development. At the same time our company's asset kept increasing, governance improved, management became more able. We have created a sustainable business for the good of shareholders as well as the nation. The managers of SPL are the most well trained, dedicated and happy.

When we generate electricity at the lowest cost and tariff, society benefits. The government can provide the most essential infrastructure, electricity at a lower rate for the student to continue studies after sunset, for the garment industry to keep on producing when the demands are high and for the patient to have the needed surgery. You help create a prosperous and happy nation. Your investment matters.

Bangladesh in 2025 will need about 30,000 mw of electricity, while today we (Bangladesh) generate 12,000 mw, still about 2/3rd of the way to go. We shall continue to strive to provide the majority of this electricity. I fondly remember here a poem by Robert Frost

"The woods are lovely, dark and deep
But I have promises to keep, and miles to go before I sleep
And Miles to go before I sleep ...."

To this end last year we went into generation of the largest duel fuel combined cycle, Summit Meghnaghat Power Company Limited a 335mw power plant. Today your Summit Power Limited has sponsored more than 1,260 mw. Yet this is the beginning. Our successes have created international goodwill for Summit as well as Bangladesh. I firmly believe even better days are ahead.

Your money is in very prudent hands. My brother and Vice Chairman Md. Latif Khan, our Managing Director Lt Gen (Retd) Abdul Wadud along with their team of professionals are the best, not only in Bangladesh but around the world. Last year we picked up most of the corporate awards of the country including "ICSB National Award 2013", "ICMAB Best Corporate Award 2014" and "Global CSR Excellence & Leadership Award"

Electricity is a capital intensive high technology business, an infrastructure for the development of a country. The gestation periods for completing projects are about 3 years. It takes time but good profits are certain when you have an efficient management with a 100 percent successful track record. Your business will reap huge benefits for you and support the society. I am a proud owner of Summit's share and hope you will remain with us.

Looking forward to many successful years.

Your co shareholder,

Muhammed Aziz Khan
Chairman
Summit Power Limited

OUR DIRECTORS - **THE PIONEERS**

MUHAMMED AZIZ KHAN
Chairman

MD. LATIF KHAN
Vice-Chairman

LT GEN (RETD) ABDUL WADUD
Managing Director

ANJUMAN AZIZ KHAN
Director

MD. FARID KHAN
Director

MR. FAISAL KARIM KHAN
Director

AYESHA AZIZ KHAN
Director

MR. JAFER UMMEED KHAN
Director

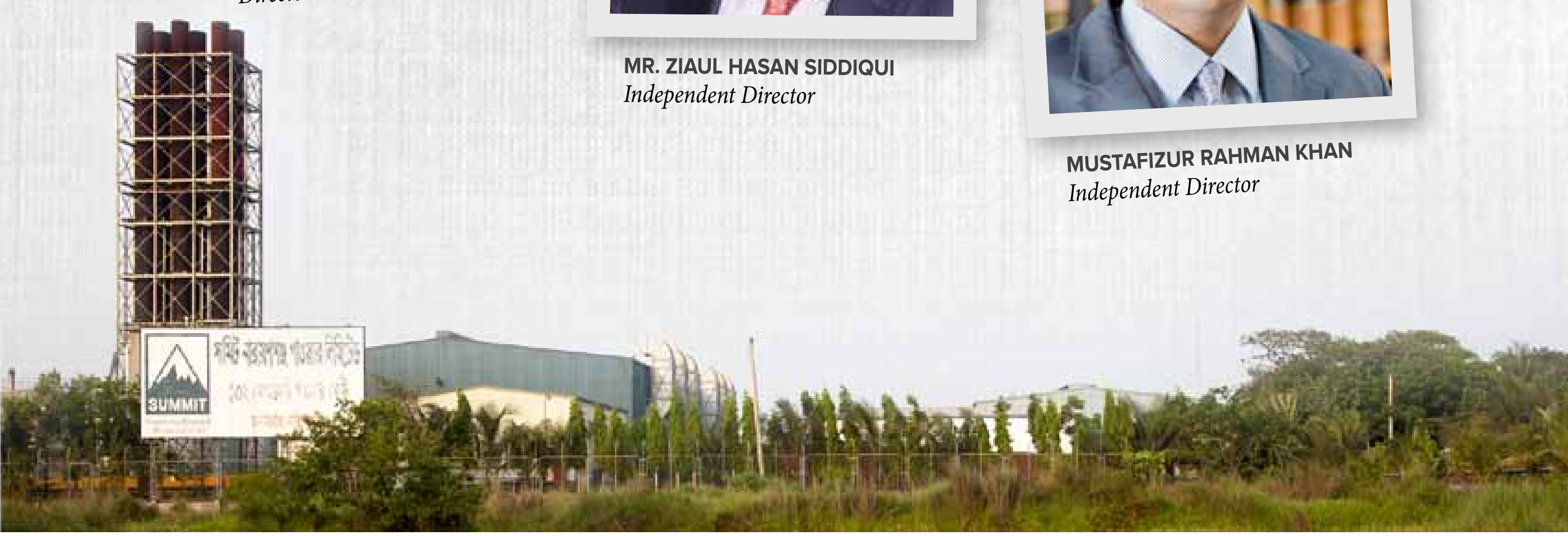
SYED FAZLUL HAQUE FCA
Director

ABBAS UDDIN AHMED
Independent Director

HELAL UDDIN AHMED
Director

MR. ZIAUL HASAN SIDDIQUI
Independent Director

MUSTAFIZUR RAHMAN KHAN
Independent Director



OUR DIRECTORS - **THE PIONEERS**

MUHAMMED AZIZ KHAN
Chairman

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

Under the leadership of Muhammed Aziz Khan, Summit set up the first Independent Power Plant of the country in 1998, Khulna Power Company Limited. Currently, Summit generates about 1200 megawatts of electricity and is by far the largest independent power producer in the country. Summit also set up the country's first private off-dock facility, Ocean Containers Limited, now known as Summit Alliance Ports Limited which is currently handling about 30% of the country's export and about 10% of the country's import volumes. Yet another company, Summit Communications Ltd., set up by Mr. Khan is the first company to lay nationwide telecommunication transmission network laying fibre optic to 70% of Bangladesh, and connecting Bangladesh to India and Myanmar through terrestrial fibre optics. IPCO Ltd., a hospitality and real estate company, is building one five star, one three star hotels, convention hall and 1000 high class shops beside the International Airport of Dhaka.

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

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

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

MD. LATIF KHAN
Vice-Chairman

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

LT GEN (RETD) ABDUL WADUD
Managing Director

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

ANJUMAN AZIZ KHAN
Director

Mrs. Anjuman Aziz Khan, wife of Mr. Muhammed Aziz Khan has 24 years of business experience in Summit. Mrs. Khan is a member of Siraj Khaleda Trust- a social wing of Summit Group, which is setting up 200 beds for medical services on charitable basis in Dhaka Cantonment. She enthusiastically takes part & contributes to social activities such as "Assistance of Blind Children" and "women's entrepreneurship development".

MD. FARID KHAN
Director

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

AYESHA AZIZ KHAN

Director

Ms. Ayesha Aziz Khan completed her graduation in Economics and Business from the University College of London (UCL), United Kingdom in 2002 and Masters in Business Administration (MBA) from the Columbia University, New York, USA in 2007. Ms. Khan holds the position of Director in several companies of Summit Group. Ms. Khan has extensive experience in the power sector of the country specifically in financial management for power generation companies, infrastructure finance and structured finance. In her career, she has spearheaded the financial closure for multiple power projects, which includes - Summit Uttaranchal Power Company Limited (SUPCL) Summit Purbanchol Power Company Limited (SPPCL), Summit Narayanganj Power Limited and Summit Power Limited (SPL).

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

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

MR. JAFER UMMEED KHAN

Director

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

MR. FAISAL KARIM KHAN

Director

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

Thereafter, Mr. Khan increased his responsibility by taking up directorship of Summit Industrial & Mercantile Corporation (Pvt.) Limited, Cosmopolitan Traders Limited, Summit Power Limited and Summit Communications Limited among other group companies. Mr. Khan also represented Summit Group in the Board of Directors in National Housing Finance & Investment Limited.

Mr. Khan is currently responsible for the Group's interest in large infrastructure development projects and has recently completed implementation of two Combined Cycle power plants in Bibiyana and Meghnaghat. Mr. Khan served as the Convener for the Standing Committee on National Energy Strategy at Dhaka Chamber of Commerce and Industry (DCCI) and is currently a Director of the Bangladesh-China Chamber of Commerce.

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

SYED FAZLUL HAQUE FCA

Director

A Chartered Accountant by profession, Syed Fazlul Haque, started his career as Partner of A Qasem & Co., Chartered Accountants in mid-1971. In April 1975 he moved to executive career by joining Biman Bangladesh Airlines, as its Controller of Accounts and since then his long varied career included increasingly higher positions in different local and multinational organizations. Leaving Biman in May 1978, Fazlul went to Libya to serve in Ammonia Plant, Benghazi for a short span of two years. On return, Fazlul joined Burmah Eastern Limited (now Padma Oil Co. Ltd.) in January 1981 as Finance Manager & Company Secretary and was promoted as CEO of the Company in September 1991. Fazlul left Padma in January 1993 to join Glaxo Bangladesh as Finance Director where he was made Managing Director of the Company in August 1997. Fazlul served the Company (subsequently renamed as GlaxoSmithKline Bangladesh after merger with Smithkline Beecham in November 2000) until he retired on 31st December 2002.

During the tenure of his long career, Fazlul served as committee member of Metropolitan Chamber of Commerce & Industries, Foreign Chamber of Commerce & Industries and Bangladesh Employers Federation.

OUR DIRECTORS - **THE PIONEERS**

ABBAS UDDIN AHMED
Independent Director

Mr. Abbas Uddin Ahmed, a leading light of the banking industry of Bangladesh carries with him 42 years of commercial banking experience of which almost 12 years as Managing Director & CEO of three very large and successful private sector Banks – The City Bank Limited and IFIC Bank Limited in Bangladesh and Nepal-Bangladesh Bank Limited in Kathmandu, Nepal. He is a Professional Member of the "Institute of Bankers, Bangladesh". Starting his career in 1966 with the Habib Bank – the then top private sector bank of the country- he has worked his way through both public and private sector banks at home and abroad. He has successfully opened a new bank in Maldives as CEO. He is credited to have steered and consolidated the process of turnaround of the City Bank Limited and got it removed from the Bangladeshi banks list of the problem bank. He is a pioneer in computerizing the entire operation of a bank in Bangladesh. Mr. Ahmed also has rich experience of the ethos of both public and private sector banks of Bangladesh.

HELAL UDDIN AHMED
Director

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

MR. ZIAUL HASAN SIDDIQUI
Independent Director

Mr. Ziaul Hasan Siddiqui accomplished professional excellence in the area of Central Banking exceeding 37 years of extensive and versatile experience. He served as Deputy Governor for more than 5 years with specialization in monetary policy, foreign exchange policy and reserve management. He also served as the Head of Financial Intelligence Unit (FIU) of Bangladesh to upgrade Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT). He did his Masters in Public Administration (MPA) from Harvard University (USA) with outstanding skills of communication, management and leadership.

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

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

MUSTAFIZUR RAHMAN KHAN
Independent Director

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

OUR DIRECTORS – IN **OTHER BOARDS**

Companies >> / Name of Directors	Summit Purbanchol Power Company Limited	Summit Uttaranchol Power Company Limited	Summit Narayanganj Power Limited	Summit Narayanganj Power Unit II Limited	Summit Barisal Power Limited	Summit Industrial & Mercantile Corp. (Pvt.) Ltd.	Cosmopolitan Traders (Pvt.) Ltd.	Summit Oil & Shipping Com. Limited.	Khulna Power Company Ltd.	Summit Alliance Port Ltd.	Summit Communications Limited	Cosmopolitan Finance Limited	Summit Bibiyana II Power Company Limited	Summit Meghnaghat Power Company Limited
Mr. Muhammed Aziz Khan	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Mrs. Anjuman Aziz Khan	√	√	√	√	√	√	√	√				√	√	√
Mr. Md. Farid Khan	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Ms. Ayesha Aziz Khan	√	√	√	√	√	√	√	√	√	√		√	√	√
Mr. Jafer Ummeed Khan			√	√	√	√	√	√	√	√	√	√	√	√
Mr. Md. Latif Khan	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Mr. Faisal Karim Khan			√	√	√	√	√			√	√	√	√	√
Mr. Helal Uddin Ahmed														
Mr. Abbas Uddin Ahmed	√													
Mr. Syed Fazlul Haque	√	√	√	√	√				√	√	√			
Mr. Ziaul Hasan Siddiqui	√	√	√											
Lt Gen (Retd) Abdul Wadud	√	√	√	√					√				√	√

DIRECTORS' REPORT TO THE SHAREHOLDERS

Respected Shareholders,

Assalamu Alaikum,

The Board of Directors of Summit Power Limited (SPL) welcomes you to the 18th Annual General Meeting (AGM) of the Company. We have the pleasure to place herewith the Directors' Report and the Auditors' Report along with the Audited Financial Statements of the Company for the year ended December 31, 2014 for your valued consideration, approval and adoption.

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

THE ENVIRONMENT WE OPERATE IN

A momentum in the economy was noted early in the year. The declining inflation, stable exchange rate, higher foreign exchange reserves and remittance growth were present. The stable Fuel and Gas price along with country's new policy to let the private power plants to import fuel directly from abroad, the accessibility of low cost foreign loans and tax exemption benefitted the companies like summit tremendously.

In the matured Raising Phase of the private power sector of the country, the company is being benefitted severally by emerging local spare parts producers, more experienced engineers in the job market and more availability of supporting technologies. Power plant engineers around the world are being more and more interested in the booming Bangladesh power sector. It has become easier to access the more and more technical support in the power sector of the international market.

Being the pioneer in this sector, Summit has facilitated tremendously to this sector by providing internship, training and job to the new graduates as well as existing engineers. The rapidly expanding power sector of the country is attracting more and more educated people. In the context of our country, it is socially prestigious to work in a power generation company. Due to the emergence of new job field in the country, the expatriates, who are working in the power plants outside the country are also returnig home to share their expertise to elevate the local power sector of the country and enjoy the living in homeland.

From the legal perspective, it is very stable as well as very sophisticated to run a business to generate and sale electricity, because as per agreement, the customer is fixed but a lot of regulators are to be satisfied, e.g. - Bangladesh Energy Regulatory Commission (BERC), Department of Environment (DOE) etc.

Power plant can be very sensitive to the environment, if it is not handled properly. You will be happy to know that we address biodiversity conservation from the planning and development phase of a project by conducting environmental impact assessments, collecting key environmental data and implementing mitigation and monitoring programs to reduce impacts. We also consider the issues like - Waste Management, Water Management, Oil Spillage, Emission to Air and Discharge into Water etc. Summit is not only ISO 14001:2004 – Environmental Management System (EMS), certified but also we strive to fulfill the requirements of Environmental Certification, Sound and Noise Level Certification, Fire License, Acid License and so on.

THE SECTOR WE OPERATE IN

"জ্বলছে আলো চলছে দেশ, এগিয়ে যাচ্ছে বাংলাদেশ"– was the theme for the National Electricity Week – 2014, organized by Power Division of Ministry of Power, Energy and Mineral Resources. This year the aim of National Electricity Week was creating awareness on energy saving and improving consumer services. Consequently, the issues like – responsible and economical use of energy, finding environment friendly renewable energy sources, reducing system loss, improving customer satisfaction and promoting private sector investment in power industry were lime lighted.

"To provide access to affordable and reliable electricity to all by the year 2021" – in the way to materialize this vision statement, the Power Division, Ministry of Power, Energy and Mineral Resources has increased the installed electricity generation capacity to 10,817 MW by the end of 2014. Presently, 68% of the total population (including renewable energy) has access to electricity and per capita generation is 348 kWh, which is still low compared to other developing countries.

Despite financial constraints and gas supply shortages, the government designed a strategy to overcome the shortage of electricity and at the same time meet the ever increasing demand for power. It launched immediate, short, medium and long term programs to increase power supply through introduction of fuel mix (gas, coal, liquid fuel, nuclear energy and renewable), demand side management, energy efficiency and conservation. After assessing the latest demand, the government has revised (Power Sector Master Plan - 2010) its targets for increasing power generation. A typical year-wise peak demand forecast is given below –

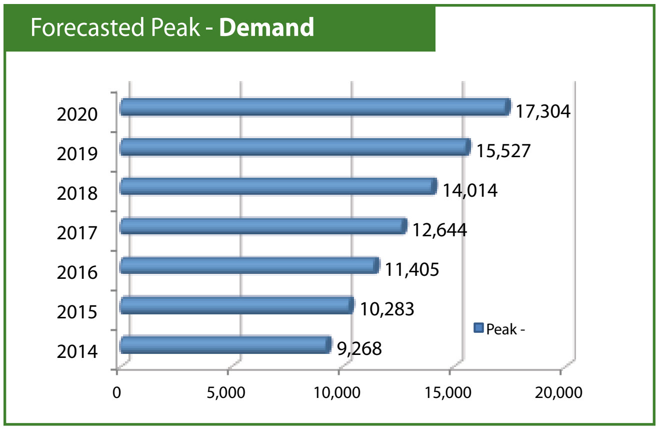


Figure: A forecast of peak demand of electricity of Bangladesh till 2020

(Source: http://www.bpdb.gov.bd)

YEARLY INCREMENTAL GENERATION PLANT

YEAR	2014	2015	2016	2017	2018	TOTAL
Public	225	1,293	1,475	2,131	1,320	6,444
Private	1,024	1218	1,014	640	630	4,526
Total	**1,249**	**2,511**	**2,489**	**2,771**	**1,950**	**10,970**

(Source: http://www.powercell.gov.bd)

A comprehensive comparison between Year Wise Forecasted and Actual Generation is given below:

