Shahjibazar Power Company Limited

Independent Auditor's Report
Along with Audited Financial Statements
For the year ended 30 June 2017

ACNABIN
Chartered Accountants

BDBL Bhaban (Level-13), 12 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh
Tel: (+88-02) 8144347 to 52, Fax: (+88-02) 8144353
E-mail: <acnabin@bangla.net>, Web: www.acnabin.com

Branch Office

Jahan Building No.7 (1st Fl), 59 Agrabad Commercial Area, Chittagong-4100, Bangladesh
Tel: (+88-031) 2517352, Fax: (+88-031) 2517353, E-mail: <acnabin.ctg@acnabin-bd.com>
Web: www.acnabin.com

an independent member of
BAKER TILLY
INTERNATIONAL

AMAR STOCK

Table of Contents

SL. #	Particulars	Page #
1.	Independent Auditor's Report	1-2
2.	Consolidated Statement of Financial Position	3
3.	Statement of Financial Position	4
4.	Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
5.	Statement of Profit or Loss and Other Comprehensive Income	6
6.	Consolidated Statements of Cash Flows	7
7.	Statement of Cash Flows	8
8.	Consolidated Statement of Changes in Equity	9
8.	Statement of Changes in Equity	10
9.	Notes to the Financial Statements	11-33
10.	Annexure (A-D)	34-39
11.	Appendix: A – Director's Report of Petromax Refinery Limited	1-12
12.	Appendix: B – Auditor's Report and Audited Financial Statements of Petromax Refinery Limited	1-28

ACNABIN
Chartered Accountants

BDBL Bhaban (Level-13 & 14)
12 Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh.

Telephone: (88 02) 8144347 to 52
(88 02) 8189428 to 29
Facsimile: (88 02) 8144353
e-mail: <acnabin@bangla.net>
Web: www.acnabin.com

Independent Auditor's Report To the Shareholders of Shahjibazar Power Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shahjibazar Power Company Limited ("The Company") which comprise the statement of financial position as at 30 June 2017, statement of Profit and loss and other 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 information and all related consolidated financial statements of Shahjibazar Power Company Limited including its subsidiary and associate (together referred to as "the Group").

Management's Responsibility for the Financial Statements

Management of Shahjibazar Power Company Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and error.

Auditor's 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, but not absolute assurance whether the financial statements are free from material misstatement due to fraud and error.

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, the auditor considers 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 the consolidated financial statements give a true and fair view of the financial position as at 30 June 2017, and of the financial performance and cash flows for the year then ended prepared in accordance with Bangladesh Financial Reporting Standards (BFRS).

Other Matter

The financial statements of the Company's subsidiary, Petromax Refinery Limited (PRL), was not audited by us. The financial statements of Petromax Refinery Limited shows total assets of Taka 5,804,612,488 as on 30 June 2017 and total revenue of Taka 7,328,382,889 for the year then ended. Aziz Halim Khair Choudhury & Co., Chartered Accountants has audited the Financial Statements of Petromax Refinery Limited and expressed an unmodified opinion. Our opinion, in so far as it relates to the amounts included in respect of the company's subsidiary, is based on the audited financial statements and reports issued by subsidiary's auditor.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, we also report the following:

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 accounts as required by law have been kept by the company so far as it appeared from our examination of these books;

c) The Company's statement of financial position and statement of profit & loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) The expenditure incurred was for the purposes of the company's business.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