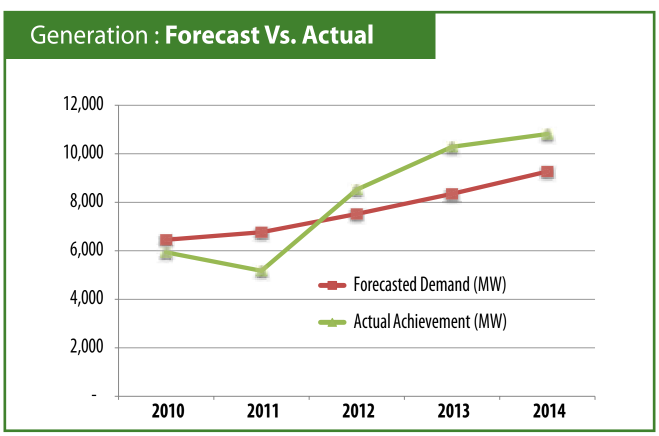
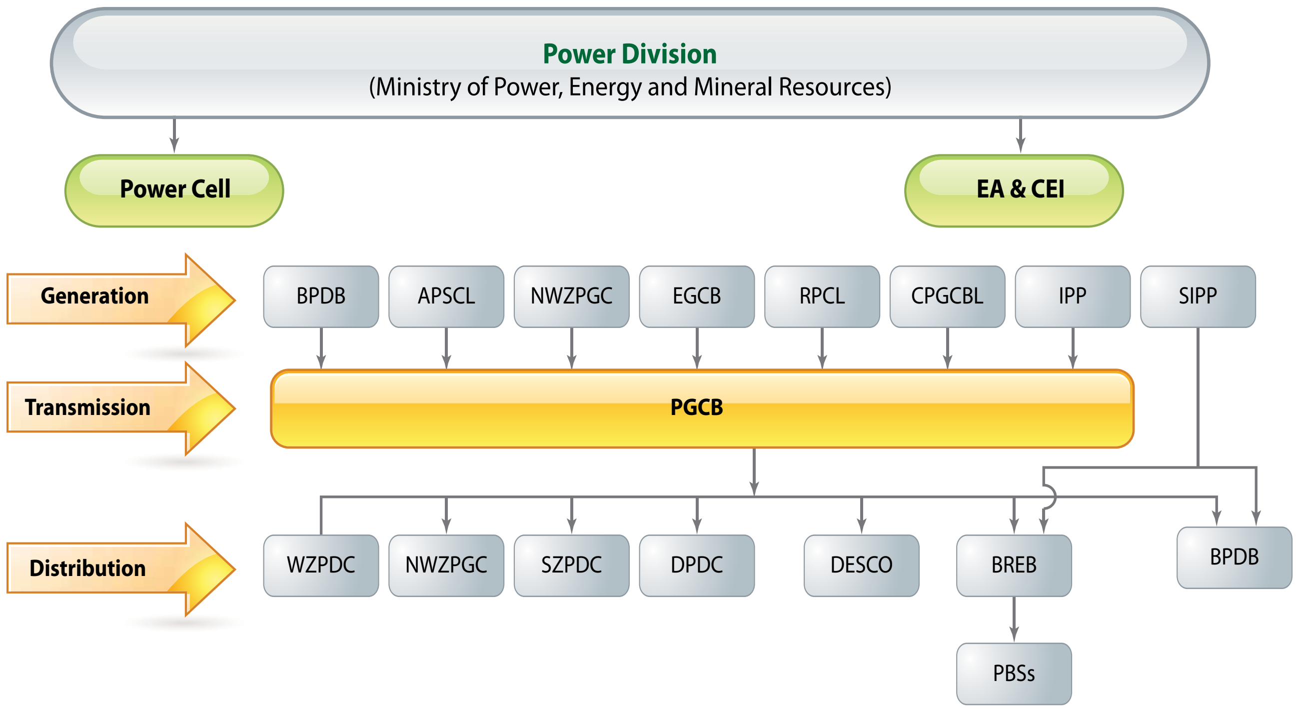


Figure: A comprehensive comparison between forecasted and actual electricity generation

(Source: http://www.bpdb.gov.bd)

However, the challenges, which the power sector need to deal with still remain – system losses, delays in completion of new plants, low plant efficiency, erratic power supply, electricity theft, blackouts, and shortages of funds for power plant maintenance. The Power Division of the Government is relentlessly working in this area and they are efficiently performing their responsibility in formulating policy relating to power and supervise, control and monitor the developmental activities in the power sector of the country. To implement its mandate, the Power Division is supported by a number of organizations, related with generation, transmission and distribution. The organizational linkage is as follows -

DIRECTORS REPORT

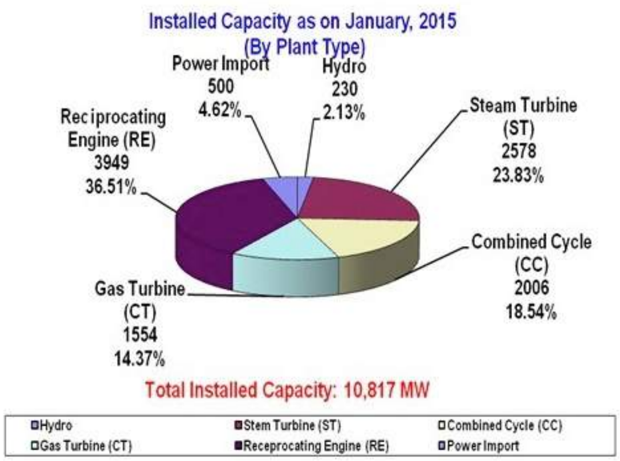


The Present Generation Capacity (in MW) as on January 2015 indicates that the public sector produced 54% (5,880 MW) and private sector produced 46% (4,937 MW) of the total electricity produced in the country. It is to be mentioned that Summit contributes approximately 470 MW (including ownership percentages of two subsidiaries), which is 10% of the power sector of the country and 19% in SIPP & Rental Sector.

Public Sector	Installed Capacity	Generation (MW)
BPDB	4126	38%
APSCL	687	6%
EGCB	622	6%
NWPGCL	368	3%
RPCL	77	1%
Subtotal	5880	54%
Private Sector		
IPPs	1966	18%
SIPPs(BPDB)	99	1%
SIPPs(REB)	251	2%
15 YR. Rental	167	2%
3/5 YR. Rental	1954	18%
Power Import	500	5%
Subtotal	4937	46%
TOTAL	**10,817**	**100%**

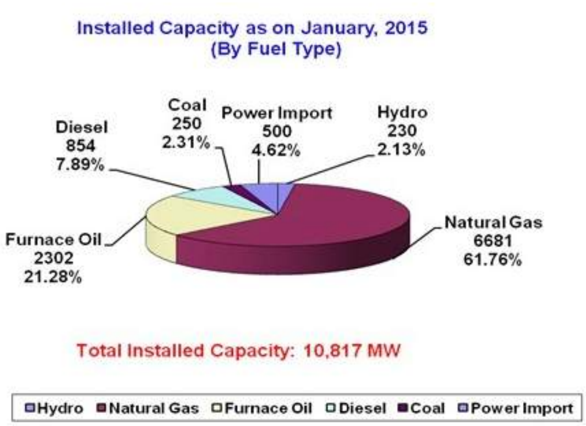
Figure: Present Installed Generation Capacity (MW) as on January, 2015
(Source: http://www.bpdb.gov.bd)

As per the Generation Capacity by Plant Type, we can see that the electricity generated by Reciprocating Engines was the highest. These engines generated 36.51% of electricity. The contribution made by Steam Turbine was 23.83%. The next major contribution was made by Combined Cycle, which is 18.54%, while only 2.13% electricity was generated by Hydro plants.



(Source: http://www.bpdb.gov.bd)

As per the Generation Capacity by Fuel Type, the electricity generated by natural gas was the highest, which is 61.76% of generation. The second highest contribution made by furnace oil and the percentage was 21.28%. The contribution made by diesel was only 7.89%, however only 2.13% electricity was generated by Hydro plants.



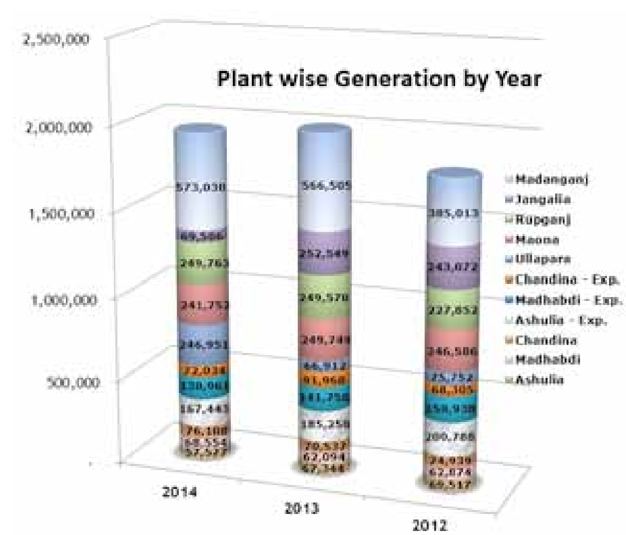
(Source: http://www.bpdb.gov.bd)

Apart from sector potential to expand, other business opportunities are also available in power generation, distribution and transmission areas. Some of such benefits are as follows -

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

BUSINESS ACTIVITIES INCLUDING ITS OPERATING PERFORMANCE

Summit Power Limited is the pioneer among Bangladeshi private sector power generation companies. It started power generation from 2000 and over the years, it has gained experience in project (power plant) implementation, operation and maintenance. This has given Summit Power Limited a competitive edge over others in becoming the leading Bangladeshi Company with eleven operating plants of its own and two operating plants with co-ownership. Summit Power Limited holds 17.64% of ownership of Khulna Power Company Limited (KPCL) and 30% of Summit Meghnaghat Power Company Limited. That means 153 (50 + 103) MW (approximately) has added with the portfolio of SPL's 317 MW being the total capacity of 470 MW.



Summit Power Limited is the only Company with the record of construction of HFO fired quick rental power plant within 270 days time. The Company received International Gold Award on September 28, 2011 as "The Best Fast Track" project in Asia. This is indeed a great recognition of the ability of the country in general and Summit in particular, to construct international standard medium size power

DIRECTORS REPORT

plant. Summit Narayanganj Power Limited achieved financial close by receiving a foreign currency term loan of USD 45 million from DEG - Deutsche Investitions- und EntwicklungsgesellschaftmbH and FMO – Nederlandse Financierings – MaatschappijVoorOntwikkelingslanden N.V.

Summit Power Limited and its subsidiaries at present operate 11 power plants including two in development phase. The generation capacity of these power plants is 317 MW (approximately). In 2014, all these power plants were made available to the extent required as per the Power Purchase Agreement (PPA), indicating excellent operational performance of your Company. As a result, this year these plants could deliver electrical energy to the national grid totaling to 1,953,679 million Kwh.

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

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

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

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

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

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

Summit Power Limited has always used brand new highly efficient engines and other auxiliaries of best international standard. The aim is to spend bare minimum fuel for generation of electricity and save costly fuel of the country. The new and quality machine allows Summit Power Limited to maintain its guaranteed contractual availability and Heat Rate (fuel consumption for generation of one unit of electricity) ensuring efficient use of fuel and gas. SPL follows an Integrated Management System (IMS) to maintain all of its power plants, which includes - ISO 9001 : 2008 – Quality Management System (QMS), ISO 14001 : 2004 – Environmental Management System (EMS), 18001 : 2007 – Occupational Health & Safety Management System (BS OHSAS). In implementing the Integrated Management System the Company has adopted the Quality Policies, Environmental Policies and Occupational Health Protection and Safety Policies which have been presented in **Annexure - 6**.

After introduction of IMS, Bureau Veritas (a global leader in Testing, Inspection and Certification (TIC) with innovative solutions that go beyond simple compliance with regulations and standards, reducing risk, improving performance and promoting sustainable development) audited the management system of the company. SPL successfully passed the inspections thus received the certificate of accreditation for all three standards e.g. ISO 9001:2008, ISO 14001:2004 & ISO 18001:2007.

FINANCIAL RESULTS AND PERFORMANCE OF THE COMPANY

Consolidated Financial Result and the comparison with the last year is given below:

Summit Power Limited (Consolidated)

Particulars	2014 (In Million Taka)	2013 (In Million Taka)
Revenue	6,110	6,192
Cost of sales	(2,552)	(2,374)
Gross profit	3,557	3,818
Other income, net	167	87
General and administrative expenses	566	593
Operating profit	3,157	3,312
Finance costs, net	(317)	(482)
Net profit before income tax	2,840	2,830
Income tax	-	-
Net profit after income tax	2,840	2,830

The company could successfully maintain its net profit with slight increase. The reduced finance cost, general and administrative expenses and increased other income aided the profit to remain consistent. Although some plants made more revenue than previous year, due to major maintenance work in rest of the plants caused decline in overall revenue. However, these maintenance works increase the efficiencies for those in the years to come.

PROFIT APPROPRIATION

During the year 2014, your Company's net profit amounted to Tk. 2,220 million (excluding minority interest) as compared to Tk. 2,185 million in the year 2013. However, the Company needs availability of adequate funds for uninterrupted progress of the projects as well as for future growth. Keeping this view, the Directors would like to report the Company's financial results for the year that ended on 31st December 2014 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka	
Net profit for the year	2,220	
Profit brought forward	5,815	
Profit available for appropriation		6,037
Appropriations:		
Proposed stock dividend	(394)	
Proposed cash dividend	(787)	
Total appropriation for the year		(1,181)
Transferred to retained earning		4,856

EXTRA-ORDINARY GAIN OR LOSS

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

DIRECTORS REPORT

RELATED PARTY TRANSACTION

The related party transactions carried out by the Company on a commercial basis during the year have been disclosed in the Notes - 46 to the financial statements.

Utilization of proceeds from public issues, rights issues and/or through any other instrument

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

Significant variance between Quarterly and Annual Financial Statements

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

DIVIDEND

Your Board recommends 10% cash dividend and 5% stock dividend for the year 2014 as bonus share i.e. 5 (five) shares of Tk. 10 each for 100 (one hundred) shares held on the record date, subject to approval by the shareholders at the 18th Annual General Meeting.

BUSINESS RISK & UNCERTAINTIES

Financial risk management:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the company. 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. The company has exposures to the following risks from its use of financial instruments:

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 company’s receivable from customers and investment securities. The company’s sales are made to Government entity, Bangladesh Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB) under the conditions of the long term Power Purchase Agreement (PPA). Sales made to the entity are fully secured by Letters of Credit issued by local scheduled banks, except for plants of all the subsidiaries.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 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 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 expected to be financed from operational cash flow.

Market risk

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

Currency risk

The Company 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 has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 31 December 2014.

Interest rate risk

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

Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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.

DIRECTORS' ELECTION & RE-APPOINTMENT

As per Article 23(a) of the Articles of Association Mr. Md. Latif Khan, Mr. Jafer Ummeed Khan, Ms. Ayesha Aziz Khan, Mr. Faisal Karim Khan shall retire in the 18th Annual General Meeting by rotation and being eligible, offer themselves for re-election.

Your Board in its Board Meeting held on 26th October 2014 appointed Mr. Mustafizur Rahman Khan as an Independent Director of the Board. He is a Barrister-at-Law and an Advocate enrolled with Bangladesh Bar Council, and a Member of the Supreme Court Bar Association of Bangladesh and Dhaka Bar Association. He has 17 years of professional experience in the areas of Constitutional and Administrative Law and Commercial and Corporate Law, appearing in the Supreme Court of Bangladesh in judicial review applications (writ petitions) and company matters, advising banks and corporations, domestic and international arbitration including appearing before arbitral tribunals in Bangladesh and abroad under the auspices of the International Court of Arbitration of the International Chamber of Commerce (ICC) and the International Centre for Settlement of Investment Disputes (ICSID). He will also retire in the 18th Annual General Meeting and being eligible, offers himself for re-election.

DIRECTORS MEETING & ATTENDANCE

During the year ended December 31, 2014, the Board of Directors held 06 (six) meetings. Directors who attended the Board meetings are shown below:

Sl. #	Name of Directors	Attended
1.	Mr. Muhammed Aziz Khan	6
2.	Mrs. Anjuman Aziz Khan	5
3.	Mr. Muhammad Farid Khan	3
4.	Ms. Ayesha Aziz Khan	5
5.	Mr. Jafer Ummeed Khan	6
6.	Mr. Md. Latif Khan	6
7.	Mr. Faisal Karim Khan	5
8.	Mr. Helal Uddin Ahmed	4
9.	Mr. Abbas Uddin Ahmed	5
10.	Mr. Syed Fazlul Haque FCA	6
11.	Mr. Ziaul Hasan Siddiqui	3
12.	Mr. Mustafizur Rahman Khan	2
13.	Lt Gen (Retd) Abdul Wadud	6

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

DIRECTORS' RESPONSIBILITIES /REPORTING FRAMEWORK

The law requires that the financial statements of your Company would

DIRECTORS REPORT

follow International Financial Reporting Standards (IFRS) as adopted by ICAB as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). This has been completely followed to fairly present the financial position and performance of the Company. While preparing the financial statements, the following points were considered –

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

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

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

a. The financial statement prepared by the management of your Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;

b. Proper books of accounts of your Company have been maintained;

c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;

d. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;

e. The system of internal control is well structured and has been effectively implemented and monitored;

f. There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;

g. Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results & profit appropriation;

h. Key operating and financial data has been summarized for the preceding five years;

i. Significant plans and decisions, such as corporate restructuring, business expansion and discontinuation of operations as appropriate, future prospects, risks and uncertainties surrounding

the Company has been outlined under the related captions of this report;

j. The number of Board meetings held during the year and attendance of each director has been disclosed;

k. The pattern of shareholding has been reported in **Annexure - 3** to disclose the aggregate number of shares.

REMUNERATION OF DIRECTORS

Remuneration, performance and other related perquisites/benefits of Executive Directors are reviewed annually and approved by the Chairman as disclosed in Notes - 33.1 to the financial statements. Non-Executive Directors including Independent Directors are paid only attendance fee per meeting.

AUDIT COMMITTEE

The Company has an audit committee with an established charter. The audit committee has met 04 (four) times this year and the committee members' attendance record is disclosed below:

Name	Status	Attended
Mr. Abbas Uddin Ahmed	Chair	3
Lt Gen (Retd) Abdul Wadud	Member	4
Mr. Syed Fazlul Haque FCA	Member	4

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

AUDITORS

Pursuant to SEC Order No. SEC/CMRRCD/2009-193/104/Admin dated 27th July 2011 present auditors Hoda Vasi Chowdhury & Co, Chartered Accountants, will retire after completing consecutive 3 years of service as Statutory Auditors of the Company; they will not be eligible for re-appointment in the ensuing 18th AGM. Your Board therefore, in its meeting held on 30 April 2015, resolved to recommend Rahman Rahman Huq, Chartered Accountants for appointment as new Statutory Auditors of the Company for the year 2015 subject to approval of the Shareholders in the Annual General Meeting.

CORPORATE GOVERNANCE

Corporate Governance is the system through which companies are directed, guided and controlled by the Board while keeping in view its accountability to the shareholders. Your Company strives to maintain full compliance with the laws, rules and regulations that govern our business and to uphold the highest standards. The company has adopted "Code of Conduct & Ethics" and "Code of Corporate Governance" in 2011. Since corporate governance is not a static process, we will always continue to improve our practices. The formation of an Audit Committee, Executive Committee, Technical Committee, Purchase Committee, Operation & Maintenance Committee and Remuneration Committee, which may be seen in **Annexure - 4** of the Annual Report, are steps in this process. From 2011 your Company started implementing Integrated Management System (IMS) to make it compliant to ISO 9001: 2008 – Quality Management System (QMS), ISO 14001: 2004 – Environmental Management System (EMS), ISO 18001: 2007 – Occupational Health & Safety (OH&S) and finally the Company has achieved it. A separate chapter on corporate governance has also been reported.

GOING CONCERN / SUSTAINABILITY

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

HUMAN RESOURCES MANAGEMENT

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

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

STATUS OF COMPLIANCE

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

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While

DIRECTORS REPORT

preparing the financial statements, Summit Power Limited complies all the applicable of IAS and IFRS as adopted by ICAB. The detail disclosure is shown in **Annexure – 5**.

CONTRIBUTION TO THE NATIONAL EXCHEQUER & THE ECONOMY

Electricity is one of the main driving forces of the economy and it has diversified use and multiplier effect on the economy. Significantly in the development of industrialization, electricity as fuel has no alternative. This year your Company added 1,953 million Kwh of electricity to the national grid. This addition has contributed significantly in enhancing industrial productions and providing more job opportunities throughout the country. As a shareholder, you can be proud of your Company's contribution to Bangladesh. The Company is now set to increase and enhance its contribution to national economy in the years to come.

Your Company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 5 to 15 years from start of its commercial operation. Such exemption will expire in February 2016 for Summit Power Limited, June 2024 for Summit Purbanchol Power Company Limited, and March 2024 for Summit Uttaranchol Power Company Limited. While Summit Narayanganj Power Limited is exempted from tax for a period of 5 years from the start of its commercial operation dated on 1 April 2011. Conversely, it has contributed a significant amount to the national exchequer in the form of other different duties, taxes and VAT, while importing spare parts for the power plant maintenance work and at investment in capital and money market. The estimated amount of contribution was of Taka 287 million in 2014.

CORPORATE SOCIAL RESPONSIBILITY

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

SEID TRUST

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

SUMMIT PROFESSIONAL AND AMATEUR CUP GOLF TOURNAMENT

Summit Group has been organizing Golf Tournaments every year for the past 13 years to promote professional golfers of Bangladesh. Through this tournament, Summit Group provides a platform for the professional golfers to enhance their skills and expose their talents at national and international levels. You will be pleased to know that your company is one of the early supporters of Mr. Siddiqur Rahman who is now an international golfer with a global repute.

SHILPANGAN TRUST

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

PROYASH

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

FRIENDSHIP SUMMIT ENERGY PROJECT (FSEP)

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

SIRAJ KHALEDA MEMORIAL HOSPITAL IN DHAKA CANTONMENT

Siraj Khaleda Trust is a fund set up by Summit Group. This Trust has funded the construction of a 200 bed civil hospital at a cost of Tk 12 crore in two phases on the land provided by Cantonment board. The hospital was inaugurated on 13 May, 2012 and it provides high quality medical care and facilities to distressed and underprivileged people. The Trust also provides educational and rehabilitation support to the economically disadvantaged people of Bangladesh.

OTHERS

Summit Power Limited is also involved with the Prothom Alo Trust Board, which is involved in many social activities like sponsoring books to community schools and colleges and plantation programs for the people of the community. Your company has also been continuing financial support to meritorious students of the underprivileged community of Bangladesh. Your Company supports the development of higher studies by Bangladeshi students both at home and abroad. It also made donation to different mosques and many other community events and institutions as well. Your Company also gives high priority to protecting the environment and our humble efforts in this regard include large number of sapling plantation in the Company's power plants and neighboring places. Each of the power plants goes through rigorous Environmental and Social Impact Assessments.

DIRECTORS REPORT

Your company perceives the importance of conservation of Environment for Sustainability. Summit considers biodiversity for entailment of protecting plant and animal species and ecosystems. This is an essential component of our health, safety and environmental commitments. We address biodiversity conservation during the planning and development of major projects by conducting environmental impact assessments, collecting key environmental data and implementing mitigation and monitoring programs to reduce impacts. We also consider the issues like - Waste Management, Water Management, Oil Spillage, Emission to Air and Discharge into Water etc. Companies sustain if the stakeholders sustain, stakeholders sustain if the society sustains. On top of that we sustain if the nature – the mother earth sustains.

Our state-of-the-art power plants comply not only with Bangladesh's Department of Environment's standards but also with Multilateral and the World Bank's guidelines. Thus these plants emit relatively less pollutants to the environment. Summit Power Limited also contributed funds to the Directorate of Environment for their campaign in World Environment Day 2014. As a part of its management system your Company makes every effort to maintain its ISO 14001:2004 – Environmental Management System (EMS) requirements.

ACKNOWLEDGEMENT

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

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

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

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

On behalf of the Board

Lt Gen (Retd) Abdul Wadud
Managing Director
Dhaka, 30 April 2015.

SHAREHOLDING INFORMATION

The Pattern of Shareholding as on December 31, 2014.

Categories of Shareholder	No of Shareholder	No of shares held
Sponsors:		
Summit Industrial & Mercantile Corporation (Pvt.) Ltd.	1	421,235,664
Euro Hub Investments Limited	1	34,986,637
Dr. Mirza Khairuzzaman	1	750
Advocate Imtiaz Mahmood	1	4,730
Mr. Mainul Abedin	1	9,834
Mr. A.N.M. Tariqur Rashid	1	5,295
Mr. Azharul Haque	1	4,730
Directors, CEO, Company Secretary, CFO	Nil	Nil
Head of Internal Audit and their spouses	Nil	Nil
Executives (Top 05 persons other than CEO,CFO,CS,HIA)	Nil	Nil
Shareholders holding 10% or more voting rights :		
Summit Industrial & Mercantile Corporation (Pvt.) Ltd.	1	421,235,664

COMMUNICATIONS WITH **SHAREHOLDERS**

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

Information Disclosure

The Company follows these main forms of information disclosure:		
Continuous Disclosure – which is its core disclosure and primary method of informing the market and shareholders.	**Periodic Disclosure –** in the form of quarterly and yearly reporting of financial results and other issues	**Event based disclosure –** as per requirement of administrative and corporate developments, usually in the form of press releases.

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

Direct Communication

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

General Meeting

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

Website

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

Shareholders' Queries

If shareholders have any queries relating to their shareholding, they may contact the Company Secretary of the Company, Mr. Mahmud Hasan by calling at + (880) 2 – 9137485-6 or mail to mahmud.hasan@summitpowerltd.com

HONORABLE **CUSTOMERS**

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

The Patrons

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

The Rural Electrification Board of Bangladesh has been providing service to rural consumers of the country for over 38 years. Since its inception, the purpose of the program has been to use electricity as a means of creating opportunities for improving agricultural production and enhancing socio-economic development in rural areas, whereby there would be improvements in the standard of living and quality of life for the rural people. Today there are 72 operating rural electric cooperatives called Palli Bidyuit Samity (PBS), which bring service to approximately 1,06,81,964 new connection being made and more than 2,70,236 kms of line has been constructed. (www.reb.gov.bd)

MILESTONE

1997- 2000

March 30, 1997
Incorporation of the company

February 10, 2000
Signing of Project Agreements with REB & GOB

2001

February 08, 2001
Commercial operation at Savar

April 01, 2001
Commercial operation at Narshingdi

June 02, 2001
Commercial operation at Comilla

2004

June 07, 2004
Conversion from private to public limited company

2005

January 13, 2005
Appointment of Issue Manager

March 29, 2005
Credit Rating by CRISL

June 19, 2005
Agreement with CDBL

June 25, 2005
Approval of Prospectus from Securities & Exchange Commission

June 28, 2005
Signing of Project Agreements for expansion at Madhabdi and Comilla with REB & GOB

June 28, 2005
Publication of Prospectus

August 27, 2005
Subscription opens for public

October 03, 2005
Allotment of IPO shares

October 23, 2005
Listing with Chittagong Stock Exchange Limited

November 10, 2005
Listing with Dhaka Stock Exchange Limited

November 15, 2005
First Trading in Stock Exchanges

2006

March 20, 2006
Signing of Project Agreements for expansion at Ashulia, Savar with REB & GOB

November 15, 2006
Commercial operation at Comilla expansion project

December 16, 2006
Commercial operation at Madhabdi expansion project

2007

August 15, 2007
Incorporation of Summit Purbanchal Power Company Limited
(99% subsidiary of Summit Power Limited)

August 15, 2007
Incorporation of Summit Uttaranchol Power Company Limited (99% subsidiary of Summit Power Limited)

September 29, 2007
Increase the Authorized Share Capital of the company (SPL) through EGM For issuance of Rights Share at the ratio of 5:4

October 11, 2007
Signing of Project Agreements with REB, BPDB & GOB to Implement total 110MW power plants (04 nos) through its two Subsidiary Companies.

December 04, 2007
Commercial Operaion at Ashulua expansion project

2008

January 29, 2008
Approval for issuance of Rights Share

March 09, 2008
Subscription opens for Rights Share

April 21, 2008
Allotment of Rights Share

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

2009

March 02, 2009
Commercial operation at Ullapara, Sirajgonj

May 11, 2009
Commercial operation at Maona, Gazipur

June 09, 2009
Commercial operation at Rupganj, Narayanganj

June 24, 2009
Commercial operation at Jangalia, Comilla

2010

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

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

2011

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

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

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

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

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

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

2012

January 12, 2012:

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

June 25, 2012:

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

October 08, 2012:

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

October 11, 2012:

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

December 26, 2012:

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

2013

November 12, 2013:

Best Power Generation Company Award 2013 in Private Sector Power Generation

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

December 24, 2013:

13th ICAB National Award for Best Presented Annual Reports 2012

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

April 28, 2014:

ICMAB Best Corporate Award 2013

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

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

2014

July 01, 2014:

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

December 02, 2014:

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

December 04, 2014:

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

December 11, 2014:

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

2015

January 20, 2015:

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

February 18, 2015:

Global CSR Excellence & Leadership Award

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

SUMMIT IN THE **POWER SECTOR** OF BANGLADESH

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


AEG

MANAGEMENT TEAM

From left:

Mr. Md. Nazmul Hasan, Deputy General Manager (Store & Training)
Mr. A.K.M Asadul Alam Siddique, General Manager (O&M)
Mr. Md. Anisur Rahman, General Manager (SCT & Dev.)
Mr. Abdus Sobhan, Senior General Manager (O&M)
Lt Gen (Retd) Abdul Wadud, Managing Director
Mr. Muhammed Aziz Khan, Chairman
Mr. Md. Latif Khan, Vice-Chairman
Ms. Ayesha Aziz Khan, Director (Finance)
Mr. Md. Mozammel Hossain, Deputy Managing Director
Mr. Mahmud Hasan, FCMA, Financial Controller & Company Secretary
Mr. Solaiman Patwary, Senior General Manager (O&M)
Mr. Swapon Kumar Pal ACA, Deputy Financial Controller
Mr. Md. Nazrul Islam Khan, Deputy General Manager (E&I)
Mr. Abdul Hakim, Manager (Development)
Mr. Tauhidul Islam, Managing Director (Summit Barisal Power Limited)

INTRODUCTION OF THE **SENIOR EXECUTIVES**

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

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

Md. Abdus Sobhan
Senior General Manager (Operation & Maintenance)

Mahmud Hasan FCMA
Financial Controller & Company Secretary

A.K.M. Asadul Alam Siddique
General Manager (Operation & Maintenance)

Engr. Md. Anisur Rahman
General Manager (SCT & Development)

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

Md. Nazrul Islam Khan
Deputy General Manager (Electrical & Instrumentation)

Swapon Kumar Pal ACA
Deputy Financial Controller

MD. MOZAMMEL HOSSAIN

Deputy Managing Director (SPL) & Managing Director (SPPCL)

Md. Mozammel Hossain is the Deputy Managing Director of Summit Power Limited and also Managing Director of Summit Purbanchol Power Company Limited, has about 35 (thirty five) years of experience in the power sector. He had obtained degree in Electrical Engineering from Rajshahi Engineering College now named as Rajshahi University of Engineering & Technology (RUET). Mr. Hossain started his professional career in Bangladesh Power Development Board in 1976 and worked mostly in Power Generation and Transmission Projects holding different position. He left BPDB in 2011 and joined Power Grid Company of Bangladesh Ltd. (PGCB) as Deputy General Manager and elevated upto the position of Director, Technical. He took voluntary retirement from PGCB in August 2011 and joined the group to continue his professional career. Mr. Hossain has obtained various training in foreign countries as well as in local institutes and has visited a number of countries. Mr. Hossain obtained Power Development Board Merit Award for the Year of 1982 and obtained an Annual Performance Recognition Award of Asian Development Bank in 2008.

MD. SOLAIMAN PATWARY

Senior General Manager (Operation & Maintenance)

Mr. Patwary started his career as Junior Engineer in a foreign Ship. Prior to joining Summit in the year 2000 Mr. Patwary has got 21 years professional experience as 5th Engineer, 4th Engineer, 3rd Engineer, 2nd Engineer and as Chief Engineer (12 years) in foreign flag vessel since 1979. He obtained certificate of competency of Class–1(motor), Marine Engineer (U.K). Mr. Patwary did his class-2 Marine Engineering from Singapore and class 1 Marine Engineering degree from England. He attended various training, workshops and seminars at both home and abroad.

MD. ABDUS SOBHAN

Senior General Manager (Operation & Maintenance)

Mr. Sobhan is an Electrical Engineer, graduated from BUET in 1977 and secured 1st Class. He did his MBA in Finance & Banking as well. He is a member of The Institution of Engineers, Bangladesh. Before joining Summit in 2000 Mr. Sobhan accumulated 22 years of experience in different Govt., Semi Govt. and Private Organizations at home & abroad. In 1977, he started his career from Khulna Engineering College as a Lecturer in Electrical Engineering department. He had 18 years of experience in 450MW Steam, Gas Turbine Power Plants and Seawater Desalination Plants in the Secretariat of Electricity under the Govt. of Libya. He received on job training from both home & abroad. During last 12 years of service in SPL Mr. Sobhan has actively participated in different areas of power sector such as operation and maintenance of power plants and power plant project planning and development works.

MAHMUD HASAN FCMA

Financial Controller & Company Secretary

Mr. Mahmud is the Financial Controller & Company Secretary and joined Summit in June 2007. Mr. Mahmud is a qualified Cost & Management Accountant and obtained his Masters of Commerce in Accounting under National University and secured First Class. He is a fellow member of the Institute of Cost & Management Accountants of Bangladesh (ICMAB). He has 21 years of professional experience. Prior to joining Summit, Mr. Mahmud held various important positions in various organizations namely BRAC, ActionAid Bangladesh, Intertek Testing Service (Bangladesh) Limited, West Zone Power Distribution Company Ltd. etc.

A.K.M. ASADUL ALAM SIDDIQUE

General Manager (Operation & Maintenance)

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

INTRODUCTION OF THE **SENIOR EXECUTIVES**

ENGR. MD. ANISUR RAHMAN

General Manager (SCT & Development)

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

MD. NAZMUL HASAN

Deputy General Manager (Stores & Training)

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

MD. NAZRUL ISLAM KHAN

Deputy General Manager (Electrical & Instrumentation)

Mr. Md. Nazrul Islam Khan is an Electrical Engineer graduated from BUET in the year 1975. He is a life fellow of Institute of Engineers, Bangladesh. Prior to joining Summit in the 2007 Mr. Md. Nazrul Islam Khan accumulated 34 years of professional experience in different Govt., Semi Govt. and Private Organization in home and abroad. He participated in various training and seminar in home and abroad.

SWAPON KUMAR PAL ACA

Deputy Financial Controller

Mr. Swapon Kumar Pal is the Deputy Financial Controller and joined Summit in September 2009. Mr. Swapon is a qualified Chartered Accountant under the Institute of Chartered Accountants of Bangladesh (ICAB) and obtained his MBA and BBA degrees in Accounting & Information Systems (AIS) from business faculty of University of Dhaka. He has 9 years of professional experience. Prior to joining Summit, Mr. Swapon completed his article-ship on Chartered Accountancy from Rahman Rahman Huq (the only member firm of KPMG International in Bangladesh). Before promoting to the current position, Mr. Swapon initially worked as Manager, Internal Audit and then Assistant General Manager, Internal Audit in Summit Power Limited and its subsidiaries.

PLANT MANAGERS & IN-CHARGES

From left:

Mr. Md. Faridul Islam, MADANGANJ POWER PLANT; Mr. Md. Anisur Rahman, JANGALIA POWER PLANT; Mr. Md. Abu Hanif, MAONA POWER PLANT
Mr. Santosh Barai, ULLAPARA POWER PLANT; Mr. Bishwajit Shaha, MADHABDI POWER PLANT; Mr. Moahmmed Shameem, CHANDINA POWER PLANT
Mr. Hafiz Al Atick, NARAYANGANJ POWER PLANT UNIT II; Mr. Md. Anwarul Iqbal Sheikh, RUPGANJ POWER PLANT
Mr. Md. Anisur Rahman, ASHULIA POWER PLANT; Mr. S. M. Ali Ahsan, BARISAL POWER PLANT

MANAGEMENT **REVIEW** AND **RESPONSIBILITIES**

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

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

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

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

VARIOUS **COMMITTEES**

Audit Committee	
Mr. Abbas Uddin Ahmed, Independent Director	-Chairman
Mr. Lt Gen (Retd) Abdul Wadud, Managing Director	-Member
Mr. Syed Fazlul Haque FCA, Director	-Member
Mr. Mahmud Hasan FCMA, Financial Controller	-Secretary
Executive Committee	
Mr. Md. Latif Khan, Vice Chairman	-Chairman
Mr. Lt Gen (Retd) Abdul Wadud, Managing Director	-Member
Ms. Ayesha Aziz Khan, Director (Finance)	-Member
Mr. Faisal Karim Khan, Director (Operation)	-Member
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Member
Mr. Mahmud Hasan FCMA, Financial Controller	-Member
Purchase Committee	
Mr. Md. Latif Khan, Vice Chairman	–Chairman
Mr. Lt Gen (Retd) Abdul Wadud, Managing Director	-Member
Mr. Faisal Karim Khan, Director (Operation)	-Member
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Member
Mr. Mahmud Hasan FCMA, Financial Controller	-Member
Technical Committee	
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Chairman
Mr. Solaiman Patwary, Senior General Manager (O&M)	-Member
Mr. Abdus Sobhan, Senior General Manager (O&M)	-Member
Mr. A.K.M. Asadul Alam Siddique, General Manager (O&M) -	-Member
Mr. Md. Nazmul Hasan, Deputy General Manager (S&T)	-Member
Operation & Maintenance Committee	
Mr. Faisal Karim Khan, Director (Operation)	-Chairman
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Member
Mr. Solaiman Patwary, Senior General Manager (O&M)	-Member
Mr. Abdus Sobhan, Senior General Manager (O&M)	-Member
Mr. Md. Nazmul Hasan, Deputy General Manager (S&T)	-Member
Plant In-charges	-Member
Remuneration Committee	
Mr. Lt Gen (Retd) Abdul Wadud, Managing Director	-Chairman
Mr. Md. Mozammel Hossain, Deputy Managing Director	-Member
Mr. Solaiman Patwary, Senior General Manager (O&M)	-Member
Mr. Abdus Sobhan, Senior General Manager (O&M)	-Member

Note:
1. S&T - Standard Training
2. O&M – Operation and Maintenance

OUR **MANAGEMENT SYSTEM**

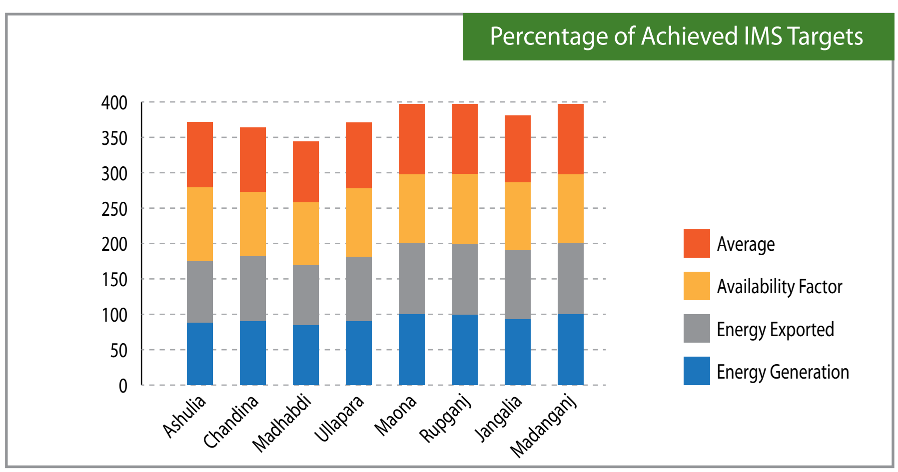
To materialize the company mission, it requires an Integrated Management System (IMS) that combined all the internal management practices into one system but not as a separate components. Vice versa, for these systems to be an integral part of our management system there have to be linkages so that the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

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

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

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

The graph shows the percentages of Summit's performance in three significant IMS targets/ areas along with the overall averages. The three Key Performance Indicators (KPI) are Energy Generation, Energy Exported and Availability Factor. The best performers in these KPIs are Maona, Rupganj and Madanganj power plants as they scored 99%.