	Notes	June 30, 2017 Taka	June 30, 2016 Taka
ASSETS:			
Non-Current Assets		**6,647,548,177**	**6,427,200,483**
Property, Plant and Equipment	4a	5,932,098,205	6,182,626,606
Intangible Assets	5.00	745,787	607,312
Investment Accounted for using the Equity Method	6a	177,731,076	135,034,989
Capital Work In Progress	7a	-	5,923,742
Other Investments	8a	536,973,109	103,007,834
Current Assets		**2,795,563,575**	**3,883,982,475**
Inventories	9a	785,392,635	927,183,754
Accounts Receivables	10a	908,417,838	1,083,691,281
Other Receivables	11a	512,032	2,212,221
Advance, Deposits and Prepayments	12a	507,083,848	919,488,307
Financial Assets at fair value through profit or loss	12b	24,774,556	16,223,666
Cash and Cash Equivalents	13a	508,991,093	545,437,741
Goods in Transit	14a	60,391,573	389,745,505
TOTAL ASSETS		**9,443,111,751**	**10,311,182,958**
SHARE HOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		**4,871,963,609**	**4,396,980,445**
Share Capital	15.00	1,412,459,981	1,371,320,370
Share Premium	16.00	914,920,000	914,920,000
Tax Holiday Reserve	16a	701,982,235	473,326,411
Retained Earnings	17a	1,842,601,393	1,637,413,664
Non-controlling interests		**258,340,464**	**209,824,956**
Total equity		**5,130,304,073**	**4,606,805,401**
Non-Current Liabilities		**388,672,715**	**743,784,661**
Long Term Loan- Net of Current Maturity	18a	350,426,500	659,254,696
Loan from other than Bank	18b	12,500,000	67,322,967
Deferred Tax Liabilities	19a	25,746,215	17,206,998
Current Liabilities		**3,924,134,964**	**4,960,592,895**
L/C Liabilities	20a	65,026,521	1,044,606,057
Short Term Loan	21a	3,130,570,723	2,787,365,765
IPO Application Amount	22a	6,084,318	6,104,318
Long Term Loan - Current Maturity	23a	510,047,371	840,133,369
Sundry Creditors	24a	124,046,922	134,559,807
Liabilities for Expenses	25a	11,495,521	4,715,591
Unclaimed Dividend	25b	10,141,045	20,682,755
Trade Payable	26a	66,722,544	122,425,235
Total liabilities		**4,312,807,679**	**5,704,377,557**
TOTAL EQUITY AND LIABILITIES		**9,443,111,751**	**10,311,182,958**
Net Asset Value Per Share (NAVPS)		**34.49**	**32.06**
CONTINGENT LIABILITIES & COMMITMENTS	37 & 38		

The financial statements were authorised for issuance by the Board of Directors on 28 October 2017

Chairman **Director** **Managing Director** **Company Secretary**

Report of the Auditors to the Shareholders:
This is the statement of Consolidated Financial Position referred to in our report of even date.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

	Notes	June 30, 2017 Taka	June 30, 2016 Taka
ASSETS:			
Non-Current Assets		**4,321,960,176**	**4,558,978,445**
Property, Plant and Equipment	**4.00**	2,707,255,991	2,930,935,622
Investment Accounted for using the Equity Method	**6.00**	177,731,076	135,034,989
Investment in Subsidiary	**7.00**	900,000,000	900,000,000
Other Investments	**8.00**	536,973,109	593,007,834
Current Assets		**450,457,647**	**504,654,121**
Inventories	**9.00**	132,208,155	107,136,484
Accounts Receivables	**10.00**	222,267,768	294,569,121
Other Receivables	**11.00**	512,032	2,212,221
Advance, Deposits and Prepayments	**12.00**	39,610,868	55,173,611
Cash and Cash Equivalent	**13.00**	46,319,577	20,520,138
Goods In Transit	**14.00**	9,539,247	25,042,546
TOTAL ASSETS		**4,772,417,823**	**5,063,632,566**
SHARE HOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		**3,274,160,328**	**3,235,816,723**
Share Capital	**15.00**	1,412,459,981	1,371,320,370
Share Premium	**16.00**	914,920,000	914,920,000
Retained Earnings	**17.00**	946,780,347	949,576,353
Non-Current Liabilities		**310,016,228**	**607,202,248**
Long Term Loan- Net of Current Maturity	**18.00**	284,270,013	589,995,250
Deferred Tax Liabilities	**19.00**	25,746,215	17,206,998
Current Liabilities		**1,188,241,268**	**1,220,613,594**
L/C Liabilities	**20.00**	58,040,125	34,430,587
Short Term Loan	**21.00**	556,819,339	572,633,509
IPO Application Amount	**22.00**	6,084,318	6,104,318
Long Term Loan - Current Maturity	**23.00**	412,976,929	402,271,153
Sundry Creditors	**24.00**	80,648,188	78,313,293
Liabilities for Expenses	**25.00**	3,436,738	825,000
Unclaimed Dividend	**25b**	10,141,045	20,682,755
Trade Payable	**26.00**	60,094,587	105,352,980
Total Liabilities		**1,498,257,496**	**1,827,815,842**
TOTAL EQUITY AND LIABILITIES		**4,772,417,823**	**5,063,632,565**
Net Asset Value Per Share (NAVPS)		**23.18**	**23.60**
CONTINGENT LIABILITIES & COMMITMENTS	**37 & 38**		