Note:

Integrated Management System requires the compliance of the requirements of –

- ISO 9001: 2008 - Quality Management System,
- ISO 14001: 2004 - Environmental Management System and
- OSHAS 18001: 2007 - Occupational Health and Safety Management System.

BUSINESS REVIEW - 2014

Summit Power Limited and its subsidiaries at present operate 11 power plants. The Generation Capacity of these power plants is 317 MW (approximately). In 2014, Summit Power Limited acquired 30% of the ownership of Summit Meghnaghat Power Company Limited. That means 153 (50 + 103) MW (approximately) has been added with that of SPL's existing 317 MW capacity, thus resulting in total capacity of 470 MW. All these power plants were made available to the extent required as per the Power Purchase Agreement (PPA), indicating excellent operational performance of the Company. As a result these plants could deliver approximately 1954 million Kwh to the national grid.

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

- Ullapara, Chandina and Madanganj Power Plants performed quite better in terms of Energy Export in 2014
- Most of the plants achieved the targeted availability factor, notably – Maona, Rupganj and Jangalia Power Plants.
- Work is underway to implement two new power plants which would increase total generation capacity by 165 MW.
- The company managed to maintain its profitability and even achieved a small increase in its net profit figure.
- Plant wise revenue generation went up this year – Chandina, Rupganj, Maona and Ullapara.
- Of these power plants, the gas consumed by Jangalia and Maona actually went down despite them generating higher revenue, indicating greater operational efficiency on their part.
- Other income of the Company went up during the year especially due to increase in the dividend income from KPCL and others.

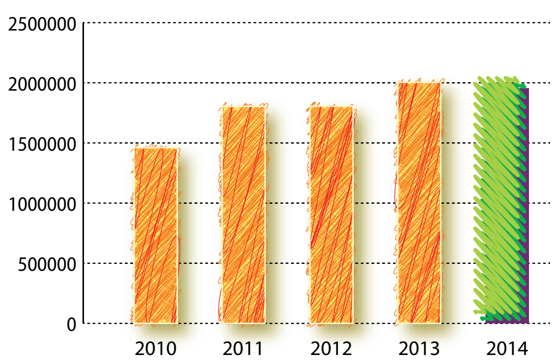
The net profit margin has improved due to decrease in financial costs and fall in general and administrative expenses. Capital and assets of the Company have increased quite considerably while total liabilities have declined due to significant decline in noncurrent liabilities.

PRODUCT **SEGMENTATION**/ **REVIEW** OF OUR POWER PLANTS

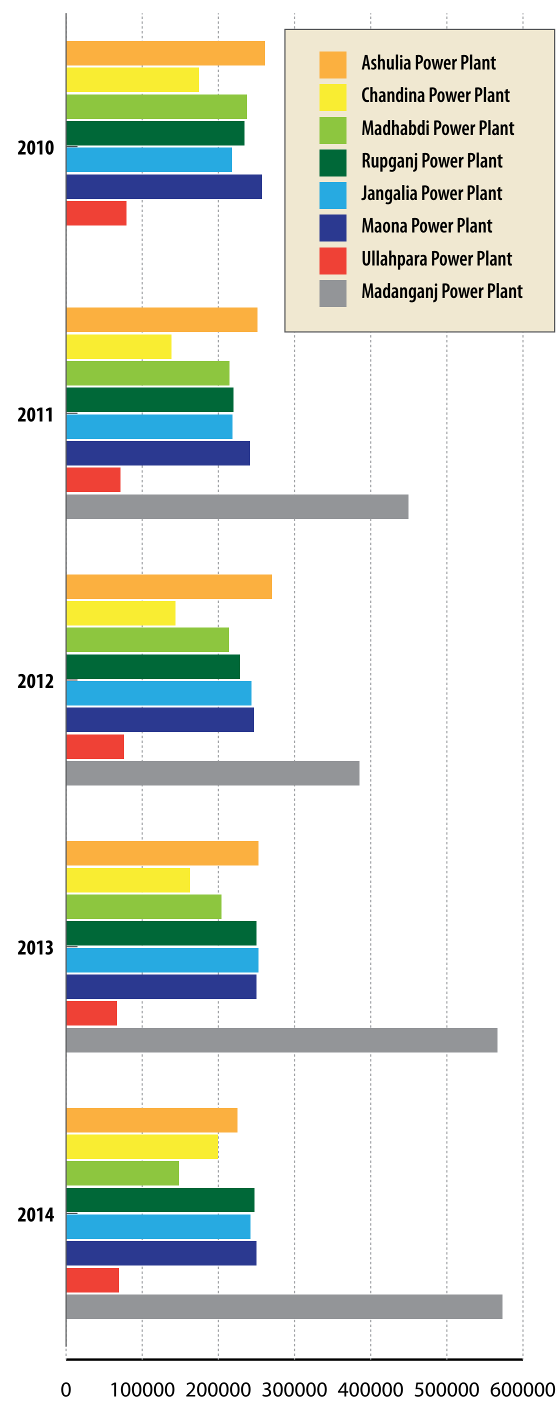
Summit Power Limited along with its subsidiaries –

Made an investment of Tk. 27,500 million up to 2014 and earned a revenue of Tk. 610 crore by generating 1,953,679 MWH of Electricity for the year 2014.

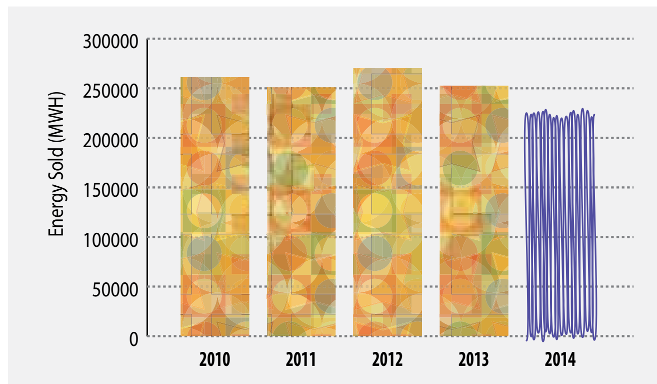
Overall Energy Sold (MWH)



Plant wise Performance

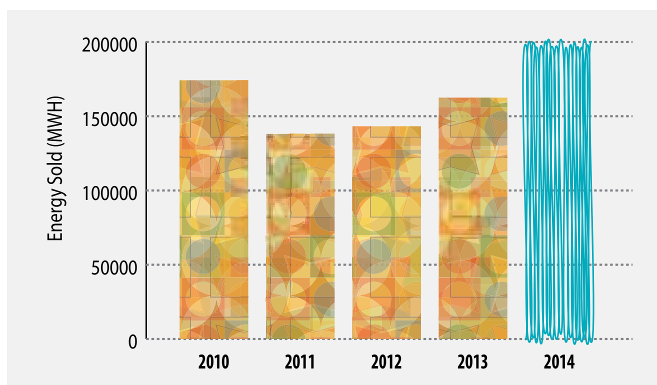


Ashulia
Power Plant
44.75 MW

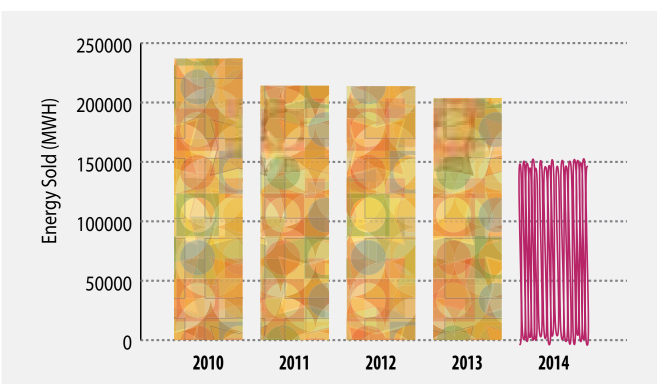


PRODUCT **SEGMENTATION**/ **REVIEW** OF OUR POWER PLANTS

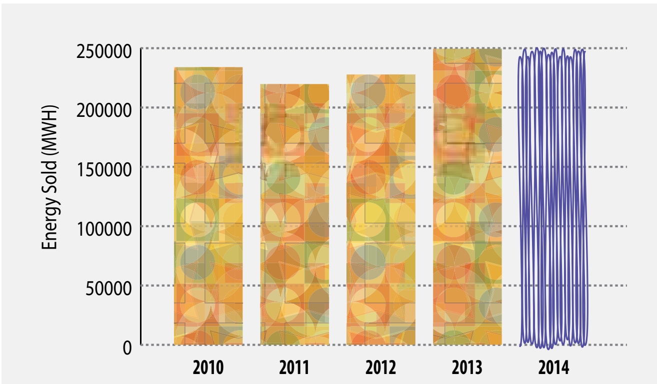
Chandina
Power Plant
24.5 MW



Madhabdi
Power Plant
35.3 MW



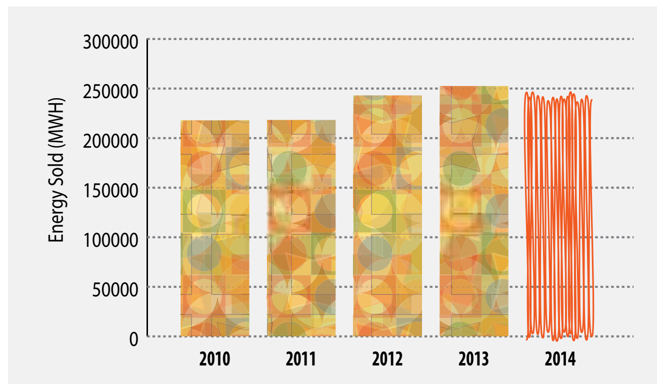
PRODUCT SEGMENTATION/ REVIEW OF OUR POWER PLANTS



Rupganj
Power Plant

33 MW

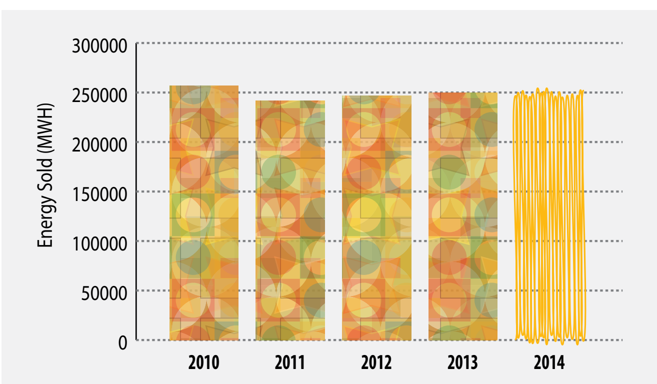
Jangalia
Power Plant
33 MW



PRODUCT **SEGMENTATION**/ **REVIEW** OF OUR POWER PLANTS

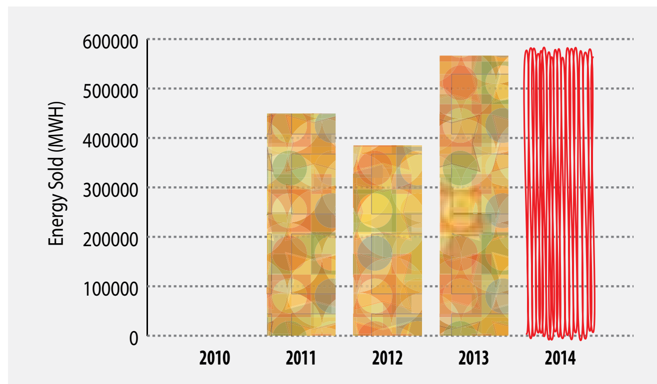
Maona
Power Plant

33 MW



Ullahpara
Power Plant
11 MW

PRODUCT **SEGMENTATION**/ **REVIEW** OF OUR POWER PLANTS



Madanganj
Power Plant
102 MW

FINANCIAL HIGHLIGHTS 2014

	2014	2013	2012	2011	2010
OPERATING DATA					
(Taka in million)					
Turnover	6,109.04	6,191.92	5,892.63	4,757.21	3,601.67
Cost of Sales	2,552.59	2,373.94	2,268.69	1,929.60	1,678.83
Gross Profit	3,556.46	3,817.98	3,623.94	2,827.61	1,922.84
General & Admin Expenses	565.77	592.57	506.81	366.46	267.88
Operating Profit	3,157.23	3,311.93	3,128.71	3,295.09	1,663.73
Interest & Financial Charges	415.98	529.83	698.93	407.85	642.98
Net Profit Attributable to Owners	2,220.00	2,184.86	1,873.47	2,511.15	1,087.52
BALANCE SHEET DATA					
(Taka in million)					
Paid up Capital	7,870.63	5,915.40	4,929.50	3,943.60	3,033.54
Shareholders' Equity	20,805.34	13,875.26	11,390.11	10,235.33	8,304.02
Total Debt (NCL)	641.84	2,887.27	4,128.89	5,988.61	2,370.16
Current Assets	6,235.49	5,151.77	5,045.02	2,939.69	2,285.23
Current Liabilities	2,641.61	2,028.68	2,326.09	2,235.02	3,832.15
Total Assets	27,563.01	22,035.18	21,230.61	20,031.29	14,566.61
Total Liabilities	3,283.45	4,915.95	6,454.98	8,223.63	6,202.31
FINANCIAL RATIOS					
Gross Profit Ratio (%)	58.22%	61.66%	61.50%	59.44%	53.39%
Net Profit Ratio (%) Attributable to Owners	36.34%	35.29%	31.79%	52.79%	30.19%
Return on Total Assets (%)	11.45%	12.84%	11.71%	12.54%	7.47%
Debt Equity Ratio	13.52%	28.71%	40.96%	66.51%	71.24%
Return on Equity (%)	13.72%	16.53%	16.83%	27.28%	17.78%
Price Earnings Ratio (Times)	11.12	9.91	16.81	14.62	45.49
Current Ratio	2.36	2.54	2.17	1.32	0.60
OTHER DATA					
Earnings Per Share (Taka)	3.26	3.69	3.17	5.09	3.96
Dividend (%)	C-10, B-5	B-15	B-20	B-25	B-30
Total No of Shares Outstanding	787,062,643	591,540,246	492,950,205	394,360,164	303,353,973
Weighted Average no of Shares Outstanding	680,563,861	591,540,246	492,950,205	394,360,164	286,445,991
Total no of Sponsors Shares Under Lock in	456,222,301	303,852,992	253,210,827	202,568,620	69,278,803
Total no of Free Float Shares	330,840,342	287,687,254	239,739,378	191,791,544	234,075,170
ROCE	11.39	16.55	13.55	15.59	11.65
EBITDA (Taka in millions)	3,891.04	3,899.79	3,655.95	3,761.78	1,994.01

C - Cash dividend, B - Bonus/stock dividend

FINANCIAL REVIEW 2014

Summit Power Limited managed to maintain its operational efficiency despite the various macroeconomic challenges the economy underwent in 2014. As can be seen from the review below, the Company managed to reduce its financial costs and liabilities.

Revenue

- Turnover decreased slightly by 1.34% (Tk. 82.88 million) in 2014 relative to the revenue generated in the previous year.
- The reduction in revenue could be accounted to a decline in the units of electricity generated, due to additional maintenance outages at the power plants. Although this lead to revenue loss this year, in the long run, these maintenances would increase operational efficiency of the power plants thus allowing them to generate more units of electricity.

Cost of Sales

- Cost of sales in 2014 went up by 7.53%.
- The increase in gas consumption, spare parts consumption and fuel consumption in the power plants accounted for increase in the cost of sales by almost Tk. 178.65 million. However, excess fuel and spare parts consumptions were required to smoothly run the power plants.

Net Profit

- Net profit increased by 1.61% over last year on account of operational and cost efficiency and lower financial charges.
- The net profit resulted in EPS of Tk 3.26 in 2014 against restated EPS 3.21 of last year.

Total Assets

- Total assets base of the Company increased by almost 25.09% which is much higher than that of the previous year.
- The increase in total assets base by Tk. 5,527.83 million was attributed mainly for acquiring 30% holding of Summit Meghnaghat Power Company Limited, increase in trade receivables and increase of investment in associates.

Total Liabilities

- Total liabilities declined by 33.21% during the year due to timely repayment of both the foreign and local bank and other borrowings.

Shareholders' Equity

- Shareholders' equity increased by 49.95% during 2014 by an amount of Tk. 6,930.08 million.
- The increase occurred as a result of acquiring shares of Summit Meghnaghat Power Company Limited as stated earlier.
- There was also 36.23% increase in the Company's retained earnings.

Operating Profit

- The operating profit declined by 4.67% this year due to the increase in cost of sales. The increase in gas consumption, spare parts consumption and fuel consumption in the power plants accounted for this increase in the cost of sales and all these are essential for attainment of better operational efficiency.

Earnings per share (EPS)

- The EPS figure has increased by Tk 0.05 per share over last year's restated EPS.

Property, Plant and Equipment

- The property, plant and equipment declined slightly by about 1.84% on account of depreciation charge.

Net Current Assets

- The net current assets went up by 15.07% in 2014 compared to previous year.
- This increase occurred as the relative increase in current assets is significantly higher than the relative increase in current liabilities.

Long term liabilities

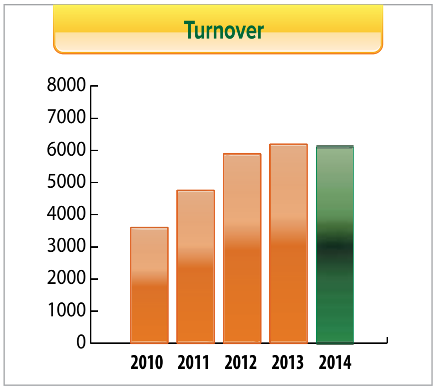
- The long term liabilities decreased by 77.77% this year.
- This significant decrease was attainable due to timely repayment of project loan, finance leases, redeemable preference shares and borrowings from SIMCL.

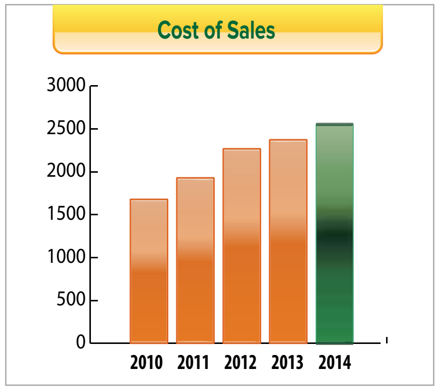
Return on Total Assets

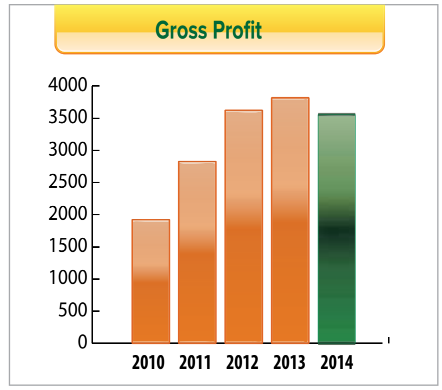
- The return on total assets declined by 10.83% in 2014 as the relative increase in the assets base was much higher than the increase in net income of the Company.

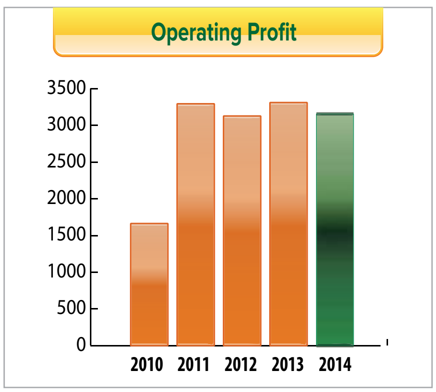
Return on Equity

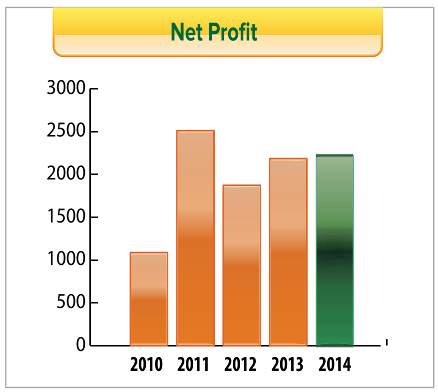
- The return on equity fell by 17% this year.
- Although both net income and shareholders' equity went up in 2014, the increase in shareholders' equity was relatively higher which resulted in the decline in the return on equity ratio.

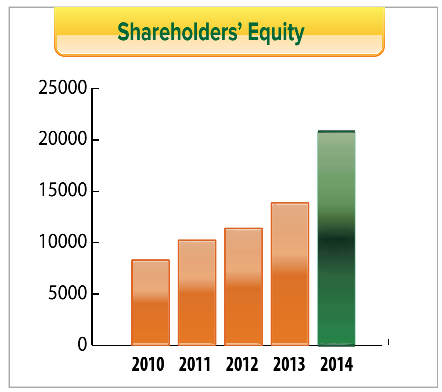

Turnover
8000
7000
6000
5000
4000
3000
2000
1000
0
2010 2011 2012 2013 2014

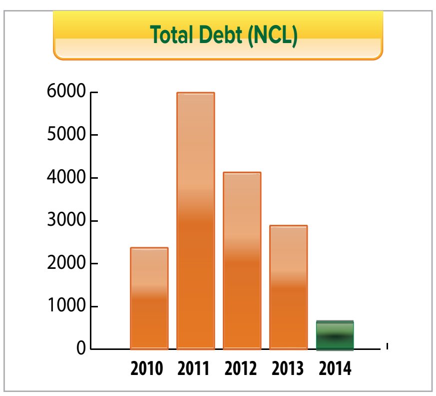

Cost of Sales
3000
2500
2000
1500
1000
500
0
2010 2011 2012 2013 2014

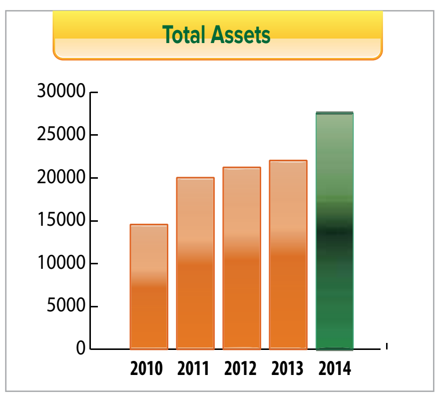

Gross Profit
4000
3500
3000
2500
2000
1500
1000
500
0
2010 2011 2012 2013 2014

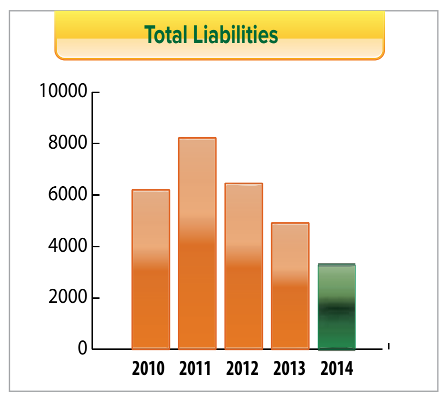

Operating Profit
3500
3000
2500
2000
1500
1000
500
0
2010 2011 2012 2013 2014

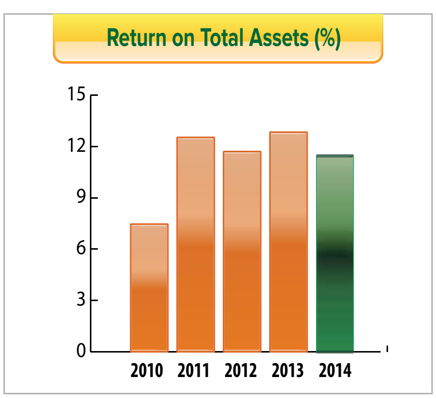

Net Profit
3000
2500
2000
1500
1000
500
0
2010 2011 2012 2013 2014

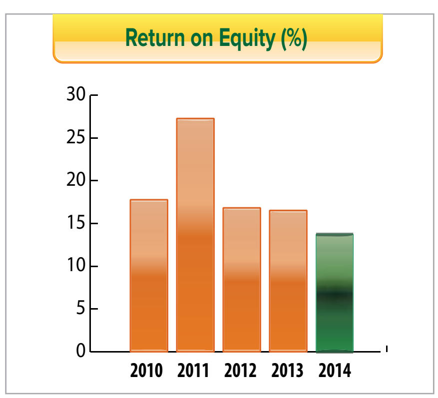

Shareholders' Equity
25000
20000
15000
10000
5000
0
2010 2011 2012 2013 2014

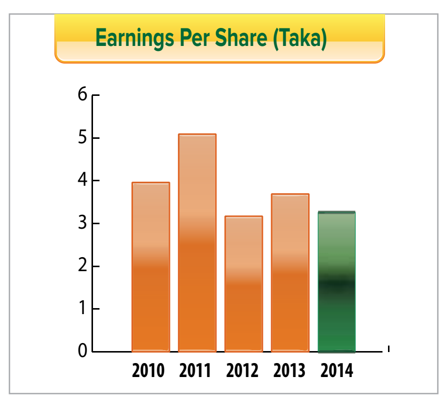

Total Debt (NCL)
6000
5000
4000
3000
2000
1000
0
2010 2011 2012 2013 2014


Total Assets
30000
25000
20000
15000
10000
5000
0
2010 2011 2012 2013 2014


Total Liabilities
10000
8000
6000
4000
2000
0
2010 2011 2012 2013 2014


Return on Total Assets (%)
15
12
9
6
3
0
2010 2011 2012 2013 2014


Return on Equity (%)
30
25
20
15
10
5
0
2010 2011 2012 2013 2014


Earnings Per Share (Taka)
6
5
4
3
2
1
0
2010 2011 2012 2013 2014

ACCOLADES AND **MEMORABLE** EVENTS

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

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

Global CSR Excellence & Leadership Award

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

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

Opening Ceremony of the Prestigious 5th Summit Open for Professional and the 19th Summit Cup Golf Tournament 2015 for Amateurs.

Major General Mizanur Rahman Khan ndc, afwc, psc, Area Commander, Logistics Area & Vice President, Kurmitola Golf Club (Centre holding festoon) was the honorable chief guest at the ceremony also attended by Mr. Md. Latif Khan, Vice Chairman (to the right of the Chief Guest) and Mr. Md. Farid Khan, Director (to the left of the Chief Guest) of Summit Power Limited, other Directors and Senior Management of Summit and Kurmitola Golf Club were among others present at the ceremony.

Prize Giving Ceremony of the Prestigious 5th Summit Open for Professional and the 19th Summit Cup Golf Tournament 2015 for Amateurs.

Major General Mizanur Rahman Khan ndc, afwc, psc, Area Commander, Logistics Area & Vice President, Kurmitola Golf Club (fourth from the left) was the honorable chief guest at the ceremony also attended by Mr. Faruk Khan MP (third from the left) and Summit Group of Companie's Chairman Mr. Muhammed Aziz Khan (fifth from the left) and Director Md. Farid Khan (sixth from the left). All the winners of the golf tournament and seniormanagement of Kurmitola Golf Club were among others present at the ceremony.

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINE (CGGC)

FOR THE YEAR ENDED 31ST DECEMBER 2014

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

(Report under Condition No. 7.00)

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1	Board of Directors			
1.1	Boards size			
	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		The SPL Board is comprised of 13 Directors including Managing Director.
1.2	Independent Directors			
(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		There are 03 (three) Independent Directors in the SPL Board.
(ii)	For the purpose of this clause 'Independent directors' means a director-			
a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company :	√		
c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	√		
d)	Who is not a member, director. or officer of any stock exchange;	√		
e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
f)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
g)	Who shall not be an independent director in more than 3 (three) listed companies;	√		
h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
(iv)	The post of independent director(s) can not remain vacant for more than 90(ninety) days.	√		
(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
(vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	√		
1.3	Qualification of Independent Director (ID)			
(i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
(ii)	"The person should be a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have a least 12(twelve) years of corporate management /professional experiences."	√		
(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			No such incidence arose

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1.4	Chairman of the Board and Chief Executive Officer			
(i)	The position of the chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	√		
1.5	Directors Report to the Shareholders			
(i)	Industry outlook and possible future developments in the industry.	√		
(ii)	Segment-wise or product-wise performance.	√		
(iii)	Risks and concerns.	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	√		
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IP0), Repeat Public Offering (RPO). Rights Offer, Direct Listing, etc.	√		No such incidence arose
(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		
(x)	Remuneration to directors including independent directors.	√		
(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
(xii)	Proper books of account of the issuer company have been maintained.	√		
(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considerer to be a going concern, the fact along with reasons thereof should be disclosed.	√		
(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		No such incidence arose
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
(xix)	If the issuer company has not declared dividend(cash or stock) for the year, the reasons thereof shall be given.	√		Company declared dividend
(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
(xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINE (CGGC)

FOR THE YEAR ENDED 31ST DECEMBER 2014

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

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee			
(i)	Oversee the financial reporting process.	√		
(ii)	Monitor choice of accounting policies and principles.	√		
(iii)	Monitor Internal Control Risk management process.	√		
(iv)	Oversee hiring and performance of external auditors.	√		
(v)	"Review along with the management, the annual financial, statements before submission to the board for approval."	√		
(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
(vii)	Review the adequacy of internal audit function.	√		
(viii)	"Review statement of significant 'related party transactions submitted by the management."	√		
(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	√		No such incidence arose
3.4	Reporting of Audit Committee			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	√		
(ii) a)	Report on conflicts of interests;	√		No such incidence arose
b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	√		No such incidence arose
c)	Suspected infringement of laws, including securities related laws, rules and regulations;:	√		No such incidence arose
d)	Any other matter which shall be disclosed to the Board of Directors immediately.	√		No such incidence arose
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	√		No such incidence arose
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
4.0	External/ Statutory Auditors			
	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			

STATUS OF **COMPLIANCE** WITH THE CORPORATE GOVERNANCE GUIDELINE (CGGC)

FOR THE YEAR ENDED 31ST DECEMBER 2014

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(i)	Appraisal or valuation services or fairness opinions.	√		
(ii)	Financial information system design and implementation	√		
(iii)	Book-keeping or other services related to the accounting records or financial statement	√		
(iv)	Broker –dealer services	√		
(v)	Actuarial services	√		
(vi)	Internal audit services	√		
(vii)	Any other services that the audit committee determines.	√		
(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
(ix)	Audit/ Certifiaction services on compliance of corporate governance as required under clause (i) of condition No. 7	√		
5.0	Subsidiary Company			
(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
(ii)	At least 1 (one) independent director of the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		
(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
(v)	The. Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary company.	√		
6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) The CEO and CFO shall certify to the Board that:-			
(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company diving the year which are fraudulent illegal or violation of the company's code of conduct.	√		
7.0	Reporting and Compliance of Corporate Governance			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required certification has been obtained from ''PODDER & ASSOCIATES", Cost & Management Accountants for the year ended 31st December 2014.
(ii)	"The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions."	√		

CERTIFICATE ON **CORPORATE GOVERNANCE**

PODDER & ASSOCIATES
Cost and Management Accountants

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

Compliance Certificate

On

CORPORATE GOVERNANCE

To the Shareholders of

SUMMIT POWER LIMITED

"**Podder & Associates**", being one of the firm of "Professional Accountants" in Bangladesh, takes the gratification to study and opine in attainment of Compliance on Corporate Governance by **Summit Power Limited** For the year ended 31st December 2014. This study is completed in accordance with the guideline set by **Bangladesh Securities and Exchange Commission** (BSEC) through the notification SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012.

Accomplishment of compliance on corporate governance is the conscientiousness of the management of the Company. Our study is imperfect to the measures and execution of such as per guideline set by BSEC. It is neither an audit nor expression of opinion on the financial affairs of the Company.

As per our study and observation on the best of information & explanations provided, **Summit Power Limited** has complied with the conditions of Corporate Governance set by Bangladesh Securities & Exchange Commission.

On the above note, we would also like to state that such compliance is neither an assurance as to the future capability of the Company nor the efficiency or effectiveness by which management has conducted the affairs of the Company.

For Podder & Associates

Jayanta Kumer Podder
Cost and Management Accountant

Date: 10 MAY 2015
Place: Dhaka, Bangladesh

333/1 (New 8/1) Segun Bagicha (2nd & 3rd Floor), Dhaka-1000. Phone : 8331289, 9353529, E-mail : info@thepodders.com, Web : www.thepodders.com

COMPLIANCE REPORT ON **BAS** AND **BFRS**

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

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

CEO AND **CFO'S** DECLARATION TO THE BOARD

Dated: April 30, 2015

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

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

Dear Sirs,

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

We do hereby certify to the Board that:

i) We have reviewed financial statements for the year ended 31st December, 2014 and that to the best of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,

Ayesha Aziz Khan
Director (Finance)

Lt Gen (Retd) Abdul Wadud
Managing Director

SUSTAINABILITY REPORT

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

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

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

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

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

THE TRIPLE-BOTTOM LINE

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

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

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

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

Our Consumers

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

Our Innovations

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

Our People

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

Our Social Responsibility Goals

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

Forward Looking Strategic Priorities

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

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

We understand that communication that is balanced and accurate generate trust; hence, we aim to develop an approach to stakeholders engagement, which supports our sustainability aspirations. In the light of this, we are committed to measure, audit and publicize report to our stakeholders engagement activities and performance.

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

INVESTMENT APPROACH TO SUSTAINABILITY

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

Investment in Country **RESULTS** More Investment potential

Investment in Economy **RESULTS** Bigger economy ton venture

Investment in Community **RESULTS** Capacity Development

Investment in Environment **RESULTS** Better Living

CONSERVATION OF ENVIRONMENT FOR SUSTAINABILITY

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

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

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

STATEMENT OF **CORPORATE GOVERNANCE**

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

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

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

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

The Responsibilities of the Board

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

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

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

strategic and operating plans.

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

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

Board meetings and procedures

The number of meetings held during the financial year ended 31 December 2014 was 05. The procedures of the board meeting are mentioned below:

(a) Selection of Agenda: The Chairman of the Board, in consultation with Managing Director sets the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Any member of the Board may request that an item be included on the agenda.

(b) Board Materials: Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting.

(c) Senior Management in the Board meeting: At the invitation of the Board, members of senior management attended Board meetings or portions thereof for the purpose of participating in discussions.

The Responsibilities of the Management

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

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

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

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

Internal Control Framework

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

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

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

Board of directors

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

Management

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

Auditors

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

Audit committee

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

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

Remuneration committee

The roles and the responsibilities of the remuneration committee of our company are as follow –

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

Operating staff

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

Subsidiary Companies

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

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

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

COMMUNITY **AWARENESS** AND **OBLIGATIONS**

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

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

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

VARIOUS **POLICIES**

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

QUALITY POLICIES:

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

ENVIRONMENTAL POLICIES:

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

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

OCCUPATIONAL HEALTH AND SAFETY POLICIES:

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

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

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

CONTRIBUTION TO THE
NATIONAL EXCHEQUER

Electricity is one of the main driving forces of the economy and it has a diversified use and multiplier effect on the economy. Significantly in the development of industrialization, electricity as fuel has no alternative. This year your company added 1,953,679 million Kwh of electricity to the national grid. This addition has contributed notably in enhancing industrial productions and providing more job opportunities throughout the country. As a shareholder you can be proud of your Company's contribution to Bangladesh. The Company is now set to increase and enhance its contribution to national economy in the years to come.

Your Company/group has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation. Such exemption will expire in February 2016 for Summit Power Limited, June 2024 for Summit Purbanchol Power Company Limited, and March 2024 for Summit Uttaranchol Power Company Limited. While Summit Narayanganj Power Limited is exempted from tax for a period of 5 years from the start of its commercial operation dated on 1 April 2011. Conversely, it has contributed a significant amount to the national exchequer in the form of different duties, taxes and VAT while importing spare parts for the power plants' maintenance work and at investment in capital and money market. The estimated amount of contribution was of Taka 287 million in 2014. The details of such contribution to the Nation Exchequer and the Economy is as follows –

Forms of Contribution	Amount	
	2014	2013
Salary Taxes (directors & employees)	20,199,300	12,368,750
Port Charges & Duties on Spare Parts	136,770,542	107,689,123
AIT of Suppliers	7,088,873	8,509,546
VAT of Suppliers	5,778,742	5,513,967
AIT on Dividend on Preference Shares	25,846,058	30,117,600
AIT on gas bills	54,975,128	56,945,493
VAT on lubricant oil	36,810,398	35,840,512
AIT on Dividend Income of Ordinary Shares	-	13,488,831
AIT on Interest Income	-	14,593,903
Total	**287,469,040**	**285,067,724**

ECONOMIC VALUE ADDED (EVA) STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

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

EVA = Net Operating Profit after Taxes (NOPAT) - (Capital X Cost of Capital)

	2014	2013
	Taka	Taka
Net operating profit after tax	2,219,988,013	2,184,858,467
Average shareholders' equity	13,538,841,228	12,632,681,922
Cost of capital*	13.50%	13.50%
Cost of average shareholders' equity	1,827,743,566	1,705,412,059
Economic Value Added (EVA)	**392,244,447**	**479,446,408**

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

VALUE ADDED STATEMENT- 2014

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

Value added	2014	2013
	Taka	Taka
Revenue	6,109,044,517	6,191,915,486
Other income including interest income	265,130,735	134,248,344
Cost of sales, excluding depreciation	(1,862,026,986)	(1,821,070,954)
Other operating expenses, excluding depreciation	(521,947,639)	(282,873,738)
Total value added	**3,990,200,627**	**4,222,219,138**
Distribution of added value		
To employees as salaries and allowances	213,968,115	217,808,304
To directors as salaries and allowances	62,647,419	56,883,910
To banks and other lenders	415,981,827	529,831,782
To shareholders	1,180,593,965	887,310,369
	1,873,191,326	**1,691,834,365**
Retained for reinvestment & future growth		
Depreciation and amortization	734,379,801	587,867,456
Retained profit	1,382,629,501	1,942,517,317
	2,117,009,302	**2,530,384,773**
	3,990,200,627	**4,222,219,138**

AUDIT COMMITTEE REPORT - 2014

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

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

Mr. Abbas Uddin Ahmed, Independent Director	Chairman
Mr. Syed Fazlul Haque, non-executive Director	Member
Lt. Genl. (Retd) Abdul Wadud, Managing Director	Member

A total of 4 (four) meetings were held since the last Annual General Meeting of SPL, the last being on 29th April 2015.