The financial statements were authorised for issuance by the Board of Directors on 28 October 2017

Chairman **Director** **Managing Director** **Company Secretary**

Report of the Auditors to the Shareholders:
This is the statement of Financial Position referred to in our report of even date.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

an independent member of
BAKER TILLY
INTERNATIONAL

SHAHJIBAZAR POWER COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	Notes	For the Year Ended	
		June 30, 2017 Taka	June 30, 2016 Taka
Revenue	**27a**	8,642,556,150	7,994,314,013
Cost of Sales	**28a**	6,889,320,961	6,492,895,642
Gross Profit		**1,753,235,189**	**1,501,418,370**
Operating Expenses:			
General and Administrative Expenses	**29a**	163,660,120	122,581,630
Financial Expenses	**30a**	372,169,002	536,620,602
Operating Profit		**1,217,406,067**	**842,216,138**
Non-Operating Income	**31a**	2,365,447	5,801,527
Share of Profit From Associate	**32a**	42,696,087	69,159,486
Net Profit before Tax and WPPF		**1,262,467,601**	**917,177,151**
Workers' Profit Participation Fund	**33a**	66,546,076	43,675,102
Net Profit before Tax		**1,195,921,525**	**873,502,049**
Income Tax Expenses:	**34a**	**246,026,743**	**132,393,649**
Current Tax		237,487,526	124,564,252
Deferred Tax		8,539,217	7,829,397
Net profit after Tax		**949,894,782**	**741,108,399**
Other Comprehensive Income		-	-
Total Comprehensive Income		**949,894,782**	**741,108,399**
Profit Attributable to			
Equity holders' of the parent		886,379,275	705,403,358
Non Controlling Interest		63,515,507	35,705,041
		949,894,782	**741,108,399**
Total Comprehensive Income Attributable to:			
Equity holders' of the parent		886,379,275	705,403,358
Non Controlling Interest		63,515,507	35,705,041
		949,894,782	**741,108,399**
Earnings Per Share (EPS)	**35a**	**6.28**	**5.14**

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 28 October 2017

Chairman **Director** **Managing Director** **Company Secretary**

Report of the Auditors to the Shareholders:

This is the statement of Consolidated Comprehensive Income referred to in our report of even date.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