ROLE OF THE COMMITTEE

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

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

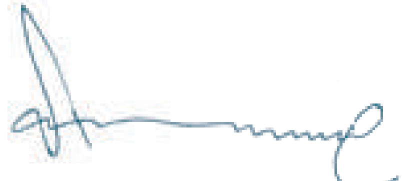
ACTIVITIES CARRIED OUT DURING THE YEAR UNDER REPORT

In accordance with the 'Audit Committee Charter', governed by the BSEC notification on Corporate Governance, the Committee carried out its duties to work on the areas that were raised for consideration and discussed to evaluate issues related to key events of annual financial reporting cycles. The Committee during the period under report Audit Committee carried out the following activities:

- Reviewed, among other issues, the quarterly and half yearly financial statements of the Company in light of the financial performance of the company.
- Assessed the report of the external auditors on critical accounting policies, significant judgments and practices used by the company in the preparation of financial statements.
- Assessed and endorsed the annual internal audit plan 2014, reviewed findings of the internal audit function and the corresponding management actions to improve the controls
- Reviewed the external auditors' findings arising from audit, particularly comments and responses given by the management.
- Reviewed the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).

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

On behalf of the Audit Committee



Abbas Uddin Ahmed
Chairman

FINANCIALS

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.

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.

Hoda Vasi Chy & Co

Dhaka : 30 April, 2015

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

PARTICULARS	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

Hoda Vasi Chy & Co

Chartered Accountants

Dhaka, 30 April 2015

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December

PARTICULARS	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

Hoda Vasi Chowdhury & Co

Chartered Accountants

Dhaka, 30 April 2015

Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

Particulars	Equity attributable to owners of the Company						Non controlling interest	Total equity
	Share capital	Share premium	Reserve			Sub-total		
			Revaluation reserve	Fair value reserve	Retained earnings			
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2013	**4,929,502,050**	**2,900,697,657**	**794,231,503**	**(951,906,236)**	**3,717,583,396**	**1,390,108,370**	**3,385,516,375**	**14,775,624,745**
Additional liquidity damage charge adjusted against retained earnings	-	-	-	-	(43,534,644)	(43,534,644)	-	**(43,534,644)**
Payment for transaction costs	-	-	-	-	-	-	(55,014,416)	**(55,014,416)**
Transfer from reserve to retained earnings	-	-	(97,137,650)	-	97,137,650	-	-	**-**
Dilution of ownership in SPPCL, retained earnings adjustments	-	-	-	-	(294,895,228)	(294,895,228)	294,895,228	**-**
Gain on dilution of SPL's ownership in SPPCL	-	600,385,917	-	-	-	600,385,917	(600,385,917)	**-**
Sale of SIMCL's 20% share in SNPL to SPPCL	-	-	-	-	(243,809,530)	(243,809,530)	(527,831,425)	**(771,640,955)**
Issue of bonus shares to shareholders	985,900,410	-	-	-	(985,900,410)	-	-	**-**
Revaluation of land and land development in SNPL	-	-	51,018,033	-	-	51,018,033	41,742,028	**92,760,061**
Minority's share of revaluation of land in SPPCL	-	-	(60,086,427)	-	-	(60,086,427)	60,086,427	**-**
Total comprehensive income for the year	-	-	-	-	2,184,858,468	2,184,858,468	644,969,218	**2,829,827,686**
Net change in fair value of available-for-sale financial assets	-	-	-	291,210,514	-	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**	**3,243,977,518**	**17,119,232,991**
Prior year adjustment in minority interest	-	-	-	-	256,636,473	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)	-	-	-	(315,777)	(128,667)	**(444,444)**
Issue of bonus shares	887,310,360	-	-	-	(887,310,360)	-	-	**-**
Issue of ordinary shares to SIMCL	1,067,913,610	-	-	-	-	1,067,913,610	-	**1,067,913,610**
Share premium	-	2,733,858,842	-	-	-	2,733,858,842	-	**2,733,858,842**
Total comprehensive income for the year	-	-	-	-	2,219,988,013	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	-	**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**	**3,474,225,049**	**24,279,565,382**

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 | Director | Company Secretary

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

Particulars	Share capital	Share premium	Reserve Revaluation reserve	Fair value reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2013	**4,929,502,050**	**2,900,697,657**	**586,659,003**	**(951,906,236)**	**1,006,338,094**	**8,471,290,568**
Transfer from revaluation reserve to retained earnings	-	-	(97,137,650)	-	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**	**(660,695,722)**	**1,133,492,572**	**9,778,418,320**
Transfer from revaluation reserve to retained earnings	-	-	(16,253,452)	-	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 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.

Managing Director | Director | Company Secretary

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

Particulars	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
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)
Net cash flow from operating activities	**3,009,474,732**	**868,399,782**	**2,421,894,310**	**692,817,740**
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)
Net cash used in investing activities	**(724,715,839)**	**(436,545,320)**	**(1,802,660,603)**	**(301,947,549)**
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	-	-
Net cash flow (used)/from financing activities	**(1,937,966,589)**	**(338,064,852)**	**(1,461,415,372)**	**(154,844,308)**
Net changes in cash and cash equivalents	**346,792,304**	**93,789,610**	**(842,181,665)**	**236,025,883**
Cash and cash equivalents at 1 January	1,556,977,673	676,973,085	2,399,159,338	440,947,202
Cash and cash equivalents at 31 December	**1,903,769,977**	**770,762,695**	**1,556,977,673**	**676,973,085**

Managing Director

Director

Company Secretary

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. Profiles of subsidiaries are as under:

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

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

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

1.2 Nature of business

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

Name of 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 Heavy Fuel 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 April 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 Liabilities (Amendments to BFRS 7)	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 interest	% of non-controlling interest
Summit Purbanchol Power Company Limited (SPPCL)	71.05	28.95
Summit Uttaranchol Power Company Limited (SUPCL)	51.48	48.52
Summit Narayangonj Power Limited (SNPL)	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 (BFRI) 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 bellow:

Particulars	Revaluation Amount	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
Total	**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:

	2014	2013
	Year	Year
Furniture and fixtures	10	10
Office and electrical equipment	5	5
Office decoration	5	5
Motor vehicles	5	5
Maintenance equipment	5	5
Civil works and others	5	5
Plant and machinery:	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.

Notes to the Financial Statements
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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 Bangladesh Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB). Trade receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowances for doubtful receivables at the 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 exits, 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 affects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares during the year 2014.

Notes to the Financial Statements
as at and for the year ended 31 December 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	Cost/Revaluation				Rate	Depreciation				Written down value as at 31 December 2014
	Balance as at 1 January 2014	Addition during the year	Disposal during the year	Balance as at 31 December 2014		Balance as at 1 January 2014	Charged during the year	Disposal during the year	Balance as at 31 December 2014	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
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	-	16,260,950	10	4,227,071	1,492,564	-	5,719,635	10,541,315
Office and electrical equipment	27,543,982	3,715,556	181,960	31,077,578	20	17,123,521	3,952,649	181,960	20,894,210	10,183,368
Office decoration	26,412,588	148,000	-	26,560,588	20	20,213,570	2,691,617	-	22,905,187	3,655,401
Motor vehicles	60,651,724	13,965,120	(23,225,000)	97,841,844	20	44,149,228	7,234,301	(21,612,791)	72,996,320	24,845,524
Maintenance equipment	15,750,107	5,745,800	-	21,495,907	20	4,560,604	3,400,259	-	7,960,863	13,535,044
Civil works and others	127,533,685	40,616,587	-	168,150,272	20	48,795,012	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	431,267,519	3.33 - 10	132,429,412	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	1,436,764,389	3.33 - 16.67	271,706,078	61,620,293	52,870,452	280,455,919	1,156,308,470
Madhabdi Power Plant (Unit-1)	401,098,014	15,264,396	4,616,145	411,746,265	3.33 - 10	152,620,266	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	983,650,435	3.33 - 16.67	192,674,622	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	454,834,808	3.33 - 10	144,670,959	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	605,843,852	3.33 - 16.67	116,982,864	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	1,488,096,009	3.33 - 16.67	211,491,187	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	1,443,857,814	3.33 - 16.67	208,536,934	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	1,377,116,732	3.33 - 16.67	188,822,413	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	509,137,961	3.33 - 16.67	66,146,097	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	5,103,829,649	3.33 - 16.67	402,723,629	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**		**2,227,873,467**	**714,824,619**	**228,704,617**	**2,713,993,469**	**12,241,707,754**
ii) Revaluation										
Land and land development	300,332,562	217,592	-	300,550,154		-	-	-	-	300,550,154
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machinery :										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	24,379,851	4,709,747	-	29,089,598	137,138,305
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	485,530	93,794	-	579,324	2,731,098
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	23,710,388	4,580,416	-	28,290,804	133,372,537
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	11,696,982	2,259,645	-	13,956,627	65,796,364
Chandina Power Plant (Unit - 1)	146,384,742	-	-	146,384,742	3.33 - 10	21,469,555	4,147,526	-	25,617,081	120,767,661
Chandina Power Plant (Unit - 2)	16,317,466	-	-	16,317,466	3.33 - 16.67	2,393,206	462,324	-	2,855,530	13,461,936
Total (ii)	**886,991,565**	**217,592**	**-**	**887,209,157**		**97,137,650**	**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**		**2,325,011,117**	**731,078,071**	**228,704,617**	**2,827,384,571**	**13,015,525,809**
a) 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 Rupganj 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).

Notes to the Financial Statements

as at and for the year ended 31 December 2014

As at 31 December 2014 (Separate)

a) Own assets

i) Cost

Particulars	Cost/Revaluation				Rate	Depreciation				Written down value as at 31 December 2014
	Balance as at 1 January 2014	Addition during the year	Disposal during the year	Balance as at 31 December 2014		Balance as at 1 January 2014	Charged during the year	Disposal during the year	Balance as at 31 December 2014	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Land and land development	21,636,850	4,867,500	-	26,504,350	-	-	-	-	-	26,504,350
Furniture and fixtures	6,782,794	903,861	-	7,686,655	10	2,595,045	654,293	-	3,249,338	4,437,317
Office and electrical equipment	17,737,778	3,286,015	181,960	20,841,833	20	11,796,698	2,178,437	181,960	13,793,175	7,048,658
Office decoration	26,171,136	148,000	-	26,319,136	20	18,953,067	2,643,325	-	21,596,392	4,722,744
Motor vehicles	37,270,911	13,965,120	(23,225,000)	74,461,031	20	26,362,288	5,242,089	(21,612,791)	53,217,168	21,243,863
Maintenance equipment	7,819,651	550,000	-	8,369,651	20	2,562,550	1,315,899	-	3,878,449	4,491,202
Civil works and others	44,168,188	3,141,704	-	47,309,892	20	37,901,787	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	431,267,519	3.33 - 10	132,429,412	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	1,436,764,389	3.33 - 16.67	271,706,078	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	411,746,264	3.33 - 10	152,620,266	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	983,650,435	3.33 - 16.67	192,674,622	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	454,834,809	3.33 - 10	144,670,959	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	605,843,852	3.33 - 16.67	116,982,864	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**		**1,111,255,636**	**245,292,352**	**63,730,165**	**1,292,817,823**	**3,242,781,993**
ii) Revaluation										
Land and land development	-	-	-	-		-	-	-	-	-
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machinery :			-							
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	24,379,851	4,709,747	-	29,089,598	137,138,305
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	485,530	93,794	-	579,324	2,731,098
Madhabdi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	23,710,388	4,580,416	-	28,290,804	133,372,537
Madhabdi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	11,696,982	2,259,645	-	13,956,627	65,796,364
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	21,469,555	4,147,526	-	25,617,081	120,767,661
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	2,393,206	462,324	-	2,855,530	13,461,936
Total (ii)	**586,659,003**	**-**	**-**	**586,659,003**		**97,137,650**	**16,253,452**	**-**	**113,391,102**	**473,267,901**
Total assets (i+ii)	**4,982,831,455**	**218,422,400**	**78,995,036**	**5,122,258,819**		**1,208,393,286**	**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**

Notes to the Financial Statements

as at and for the year ended 31 December 2014

As at 31 December 2013 (Consolidated)

Own assets

i) Cost

Particulars	Cost/Revaluation				Rate	Depreciation				Written down value as at 31 December 2013
	Balance as at 1 January 2013	Addition during the year	Disposal during the year	Balance as at 31 December 2013		Balance as at 1 January 2013	Charged during the year	Disposal during the year	Balance as at 31 December 2013	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
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	1,262,554	-	401,098,014	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		255,200,761	177,753,453	30,230,585	402,723,629	4,699,699,607
Total (i)	**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**
ii) Revaluation										
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 (ii)	**794,231,503**	**92,760,062**	**-**	**886,991,565**		**78,283,772**	**18,853,878**	**-**	**97,137,650**	**789,853,915**
Total own assets (i+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	20	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**

Notes to the Financial Statements

as at and for the year ended 31 December 2014

As at 31 December 2013 (Separate)

Own assets

i) Cost

Particulars	Cost/Revaluation				Rate	Depreciation				Written down value as at 31 December 2013
	Balance as at 1 January 2013	Addition during the year	Disposal during the year	Balance as at 31 December 2013		Balance as at 1 January 2013	Charged during the year	Disposal during the year	Balance as at 31 December 2013	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
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**
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**

Particulars	As at 31 December 2014		As at 31 December 2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
5.1 Allocation of depreciation (consolidation)				
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
	12,004,238	**-**	**12,004,238**	**3,408,198**	**562,697**	**3,970,895**	**8,033,343**

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
	11,504,238	**-**	**11,504,238**	**3,037,364**	**466,864**	**3,504,228**	**8,000,010**

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 2013	Balance as at 31 December 2013	Balance as at 1 January 2013	Charged during the year 2013	Balance as at 31 December 2013	
	Taka	Taka	Taka	Taka	Taka	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
	12,004,238	**-**	**12,004,238**	**2,728,068**	**680,130**	**3,408,198**	**8,596,040**

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
	11,504,238	**-**	**11,504,238**	**2,457,234**	**580,130**	**3,037,364**	**8,466,874**

7. Goodwill arising on consolidation

Particulars	As at 31 December 2014		As at 31 December 2013	
	Taka	% of holdings	Taka	% of holdings
Investment made in Summit Narayanganj Power Limited	519,284,044	20%	518,284,044	20%
	519,284,044		**518,284,044**	

During the year Summit Purbanchol Power Company Limited, a subsidiary of Summit Power Limited, had acquired 20% holding of Summit Narayanganj 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 Narayanganj 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

Particulars	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%
	1,639,789,350	**261,228,343**		**1,639,789,350**	**251,411,081**	

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

Particulars	As at 31 Dec 2014			As at 31 Dec 2013		
	Taka Consolidated	Taka Separate	% of holdings	Taka Consolidated	Taka Separate	% of holdings
Associates:						
Summit Barisal 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%	-	-	-
	4,136,772,452	**4,136,772,452**		**100,000,000**	**100,000,000**	

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 Barisal Power Limited as the project had been re-located in Barisal 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:

Notes to the Financial Statements

as at and for the year ended 31 December 2014

Particulars	Details of Investments		
	Investment in share capital	Share money deposits	Total
	Taka	Taka	Taka
Summit Barisal 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	**3,801,968,452**	**334,804,000**	**4,136,772,452**

10. Available-for-sale financial assets

Particulars	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)
	65,236,480		**3,647,104,361**	**2,995,100,662**	**3,655,796,384**	**652,003,699**

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 las year.

11. Inventories

As at 31 December 2014 (Consolidated)

Particulars	Balance as at 1 January 2014	Purchase/transfer during the year	Inter-company transfer-in during the year	Consumption/ transfer during the year	Inter-company transfer-out during the year	Balance as at 31 December 2014
Stock in hand						
	Taka	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
	1,289,823,225	**967,723,642**	**-**	**1,077,967,986**	**-**	**1,179,578,881**
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
	45,014,402	683,852,709	-	714,481,006	-	14,386,105
	1,334,837,627	**-**	**-**	**-**	**-**	**1,193,964,986**

Notes to the Financial Statements
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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)**

Particulars	Balance as at 1 January 2014	Purchase/transfer during the year	Inter-company transfer-in during the year	Consumption/ transfer during the year	Inter-company transfer-out during the year	Balance as at 31 December 2014
	Taka	Taka	Taka	Taka	Taka	Taka
Stock in hand						
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
	479,118,127	381,524,549	27,065,036	427,409,710	10,334,818	449,963,184
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
	36,775,801	294,941,040	-	318,026,563	-	13,690,278
	515,893,928	**-**	**-**	**-**	**-**	**463,653,462**

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.

12. Trade receivables

Particulars	As at 31 December 2014 Consolidated	As at 31 December 2014 Separate	As at 31 December 2013 Consolidated	As at 31 December 2013 Separate
	Taka	Taka	Taka	Taka
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	-
	2,843,134,991	**1,818,892,396**	**2,012,696,147**	**1,186,146,876**
Less: provision for doubtful debt	4,084,928	-	4,084,928	-
	2,839,050,063	**1,818,892,396**	**2,008,611,219**	**1,186,146,876**

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

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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.

Particulars	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

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	22,195,381	17,742,123	22,195,381	17,742,123
	91,919,837	**85,651,079**	**82,347,104**	**72,813,258**
Less: provision for doubtful debt	4,453,258	-	2,671,015	-
	87,466,579	**85,651,079**	**79,676,089**	**72,813,258**

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 Barisal Power Limited (SBPL)	94,000	-		
	94,000	**200,271,223**	**-**	**346,853,661**

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.

15. Due from associates

Summit Barisal 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.

Notes to the Financial Statements
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Particulars	2014 Consolidated Taka	2014 Separate Taka	2013 Consolidated Taka	2013 Separate Taka

16. Advances, deposits and prepayments

Particulars	2014 Consolidated Taka	2014 Separate Taka	2013 Consolidated Taka	2013 Separate Taka
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	-
	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.