BAKER TILLY INTERNATIONAL

SHAHJIBAZAR POWER COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	Notes	For the Year Ended	
		June 30, 2017 Taka	June 30, 2016 Taka Re-Stated
Revenue from Sales	**27.00**	**1,314,173,261**	**1,511,116,209**
Cost of Sales	**28.00**	718,436,382	882,308,619
Gross Profit		**595,736,879**	**628,807,590**
Operating Expenses:			
General and Administrative Expenses	**29.00**	58,737,895	51,815,695
Financial Expenses, Net	**30.00**	95,656,754	136,010,655
Operating Profit		**441,342,230**	**440,981,240**
Non-Operating Income	**31.00**	133,158,559	3,856,248
Share of Profit of Investment Accounted for using Equity Method	**32.00**	42,696,087	69,159,486
Net Profit before Tax and WPPF		**617,196,876**	**513,996,973**
Less: Workers' Profit Participation Fund	**33.00**	29,390,327	24,476,047
Net Profit before Tax		**587,806,548**	**489,520,926**
Income Tax Expenses:	**34.00**	**138,066,833**	**105,462,932**
Current Tax		129,527,615	97,633,535
Deferred Tax		8,539,217	7,829,397
Net profit after Tax		**449,739,716**	**384,057,994**
Other Comprehensive Income		-	-
Total Comprehensive Income		**449,739,716**	**384,057,994**
Earnings Per Share (EPS)	**35.00**	**3.18**	**2.80**

The accompanying notes form an integral part of the financial statements
The financial statements were authorised for issuance by the Board of Directors on 28 October 2017

Chairman **Director** **Managing Director** **Company Secretary**

Report of the Auditors to the Shareholders:
This is the statement of Comprehensive Income referred to in our report of even date.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

an independent member of
BAKER TILLY
INTERNATIONAL

SHAHJIBAZAR POWER COMPANY LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

		JUNE 30, 2017 Taka	JUNE 30, 2016 Taka
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Cash receipt from customers	8,817,829,593	7,967,490,097
	Cash paid to suppliers, employees	(6,178,576,102)	(6,011,809,187)
	Cash Paid for operational Expenses	(96,335,476)	(174,691,996)
	Cash received from Other Activities	7,104,426	3,934,169
	Cash paid for Workers Profit Participation Fund	(37,893,509)	-
	Income Tax Paid	(218,635,673)	(123,155,260)
	Cash payment for Financial Expenses	(371,195,269)	(536,620,602)
	Net Cash flows from operating activities	**1,922,297,991**	**1,125,147,220**
B	**CASH FLOWS IN INVESTING ACTIVITIES**		
	Acquisition of property plant and equipment	(258,774,374)	(233,198,196)
	Disposal of Fixed Assets	225,000	1,700,000
	Dividend Received from Associate	-	30,012,500
	Goods in Transit	-	(73,792,926)
	Investment in Quoted Securities	(8,550,890)	(16,223,666)
	Intangible Assets	-	(415,350)
	Other Investment	56,034,724	(1,603,768)
	Net cash used in investing activities	**(211,065,540)**	**(293,521,406)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Bank Loan (Short Term)	386,204,958	845,660,820
	IPO Application Amount	(20,000)	(120,000)
	Payment of L/C Liabilities	(1,003,189,074)	(535,835,746)
	Payment of Dividend	(436,937,821)	(358,564,354)
	Loan Other Than Bank and Financial Institutes	(54,822,967)	(92,352,508)
	Bank Loan (Long Term)	(638,914,195)	(825,235,138)
	Net cash used in financing activities	**(1,747,679,099)**	**(966,446,926)**
D	**Net Cash for the year (A+B+C)**	**(36,446,648)**	**(134,821,112)**
E	**Opening cash and bank balance**	545,437,741	680,258,853
F	**Closing cash and cash equivalents (D+E)**	**508,991,093**	**545,437,741**
G	**Net Operating Cash Flow per share**	**13.61**	**8.20**

The accompanying notes form an integral part of the financial statements
The financial statements were authorised for issuance by the Board of Directors on 28 October 2017

Chairman **Director** **Managing Director** **Company Secretary**

Report of the Auditors to the Shareholders:
This is the statement of Consolidated Cash flow referred to in our report of even date.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

An independent member of
BAKER TILLY
INTERNATIONAL

SHAHJIBAZAR POWER COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

		June 30, 2017 Taka	June 30, 2016 Taka
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Cash receipt from customers	1,386,474,614	1,489,768,012
	Cash paid to suppliers, employees	(485,400,852)	(595,214,547)
	Cash Paid for operational Expenses	(34,947,049)	(33,814,142)
	Cash received from Other Activities	2,897,537	1,988,890
	Cash paid for Workers Profit Participation Fund	(37,893,509)	-
	Income Tax Paid	(110,675,762)	(96,224,543)
	Cash Paid for Financial Expenses	(94,683,021)	(136,010,655)
	Net Cash flows from operating activities	**625,771,958**	**630,493,015**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Acquisition of property plant and equipment	(58,440,790)	(150,216,789)
	Disposal of Fixed Assets	225,000	1,700,000
	Dividend Received from Subsidiary	135,000,000	30,012,500
	Loan & Advance (Subsidiary & Associate)	-	8,811,492
	Other Investment	56,034,724	(1,603,768)
	Net cash flow from investing activities	**132,818,934**	**(111,296,565)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Bank Loan (Short Term)	(15,814,170)	86,757,081
	IPO Application Amount	(20,000)	(120,000)
	Dividend Paid	(421,937,821)	(358,564,354)
	Bank Loan (Long Term)	(295,019,462)	(402,715,671)
	Net cash used financing activities	**(732,791,453)**	**(674,642,944)**
D	**Net Cash inflow/(outflow) for the year (A+B+C)**	**25,799,439**	**(155,446,494)**
E	**Opening Cash & Cash Equivalent**	20,520,138	175,966,632
F	**Closing Cash & Cash Equivalent**	**46,319,577**	**20,520,138**
G	**Net Operating Cash Flow per share**	**4.43**	**4.60**

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 28 October 2017

Chairman **Director** **Managing Director** **Company Secretary**

Report of the Auditors to the Shareholders:

This is the statement of Cash flow referred to in our report of even date.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

An independent member of BAKER TILLY INTERNATIONAL

SHAHJIBAZAR POWER COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Total		
Balance as at July 01, 2016	1,371,320,370	473,326,411	914,920,000	1,637,413,664	4,396,980,445	209,824,957	4,606,805,402
Net profit (After Tax) for the period	-	-	-	886,379,275	886,379,275	63,515,507	949,894,782
Bonus Share/Stock Dividend	41,139,611	-	-	(41,139,611)	-	-	-
Cash Dividend Paid	-	-	-	(411,396,111)	(411,396,111)	(15,000,000)	(426,396,111)
Tax Holiday Reserve	-	228,655,824	-	(228,655,824)	-	-	-
Balance as at June 30, 2017	**1,412,459,981**	**701,982,235**	**914,920,000**	**1,842,601,393**	**4,871,963,609**	**258,340,464**	**5,130,304,073**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

Particulars	Attributable to share holders' equity					Non Controlling Interests	Total Equity
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earning	Total		
Balance as at July 01, 2015	1,331,379,000	344,788,265	914,920,000	1,473,275,941	4,064,363,206	174,119,916	4,238,483,122
Net profit (After Tax) for the year	-	-	-	705,403,359	705,403,359	35,705,041	741,108,399
Bonus Share/Stock Dividend	39,941,370	-	-	(39,941,370)	-		-
Cash Dividend Paid				(372,786,120)	(372,786,120)		(372,786,120)
Tax Holiday Reserve	-	128,538,146	-	(128,538,146)	-	-	-
Balance as at June 30, 2016	**1,371,320,370**	**473,326,411**	**914,920,000**	**1,637,413,664**	**4,396,980,445**	**209,824,957**	**4,606,805,401**

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 28 October 2017

Chairman **Director** **Managing Director** **Company Secretary**

Report of the Auditors to the Shareholders:

This is the statement of Consolidated Changes in Equity referred to in our report of even date.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
Balance as at July 01 , 2016	1,371,320,370	914,920,000	949,576,353	3,235,816,723
Net profit for the year	-	-	449,739,716	449,739,716
Bonus Share/Stock Dividend	41,139,611	-	(41,139,611)	-
Cash Dividend	-	-	(411,396,111)	(411,396,111)
Balance as at June 30, 2017	**1,412,459,981**	**914,920,000**	**946,780,347**	**3,274,160,328**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

Particulars	Share Capital	Share Premium	Retained Earning	Total Equity
Balance as at July 01 , 2015	1,331,379,000	914,920,000	978,245,849	3,224,544,849
Net profit for the year	-	-	384,057,994	384,057,994
Bonus Share/Stock Dividend	39,941,370	-	(39,941,370)	-
Cash Dividend	-	-	(372,786,120)	(372,786,120)
Balance as at June 30, 2016	**1,371,320,370**	**914,920,000**	**949,576,353**	**3,235,816,723**

The accompanying notes form an integral part of the financial statements

The financial statements were authorised for issuance by the Board of Directors on 28 October 2017

Chairman **Director** **Managing Director** **Company Secretary**

Report of the Auditors to the Shareholders:

This is the statement of Changes in Equity referred to in our report of even date.

Dhaka,
28 October 2017

ACNABIN
Chartered Accountants

SHAHJIBAZAR POWER COMPANY LIMITED
Notes to the Financial Statements
As on and for the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

1. Status of the Reporting Entity

1.1. Corporate History:

The Shahjibazar Power Company Limited is a Public Limited Company listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) registered under The Companies Act 1994. The Company was incorporated in Bangladesh on 4th November, 2007 vide registration no C-68888 (1400)/07. The registered office of the company is located at Youth Tower, 822/2 Rokeya Sarani, Dhaka-1216 and the plant is located at Fatehpur, Madhobpur, Habiganj, Bangladesh.

1.2. Nature of business

The principal activity of this company is to set up power plants for generation and supply of electricity. The agreement for supply of power with Bangladesh Power Development Board (BPDB) held on 14th February, 2008. The company has 86 MW power plants and started commercial production on 10th February, 2009. The company supplies its generated electricity to Bangladesh Power Development Board (BPDB).

The company has a 90% owned subsidiary company namely Petromax Refinery Limited. The principal activity of this company is production and supply of petroleum products like liquid petroleum gas, special boiling point solvent, mineral turpentine, high speed diesel, octane, kerosene and fuel gas to Bangladesh Petroleum Corporation. The company has started its commercial operation on 25 October, 2013.

The company also has an Associates Company namely "Midland Power Co. Ltd" (51 MW Gas based power Plant) and holding 49% shares. This company has started its commercial operation on 7 December, 2013.

The management of the company will continue its operational existence for the foreseeable future on the basis of improved profitability and continued support its bankers, equipment vendors and other contractors, suppliers.

1.3. Description of Subsidiary

Petromax Refinery Limited is a public Company limited by shares and registered under The Companies Act 1994. The Company was incorporated in Bangladesh on 14th May, 2009 vide registration no. C-58744 and not listed with any Stock Exchange in Bangladesh. The Company went into commercial operation on October 25, 2013.

The registered office of the company is located at 822/2 Rokeya Sarani, Dhaka-1216 and the factory is located at 15, Mongla Port Industrial Area, Mongla, Bagerhat, Bangladesh.

The principal activity of this company is production and supply of petroleum products like liquid petroleum gas, special boiling point solvent, mineral turpentine, high speed diesel, octane, kerosene, and fuel gas to Bangladesh Petroleum Corporation.

1.4. Description of Associate

Midland Power Co. Ltd. (hereinafter referred to as "the Company") was incorporated on 27 November 2011 as a private company limited by shares under the Companies Act, 1994. The registered office of the Company is located in Dhaka and the plant is located at Ashuganj, Brahmanbaria.