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Particulars	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

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
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
Shahajalal 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**

Notes to the Financial Statements

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Issued, subscribed and paid-up	2014 Consolidated Taka	2014 Separate Taka	2013 Consolidated Taka	2013 Separate Taka
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 As at 31 Dec 2014	Percentage of shareholdings As at 31 Dec 2013	Number of shares As at 31 Dec 2014	Number of shares 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%	**100%**	**787,062,643**	**591,540,246**

Classification of shareholders by holding:

	Number of holders As at 31 Dec 2014	Number of holders As at 31 Dec 2013	% of holdings As at 31 Dec 2014	% of holdings 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%**

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Particulars	As at 31 December 2014		As at 31 December 2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

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:

Particulars	SPPCL	SUPCL	SNPL	Total
	Taka/ (%)	Taka/ (%)	Taka/ (%)	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:

Particulars	SPPCL	SUPCL	SNPL	Total
	Taka/ (%)	Taka/ (%)	Taka/ (%)	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**

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as at and for the year ended 31 December 2014

Particulars	As at 31 December 2014		As at 31 December 2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

21. Project loan

Long term portion:				
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	-
	1,082,576,625	-	2,077,074,724	-
Repayment during the year	(867,515,625)	-	(871,312,500)	-
Exchange rate fluctuation effect-add/(less)	8,156,253	-	(134,296,875)	-
	223,217,253	**-**	**1,071,465,349**	**-**
Short term portion:				
New project - Madanganj, Narayanganj:				
DEG and FMO	868,500,000	-	868,500,000	-
	868,500,000	-	868,500,000	-
	1,091,717,253	**-**	**1,939,965,349**	**-**

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	-
	1,248,991,900	-	1,715,106,380	-
Less: Repayment of installment	468,368,900	-	468,368,900	-
	780,623,000	**-**	**1,246,737,480**	**-**
Redeemable preference shares				
Short-term portion	468,368,900	-	468,368,900	-
Long-term portion	312,254,100	-	778,368,580	-
	780,623,000	**-**	**1,246,737,480**	**-**

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
	-	**-**	**1,454,799,154**	**1,454,799,154**

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.

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)

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

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

Particulars	As at 31 December 2014			As at 31 Dec 2013
	Future minimum lease payment	Interest	Present value of minimum lease payment	Present value of minimum lease payment
	Taka	Taka	Taka	Taka
Not later than one year	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	224,680	6,073	218,607	1,265,553
Obligation under finance lease (Separate)				
Payable to One Bank limited	-	-	-	583,177
	-	-	-	583,177

Particulars	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

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
	57,820,483	26,456,267	46,061,594	27,740,356
Less: payment during the year	521,575	366,400	2,228,736	2,228,736
Closing balance	57,298,908	26,089,867	43,832,858	25,511,620

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.

Particulars	2014 Consolidated Taka	2014 Separate Taka	2013 Consolidated Taka	2013 Separate Taka
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
	30,412,494	14,251,350	21,589,102	9,599,216
Less: Payments made during the year	469,448	469,191	-	-
Closing balance	29,943,046	13,782,159	21,589,102	9,599,216
25.2.2 Liability for assets retirement obligation (ARO):				
Opening balance	17,000,000	12,000,000	-	-
Add: Provision made during the year	2,125,000	1,500,000	17,000,000	12,000,000
	19,125,000	13,500,000	17,000,000	12,000,000
Closing balance	49,068,046	27,282,159	38,589,102	21,599,216
Closing balance (grand total)	**106,366,954**	**53,372,026**	**82,421,960**	**47,110,836**

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.

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	-	-
	9,829,630	6,270,188	6,047,388	6,047,388
Less: payment during the period	-	-	-	-
Closing balance	**9,829,630**	**6,270,188**	**6,047,388**	**6,047,388**

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	-
	179,090,399	**43,917,451**	**90,118,542**	**42,337,655**

Particulars	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

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 Company 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	-	-	-	-
Narayanganj 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
	102,753,332	**65,830,117**	**94,591,599**	**63,834,970**

29. Short term loan

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 Narayangonj 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.

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	-
	6,109,044,517	**2,176,346,257**	**6,191,915,486**	**2,329,514,069**

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.

Particulars	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
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
	2,552,585,532	**984,236,261**	**2,373,939,738**	**953,123,118**
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
	166,536,718	**384,007,732**	**86,514,242**	**71,908,941**

Particulars	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
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 33.1)	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
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 33.2)	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
	565,768,894	**222,586,860**	**592,564,624**	**250,324,302**
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
	51,001,719	**42,242,162**	**47,845,110**	**43,897,390**

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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 fess on account of SPPCL, SUPCL and SNPL paid during thear 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.

Particulars	2014		2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka

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)
	98,594,017	67,491,211	47,734,102	34,256,786
Finance expenses:				
Interest on loan:				
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	-
	385,780,093	190,315,145	489,855,852	208,617,823
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	-
	30,201,734	**7,788,154**	**39,975,930**	**7,697,315**
	415,981,827	**198,103,299**	**529,831,782**	**216,315,138**
	(317,387,810)	**(130,612,088)**	**(482,097,680)**	**(182,058,352)**

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	2,219,988,013	1,222,918,780	2,184,858,468	1,015,917,236
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	-	-
	680,563,861	**680,563,861**	**591,540,246**	**591,540,246**
Earnings per share (EPS)	**3.26**	**1.80**	**3.69**	**1.72**
Restated earnings per share			**3.21**	**1.49**

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.

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.

Particulars	As at 31 December 2014		As at 31 December 2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
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	87,466,579	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
	5,008,994,168	**2,780,727,266**	**3,813,452,889**	**2,005,073,625**
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
	2,839,050,063	**1,818,892,396**	**2,008,611,219**	**1,186,146,876**

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 expected to be financed from operational cash flow.

The following are the contractual maturities of financial liabilities:

Particulars	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	-	-	-	-
Total	**2,154.40**	**2,154.40**	**716.31**	**902.25**	**535.84**	**-**	**-**

Particulars	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	-	-	-	-
Total	**4,827.48**	**4,843.90**	**869.78**	**1,152.48**	**1,836.72**	**984.92**	**-**

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.

Notes to the Financial Statements

as at and for the year ended 31 December 2014

31 December 2014	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
Financial assets measured at fair value													
Equity securities	10	-	-	-	-	-	3,647,104		3,647,104	3,647,104	-	-	3,647,104
Financial assets not measured at fair value													
Trade receivables	12	-	-	-	-	2,839,050	-	-	2,839,050	-	-	-	-
Other receivables	13	-	-	-	-	87,467	-	-	87,467	-	-	-	-
Advances, deposits and prepayments	16	-	-	-	-	179,529	-	-	179,529	-	-	-	-
Cash and cash equivalents	17	-	-	-	-	1,903,770	-	-	1,903,770	-	-	-	-
		-	-	-	-	5,009,816	-	-	5,009,816	-	-	-	-
Financial liabilities not measured at fair value													
Project loan, secured	21	-	-	-	-	-	-	1,091,717	1,091,717	-	1,091,717	-	1,091,717
Short Term Loan	29	-	-	-	-	-	-	1,012,846	1,012,846	-	1,012,846	-	1,012,846
Redeemable preference shares	22	-	-	-	-	-	-	780,623	780,623	780,623	-	-	780,623
Finance lease liability	24	-	-	-	-	-	-	219	219	-	219	-	219
Deferred liabilities	25	-	-	-	-	-	-	106,367	106,367	-	-	-	-
Dividend payable on ordinary shares	26	-	-	-	-	-	-	9,830	9,830				-
Trade creditors	27	-	-	-	-	-	-	179,090	179,090	-	-	-	-
Other creditors	28	-	-	-	-	-	-	102,753	102,753	-	-	-	-
		-	-	-	-	-	-	3,283,445	3,283,445	780,623	2,104,782	-	2,885,405

31 December 2013	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
Financial assets measured at fair value													
Equity securities	10	-	-	-	-	-	2,995,101		2,995,101	2,995,101	-	-	2,995,101
Financial assets not measured at fair value													
Trade receivables	12	-	-	-	-	2,008,611	-	-	2,008,611	-	-	-	-
Other receivables	13	-	-	-	-	79,676	-	-	79,676	-	-	-	-
Advances, deposits and prepayments	16	-	-	-	-	169,541	-	-	169,541	-	-	-	-
Cash and cash equivalents	17	-	-	-	-	1,556,978	-	-	1,556,978	-	-	-	-
		-	-	-	-	3,814,806	-	-	3,814,806	-	-	-	-
Financial liabilities not measured at fair value													
Project loan, secured	21	-	-	-	-	-	-	1,939,965	1,939,965	-	1,939,965	-	1,939,965
Payable to SIMCL, unsecured	23	-	-	-	-	-	-	1,454,799	1,454,799	-	1,454,799	-	1,454,799
Redeemable preference shares	22	-	-	-	-	-	-	1,246,737	1,246,737	1,246,737	-	-	1,246,737
Finance lease liability	24	-	-	-	-	-	-	1,266	1,266	-	1,266	-	1,266
Deferred liabilities	25	-	-	-	-	-	-	82,422	82,422	-	-	-	-
Dividend payable on ordinary shares	26	-	-	-	-	-	-	6,047	6,047	-	-	-	-
Trade creditors	27	-	-	-	-	-	-	90,119	90,119	-	-	-	-
Other creditors	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	192,253,769
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:

Particulars	As at 31 December 2014		As at 31 December 2013	
	Consolidated	Separate	Consolidated	Separate
	Taka	Taka	Taka	Taka
Project loan:				
Currency denominated in USD	1,091,717,253	-	1,939,965,349	-
Currency denominated in Euro	-	-	-	-
	1,091,717,253	-	1,939,965,349	-

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.

Year 2014 (Consolidated)	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)	**(14.75)**	**14.75**	**(14.75)**	**14.75**

The following significant exchange rates are applicable during the year:

	2014 Taka	2013 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.

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

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 Currency	Separate Currency	Consolidated Currency	Separate 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. Rupganj 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	-
Titas gas T&D- Rupganj	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:

Particulars	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

Particulars	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
Total	**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	465530	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 Barisal Power Limited	Associate	94,000	-	94,000	-
Summit Barisal 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		Outstanding balances 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 Narayanganj Power Limited	Subsidiary	-	130,681,571	-	103,884,653
Summit Oil and Shipping Co. Ltd.	Group company	34,865,809	-	30,315,023	-
Summit Barisal Power Limited	Associate	10,438,548	10,438,548	1,627,684	1,627,684
Summit Narayanganj 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)

NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2014

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 -Narayanganj	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 - Narayanganj	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

SUMMIT PURBANCHOL POWER COMPANY LIMITED AND INVESTEE

Directors' Report & Audited Financial Statements

for the year ended 31 December 2014

SUMMIT PURBANCHOL POWER COMPANY LIMITED AND INVESTEE

Directors' report to the Shareholders

for the year ended 31 December 2014

Dear Shareholders,

Assalumu Alaikum,

The Board of Directors of Summit Purbanchol Power Company Limited (SPPCL) welcomes you to the 8th Annual General Meeting of the Company. We are pleased to submit before you the operational activities and audited financial statements of the Company for the year, which ended on December 31, 2014.

Business Activities including its Operating Performance

Summit Purbanchol Power Company Limited (SPPCL) was incorporated as a Private Limited Company under the Companies Act 1994 on 15 August 2007. It was converted into a Public Limited Company on 3 May 2010. The management of the Company had decided to go for Initial Public Offering (IPO) in the fiscal year 2012. It is the 14th Company in the fuel and power category that was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited by January 15, 2013 and commenced trading of the shares in the Dhaka Stock Exchange (DSE) as well as Chittagong Stock Exchange (CSE) on February 4, 2013. Since this Company is operating under the common management of parent Company, Summit Power Limited, it is destined to achieve the same level of accomplishments and recognition. The Company started its commercial operation from 09 June 2009 for Rupganj Power Plant and from 24 June 2009 for Jangalia Power Plant

The Company has two operating plants - Rupganj Power Plant and Jangalia Power Plant, which presently generate 33 MW of electricity each. The Company initiated efforts to further expand its plants and increase their generation capacities. Out of 317 MW of electricity that Summit Power Limited is supplying to the National Power Grid, 66 MW is generated by Summit Purbanchol Power Company Limited.

Project wise Licensed Capacity and Declared Capacity of two operating power plants are as follows:

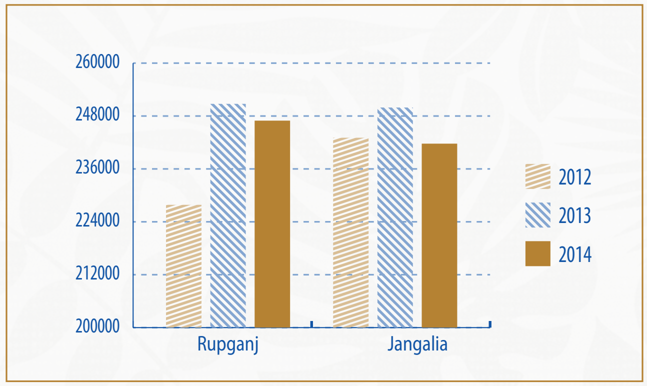
Name of plant	Declared Capacity	Licensed Capacity
Rupganj	34.92 MW	33 MW
Jangalia	34.92 MW	33 MW

Operating Result of the Company

Name of plant	Energy Sold (MWH)		
	2012	2013	2014
Rupganj	227,852	250,760	246,951
Jangalia	243,072	249,932	241,732

If we look at the trend in sales of electricity, we find that the Rupganj power plant's sales have declined slightly compared to 2013. In the case of Jangalia power plant, energy sold has declined as well. These occurred as a result of additional maintenance outages for conducting scheduled maintenance of the engines of these power plants.

Since the operational and financial performance of the Company was really good thanks to its experienced management team and strong support from the parent Company, it is evident that the Company will enhance its contribution in the development of the power sector.



Summit Purbanchol Power Company Ltd. attained the second position at the "ICMAB Best Corporate Award 2014" in the category of power generation. The Company has received certification from Bureau Veritas after the organization's Management system successfully implemented Integrated Management Systems (IMS), which includes – ISO 9001:2008 – Quality Management System (QMS), ISO 14001:2004 – Environmental Management System (EMS) and BS OHSAS 18001:2007 – Occupational Health & Safety (OH&S). In implementing the Integrated Management System the Company has adopted the Quality Policies, Environmental Policies and Occupational Health Protection and Safety Policies.

Auditors

M/s Rahman Rahman Huq, Chartered Accountants, located at 9 Mohakhali C/A, Dhaka – 1212, the only member firm of KPMG International in Bangladesh, was appointed as the auditors of the Company. They have carried out the audit for the year 2014.

Acknowledgement

The Board of Directors would like to take this opportunity to thank the Government regulatory bodies, customers, suppliers, auditors, its shareholders, investors, bankers, and employees for their continuous dedication, commitment, cooperation and support towards success.

On behalf of the Board

Md. Mozammel Hossain
Managing Director
Dhaka, 30 April 2015

SUMMIT PURBANCHOL POWER COMPANY LIMITED AND INVESTEE

Statement of Financial Position

as at 31 December 2014

In taka	31 December 2014	31 December 2013
Assets		
Property, plant and equipment	2,807,717,853	2,806,511,881
Intangible assets	-	45,833
Investment in associates	1,585,227,761	1,413,472,746
Non-current assets	**4,392,945,614**	**4,220,030,460**
Inventories	222,879,366	341,350,311
Trade receivables	400,462,233	241,205,083
Sundry receivables	-	630,750
Advances, deposits and prepayments	21,368,709	17,564,931
Cash and cash equivalents	26,189,542	64,845,454
Current assets	**670,899,850**	**665,596,529**
Total assets	**5,063,845,464**	**4,885,626,989**
Equity		
Share capital	1,519,807,030	1,381,642,760
Share premium	844,541,140	844,985,584
Revaluation reserve	207,572,500	207,572,500
Retained earnings	1,908,970,195	1,458,957,151
Total equity attributable to equity holders	**4,480,890,865**	**3,893,157,995**
Liabilities		
Redeemable preference shares - non-current portion	189,316,100	471,930,265
Deferred liabilities	14,973,518	10,065,122
Non-current liabilities	**204,289,618**	**481,995,387**
Trade creditors	66,627,550	28,037,049
Other creditors and accruals	2,214,789	1,635,998
Inter company payables	22,295,400	196,832,760
Un-claimed dividend (on ordinary shares)	3,559,442	-
Redeemable preference shares - current portion	283,967,800	283,967,800
Current liabilities	**378,664,981**	**510,473,607**
Total liabilities	**582,954,599**	**992,468,994**
Total equity and liabilities	**5,063,845,464**	**4,885,626,989**

Managing Director   Director   Company Secretary

As per our report of same date.

Dhaka, 30 April 2015   Auditor

Statement of profit or loss and other comprehensive income
for the year ended 31 December

In taka	2014	2013
Revenue	1,368,660,493	1,332,471,126
Cost of sales	(669,389,294)	(583,219,920)
Gross profit	**699,271,199**	**749,251,206**
Other income, net	2,138,150	3,561,109
Operating expenses		
General and administrative expenses	(98,452,462)	(105,648,971)
Operating profit	**602,956,887**	**647,163,344**
Finance income	10,750,317	57,783,078
Finance costs	(79,619,379)	(105,883,411)
Finance costs, net	**(68,869,062)**	**(48,100,333)**
Share of profit of associate	192,253,769	123,547,746
Profit before tax	**726,341,594**	**722,610,757**
Income tax expense	-	-
Profit for the year	**726,341,594**	**722,610,757**
Other comprehensive income	-	-
Total comprehensive income for the year	**726,341,594**	**722,610,757**
Earnings per share (EPS)	**4.78**	**5.33**
Re-stated earnings per share (EPS)	**-**	**4.75**

Managing Director

Director

Company Secretary

As per our report of same date.

Auditor

Dhaka, 30 April 2015

SUMMIT PURBANCHOL POWER COMPANY LIMITED AND INVESTEE

Statement of Changes in Equity

for the year ended 31 December 2014

In taka	Share capital	Share premium	Revaluation reserve	Share money deposit	Retained earnings	Total
Balance at 1 January 2013	**762,802,130**	**-**	**207,572,500**	**1,202,536,075**	**1,055,187,024**	**3,228,097,729**
Issue of ordinary shares	300,000,000	-	-	(300,000,000)	-	-
Premium on ordinary shares	-	900,000,000	-	(900,000,000)	-	-
Transaction costs	-	(55,014,416)	-	-	-	(55,014,416)
Issue of bonus shares	318,840,630	-	-	-	(318,840,630)	-
Comprehensive income for the year	-	-	-	-	722,610,757	722,610,757
Transfer to other creditors and accruals	-	-	-	(2,536,075)	-	(2,536,075)
Balance at 31 December 2013	**1,381,642,760**	**844,985,584**	**207,572,500**	**-**	**1,458,957,151**	**3,893,157,995**
Issue of bonus shares to shareholders	138,164,270	-	-	-	(138,164,270)	-
Transaction costs related to share issued in 2013	-	(444,444)	-	-	-	(444,444)
Cash dividend paid	-	-	-	-	(138,164,280)	(138,164,280)
Comprehensive income for the year	-	-	-	-	726,341,594	726,341,594
Balance at 31 December 2014	**1,519,807,030**	**844,541,140**	**207,572,500**	**-**	**1,908,970,195**	**4,480,890,865**

SUMMIT PURBANCHOL POWER COMPANY LIMITED AND INVESTEE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

In taka	2014	2013
Cash flows from operating activities		
Cash received from customers	1,209,403,343	1,307,931,277
Cash paid to suppliers and employees	(438,492,474)	(830,614,426)
Interest and other charges paid	(78,265,744)	(103,047,173)
Received from other sources	13,519,217	60,724,578
Net cash from operating activities	**706,164,342**	**434,994,256**
Cash flows from investing activities		
Property, plant and equipment	(171,764,566)	(24,015,160)
Cash dividend received	21,498,754	-
Investment in associate	(1,000,000)	(1,289,925,000)
Net cash used in investing activities	**(151,265,812)**	**(1,313,940,160)**
Cash flows from financing activities		
Payment for redeemable preference shares	(283,967,800)	(283,967,800)
Payment of cash dividend	(134,604,838)	-
Payment of transaction costs	(444,444)	(55,014,416)
Financing from/(to) inter company	(174,537,360)	61,913,993
Net cash from/(used in) financing activities	**(593,554,442)**	**(277,068,223)**
Net decrease in cash and cash equivalents	**(38,655,912)**	**(1,156,014,127)**
Cash and cash equivalents at 1 January	**64,845,454**	**1,220,859,581**
Cash and cash equivalents at 31 December	**26,189,542**	**64,845,454**

SUMMIT UTTARANCHOL POWER COMPANY LIMITED

Directors' Report & Audited Financial Statements

for the year ended 31 December 2014

SUMMIT UTTARANCHOL POWER COMPANY LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2014

Dear Shareholders,

Assalumu Alaikum,

The Board of Directors of Summit Uttaranchol Power Company Limited (SUPCL) is pleased to submit before you the operational activities and audited financial statements of the Company for the year, which ended on December 31, 2014.

Business Activities including its Operating Performance

Summit Uttaranchol Power Company Limited (SUPCL) was incorporated as a Private Limited Company under the Companies Act 1994 on 15 August, 2007. It was converted into a Public Limited Company on 14 November 2010. The management of the Company has decided to go for Initial Public Offering (IPO) in recent future. Since this Company is operating under the common management of its parent Company, Summit Power Limited, it is destined to achieve the same level of accomplishments and recognition. The company started its commercial operation from 11 May 2009 for Maona Power Plant and from 02 March 2009 for Ullapara Power Plant.

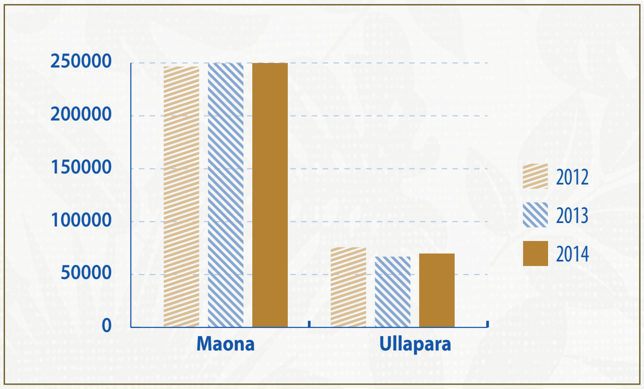
The Company has two operating plants - Maona Power Plant and Ullapara Power Plant, which presently generate 33 MW and 11 MW of electricity each respectively. The Company initiated efforts to further expand its plants and increase their generation capacities. Out of 317 MW of electricity that Summit Power Limited is supplying to the National Power Grid, 44 MW is generated by Summit Uttaranchol Power Company Limited.

Project wise Licensed Capacity and Declared Capacity of two operating power plants are as follows::

Name of plant	Declared Capacity	Licensed Capacity
Maona	34.92 MW	33 MW
Ullapara	11.99 MW	11 MW

Operating Result of the Company

Name of plant	Energy Sold (MWH)		
	2012	2013	2014
Maona	246,586	249,749	249,763
Ullapara	75,752	66,912	69,506



If we look at the trend in sales of electricity, we find that the Maona power plant's sales have increased slightly this year compared to 2013. In the case of Ullapara power plant, energy sold has also increased but by a greater proportion.

Since the overall operational and financial performance of the Company was good thanks to its experienced management team and strong support from the parent Company, it is evident that the Company will enhance its contribution in the development of the power sector.

The Company has received certification from Bureau Veritas after the organization's Management system successfully implemented Integrated Management Systems (IMS), which includes – ISO 9001:2008 – Quality Management System (QMS), ISO 14001:2004 – Environmental Management System (EMS) and BS OHSAS 18001:2007 – Occupational Health & Safety (OH&S).In implementing the Integrated Management System the Company has adopted the Quality Policies, Environmental Policies and Occupational Health Protection and Safety Policies.

Auditors

M/s Rahman Rahman Huq, Chartered Accountants, located at 9 Mohakhali C/A, Dhaka – 1212, the only member firm of KPMG International in Bangladesh, was appointed as the auditors of the Company. They have carried out the audit for the year 2014.

Acknowledgement

The Board of Directors would like to take this opportunity to thank the Government regulatory bodies, customers, suppliers, auditors, its shareholders, investors, bankers, and employees for their continuous dedication, commitment, cooperation and support towards success.

On behalf of the Board

Lt Gen (Retd) Abdul Wadud
Managing Director
Dhaka, 30 April 2015.

SUMMIT UTTARANCHOL POWER COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

In taka	31 December 2014	31 December 2013
Assets		
Property, plant and equipment	1,567,140,229	1,618,212,630
Intangible assets	33,333	83,333
Non-current assets	**1,567,173,562**	**1,618,295,963**
Inventories	232,112,376	212,416,424
Trade receivables	181,548,599	157,123,855
Other receivables	1,400,135	4,440,639
Inter company receivables	358,161	219,001
Advances, deposits and prepayments	17,350,761	16,021,401
Cash and cash equivalents	165,113,297	117,480,948
Current assets	**597,883,329**	**507,702,268**
Total assets	**2,165,056,891**	**2,125,998,231**
Equity		
Share capital	679,784,830	679,784,830
Retained earnings	1,083,325,546	870,441,039
Total equity	**1,763,110,376**	**1,550,225,869**
Liabilities		
Redeemable preference share - non-current portion	122,938,000	306,438,315
Finance lease - non-current portion	-	216,673
Deferred liabilities	21,347,751	15,668,457
Total non-current liabilities	**144,285,751**	**322,323,445**
Trade creditors	43,485,272	19,620,638
Other creditors and accruals	8,963,889	2,606,228
Inter company payables	20,591,896	46,355,248
Redeemable preference share - current portion	184,401,100	184,401,100
Finance lease - current portion	218,607	465,703
Total current liabilities	**257,660,764**	**253,448,917**
Total liabilities	**401,946,515**	**575,772,362**
Total equity and liabilities	**2,165,056,891**	**2,125,998,231**

Managing Director   Director   Company Secretary

As per our report of same date.

Dhaka, 30 April 2015   Auditor

SUMMIT UTTARANCHOL POWER COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

In taka	2014	2013
Revenue	**916,376,843**	**877,123,649**
Cost of sales	(454,208,538)	(395,620,922)
Gross profit	**462,168,305**	**481,502,727**
Other income	683,750	2,194,000
Operating expenses		
General and administrative expenses	(79,533,430)	(68,285,913)
Operating profit	**383,318,625**	**415,410,814**
Financial income	18,278,194	13,230,717
Finance costs	(52,755,346)	(68,981,357)
Finance costs, net	(34,477,152)	(55,750,640)
Other comprehensive income	-	-
Total comprehensive income for the year	**348,841,473**	**359,660,174**
Earnings per share (EPS)	**5.13**	**5.29**

Managing Director

Director

Company Secretary

As per our report of same date.

Dhaka, 30 April 2015

Auditor

SUMMIT UTTARANCHOL POWER COMPANY LIMITED

Statement of Changes in Equity

for the year ended 31 December 2014

In taka	Share capital	Retained earnings	Total equity
Balance at 1 January 2013	**566,487,360**	**624,078,335**	**1,190,565,695**
Issue of bonus shares	113,297,470	(113,297,470)	-
Comprehensive income for the year	-	359,660,174	359,660,174
Balance at 31 December 2013	**679,784,830**	**870,441,039**	**1,550,225,869**
Cash dividend	-	(135,956,966)	(135,956,966)
Comprehensive income for the year	-	348,841,473	348,841,473
Balance at 31 December 2014	**679,784,830**	**1,083,325,546**	**1,763,110,376**

SUMMIT UTTARANCHOL POWER COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

In taka	2014	2013
Cash flow from operating activities		
Cash receipt from customers	891,952,099	871,340,973
Cash paid to suppliers and employees	(403,924,146)	(559,636,999)
Cash generated from operations	**488,027,953**	**311,703,974**
Interest and other charges paid	(51,854,561)	(67,078,840)
Received from other sources	22,002,448	12,766,321
Net cash from operating activities	**458,175,840**	**257,391,455**
Cash flow from investing activities		
Property, plant and equipment	(63,819,144)	(73,948,786)
Net cash used in investing activities	(63,819,144)	(73,948,786)
Cash flow from financing activities		
Repayment for redeemable preference share	(184,401,100)	(184,401,100)
Cash dividend paid	(135,956,966)	-
Lease finance payment	(463,769)	(667,612)
Financing (to)/from inter company	(25,902,512)	36,196,800
Net cash used in financing activities	**(346,724,347)**	**(148,871,912)**
Net increase in cash and cash equivalents	**47,632,349**	**34,570,757**
Cash and cash equivalents at 1 January	**117,480,948**	**82,910,191**
Cash and cash equivalents at 31 December	**165,113,297**	**117,480,948**

SUMMIT NARAYANGANJ POWER LIMITED

Directors' Report & Audited Financial Statements

for the year ended 31 December 2014

SUMMIT NARAYANGANJ POWER LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2014

Dear Shareholders,

Assalumu Alaikum,

The Board of Directors of Summit Narayanganj Power Limited (SNPL) is pleased to submit before you the operational activities and audited financial statements of the Company for the year, which ended on December 31, 2014.

Business Activities including its Operating Performance

Summit Narayanganj Power Limited (SNPL) was incorporated in 04 May 2010 as a Private Limited Company under the Companies Act 1994. The Company started its commercial operation from 01 April 2011.

On September 28, 2011, the Company received "Asian Power Awards 2011 for Best Fast Track Project in Asia" for construction of 102 MW Summit Narayanganj Plant only in 270 Days. In the same year the Company achieved its financial closure by receiving a foreign currency term loan of USD 45 million from DEG - Deutsche Investitionsund Entwicklungsgesellschaft mbH and FMO - Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.

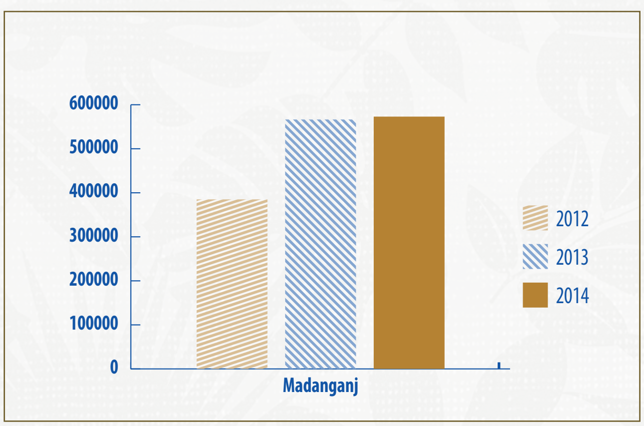
The Company has one operating plant in Madanganj, Narayanganj, which presently generate 102 MW of electricity. The Company initiated efforts to further expand its plant and increase their generation capacities. Out of the 317 MW electricity that Summit Power Limited is supplying to the National Power Gridline 102 MW is generated by Summit Narayanganj Power Limited.

Project wise Licensed Capacity and Declared Capacity of the operating power plant is as follows:

Name of plant	Declared Capacity	Licensed Capacity
Madanganj	102.456 MW	102 MW

Operating Result of the Company

Name of plant	Energy Sold (MWH)		
	2012	2013	2014
Madanganj	385,013	566,505	573,030



If we look at the sales of electricity of last three years, we find that the Madanganj power plant's sales have increased considerably over the three year period. The overall operational and financial performance of the Company was good thanks to its experienced management team and strong support from the parent Company; it is evident that the Company will enhance its contribution in the development of the power sector.

The Company has received certification from Bureau Veritas after the organization's Management system successfully implemented Integrated Management Systems (IMS), which includes – ISO 9001:2008 – Quality Management System (QMS), ISO 14001:2004 – Environmental Management System (EMS) and BS OHSAS 18001:2007 – Occupational Health & Safety (OH&S).In implementing the Integrated Management System the Company has adopted the Quality Policies, Environmental Policies and Occupational Health Protection and Safety Policies.

Auditors

M/s Rahman Rahman Huq, Chartered Accountants, located at 9 Mohakhali C/A, Dhaka – 1212, the only member firm of KPMG International in Bangladesh, was appointed as the auditors of the Company. They have carried out the audit for the year 2014.

Acknowledgement

The Board of Directors would like to take this opportunity to thank the Government regulatory bodies, customers, suppliers, auditors, its shareholders, investors, bankers, and employees for their continuous dedication, commitment, cooperation and support towards success.

On behalf of the Board

Lt Gen (Retd) Abdul Wadud
Managing Director
Dhaka, 30 April 2015.

SUMMIT NARAYANGANJ POWER LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

In taka	31 December 2014	31 December 2013
Assets		
Property, plant and equipment	4,925,418,333	5,057,913,652
Non current assets	**4,925,418,333**	**5,057,913,652**
Inventories	275,319,782	265,176,964
Trade receivables	438,146,835	424,135,405
Sundry receivables	415,365	1,791,442
Inter company receivables	358,000	-
Advances, deposits and prepayments	34,869,174	65,778,361
Cash and cash equivalents	941,704,443	697,678,186
Current assets	**1,690,813,599**	**1,454,560,358**
Total assets	**6,616,231,932**	**6,512,474,010**
Equity		
Share capital	2,149,875,000	2,149,875,000
Revaluation reserve	92,760,062	92,760,062
Retained earnings	3,043,548,895	2,189,773,798
Total equity	**5,286,183,957**	**4,432,408,860**
Liabilities		
Project loan - non-current portion	223,217,253	1,071,465,349
Deferred liabilities	16,673,659	9,577,545
Non-current liabilities	**239,890,912**	**1,081,042,894**
Short term loan	12,846,312	-
Trade creditors	25,060,126	123,200
Others creditors and accruals	25,744,538	26,514,403
Inter company payables	158,006,087	103,884,653
Project loan - current portion	868,500,000	868,500,000
Current liabilities	**1,090,157,063**	**999,022,256**
Total liabilities	**1,330,047,975**	**2,080,065,150**
Total equity and liabilities	**6,616,231,932**	**6,512,474,010**

Managing Director   Director   Company Secretary

As per our report of same date.

Dhaka, 30 April 2015   Auditor

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

In taka	2014	2013
Revenue	**1,647,660,924**	**1,652,806,642**
Cost of sales	(444,751,439)	(441,975,778)
Gross profit	1,202,909,485	1,210,830,864
Other income, net	6,985,012	8,850,192
General and administrative expenses	(165,196,142)	(168,305,438)
Operating profit	**1,044,698,355**	**1,051,375,618**
Finance costs, net	(83,429,508)	(196,188,355)
Total comprehensive income	**961,268,847**	**855,187,263**

Managing Director

Director

Company Secretary

As per our report of same date.

Dhaka, 30 April 2015

Auditor

SUMMIT NARAYANGANJ POWER LIMITED

Statement of Changes in Equity

for the year ended 31 December 2014

In taka	Share capital	Revaluation reserve	Retained earnings	Total equity
Restated balance at 1 January 2013	**1,653,750,000**	**-**	**1,830,711,535**	**3,484,461,535**
Issue of bonus share	496,125,000	-	(496,125,000)	-
Revaluation of land	-	92,760,062	-	92,760,062
Total comprehensive income for the year	-	-	855,187,263	855,187,263
Balance at 31 December 2013	**2,149,875,000**	**92,760,062**	**2,189,773,798**	**4,432,408,860**
Cash dividend	-	-	(107,493,750)	(107,493,750)
Total comprehensive income for the year	-	-	961,268,847	961,268,847
Balance at 31 December 2014	**2,149,875,000**	**92,760,062**	**3,043,548,895**	**5,286,183,957**

SUMMIT NARAYANGANJ POWER LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

In taka	2014	2013
Cash flow from operating activities		
Received from customers	1,633,649,494	1,746,100,649
Cash paid to suppliers and employees	(373,835,909)	(541,428,885)
Cash generated from operations	1,259,813,585	1,204,671,764
Received from other sources	11,336,592	(52,138,720)
Interest and other charges paid	(67,137,482)	(115,842,185)
Net cash from operating activities	**1,204,012,695**	**1,036,690,859**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(51,586,809)	(112,824,108)
Net cash used in investing activities	**(51,586,809)**	**(112,824,108)**
Cash flow from financing activities		
(Payment for)/proceeds from project loan	(867,515,625)	(871,312,500)
Cash dividend paid	(107,493,750)	-
Receipt from short term loan	12,846,312	-
Financing from/(to) inter company	53,763,434	(9,318,429)
Net cash used in financing activities	**(908,399,629)**	**(880,630,929)**
Net increase in cash and cash equivalents	**244,026,257**	**43,235,822**
Cash and cash equivalents at 1 January	**697,678,186**	**654,442,364**
Cash and cash equivalents at 31 December	**941,704,443**	**697,678,186**

SUMMIT

SUMMIT POWER LIMITED

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

PROXY FORM

I/We .... of ....

.... being a member of Summit Power Limited hereby appoint

Mr./Ms. .... of ....

.... another member of the company, as my proxy to attend and vote for me on my behalf at the 18th Annual General Meeting of the Company to be held at 12.00 p.m. on Sunday the 28th June, 2015 at **Krishibid Institution Complex Bangladesh (KIB),** Krishi Khamar Sark, (Khamarbari) Farmgate, Dhaka 1215 and at any adjournment thereof.

Signed this .... day of .... 2015.

....
Signature of the Shareholder (s)

....
Signature of the Proxy

Number of Shares held ....

BO ID NO.																

BO ID NO.																

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

Revenue Stamp Tk. 20.00

Signature verified

....
Authorised Signatory

SUMMIT

SUMMIT POWER LIMITED

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

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my attendance at the 18th Annual General Meeting of the Company to be held at 12.00 p.m. on Sunday the 28th June, 2015 at **Krishibid Institution Complex Bangladesh (KIB),** Krishi Khamar Sark, (Khamarbari) Farmgate, Dhaka 1215.

Name of the member/Proxy (in Block Letter)	
BO ID No.	
Mobile Number	
E-mail address (if any)	

Signature verified by

....
Signature of the Member/Proxy

....
Authorised Signatory of the Company

NOTE :

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

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

Achievements

Summit Power Limited, the first Bangladeshi Independent Power Producer (IPP) has been awarded "AA^{+}" Credit Rating in the long term and ST–1 rating in the short term by an internationally linked joint venture rating agency Credit Rating Information & Services Limited (CRISL) in collaboration with Rating Agency Bernhard, Malaysia and JCR-VIS Rating Company Limited, Pakistan.

The rating is a unique distinction for a Bangladeshi company in private sector power generation to receive such an internationally recognized credit rating. Entities rated in this category are adjudged to be high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The short term rating indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

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

Empowering Bangladesh

SUMMIT's COMMITMENT

Scan code with a QR code reader-enable mobile phone to find out more about the company

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

SUMMIT POWER LIMITED
Summit Centre, 18 Kawran Bazar C/A
Dhaka 1215, Bangladesh.
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email : spl@summitpower.org

www.summitpower.org

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