The principal activity of the Company is to set up 51 MW Gas Fired Power Generating Plant for the generation and supply of electricity. An agreement has been signed for supply of electricity with Bangladesh Power Development Board (BPDB) on 11 April 2012 for a period of 15 years with a provision of further renewal. The Company has started its commercial operation on 7 December 2013.

2. Basis of Preparation:

2.1. Statement of Compliance

The financial statements of Shahjibazar Power Company Limited have been prepared in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2. Application of Standards

The following BASs and BFRSs are applicable for the financial statement for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 32	Financial Instrument: Presentation
BAS 33	Earnings per Share
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets
BAS 39	Financial Instrument: Recognition and measurement
BFRS 7	Financial Instruments: Disclosures
BFRS 8	Operating Segments
BFRS 10	Consolidated Financial Statements
BFRS 12	Disclosure of Interests in other Entities
BFRS 13	Fair Value Measurement

2.3. Date of authorization

The consolidated financial statements as well as separate financial statements were authorized by the Board of Directors on 28 October 2017 for publication.

2.4. Measurement bases used in Preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC).

2.5. Use of estimates and judgments

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

2.6. Accounting Convention and Basis

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable International Accounting Standards in Bangladesh which does not vary from the requirements of the Companies Act 1994, and other laws and rules applicable in Bangladesh.

2.7. Functional and presentational currency and level of precision

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.8. Reporting period

The financial period of the company covers one year from 1 July to 30 June and followed consistently.

2.9. Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

i) Statement of Financial Position
ii) Statement of Comprehensive Income
iii) Statement of Changes in Equity
iv) Statement of Cash Flows
v) Notes to the Financial Statements

3. Principal Accounting Policies:

The accounting policies set out below have been applied in preparations of these financial statements

3.1. Basis of consolidation

3.1.1. Subsidiary

Subsidiaries are entities controlled by Shahjibazar Power Co. Ltd. Control exists when Shahjibazar Power Co. Ltd. Shahjibazar Power Co. Ltd. has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The

financial statements of subsidiaries have been included in the consolidated financial statements from the date that control commences until the date that it ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by Shahjibazar Power Co. Ltd.

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of Shahjibazar Power Co. Ltd. interest in the investee. Unrealized losses, if any, are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

3.2. Property, Plant and Equipment

3.2.1. Recognition and Measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses in compliance with the requirements of BAS-16: Property, Plant and Equipment.

3.2.2. Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

3.2.3. Depreciation on Fixed Assets

Depreciation is recognized in the profit and loss account on a straight line basis over the estimated useful life of property, plant and equipment in accordance with the provisions of BAS 16: Property, Plant and Equipment.

Plant and machinery are depreciated from the month on which the asset comes into use or being capitalized. Other items of property, plant and equipment continue to be depreciated for a full year of capitalization respective of the date on which the asset comes into use or being capitalized.

Land is not depreciated. Depreciation on other assets is calculated using straight line method to allocate their cost or revalued amounts to their residual values over their estimated lives, as follows:

Building and Construction	5 to 10 %
Plant and Machinery	6 to 15%
Water Treatment Plant	15%
Mechanical & Electrical Equipment	10%
Computer & Computer Equip.	20%
Motor Vehicles	20%
Office Equipment	15%
Furniture and Fixture	10%

3.2.4. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized 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 costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

3.2.5. Capitalization of Borrowing Cost

Borrowing cost relating to acquisition of fixed assets is capitalized as per Bangladesh Accounting Standard (BAS) - 23, borrowing costs at the weighted average cost of borrowings. However, capitalization of borrowing costs is ceased when acquisition of relevant asset is completed.

3.2.6. Impairment of Assets

Impairment of assets are carried out if carrying value is less than the value of using the asset or net realizable value of the assets whichever is lower.

3.3. Intangibles Assets

Intangible Assets are measured at cost less accumulated amortization and recognized when all the condition as per BAS-38: Intangible Assets are met. Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied there with will flow to the entity and its cost can be measured reliably. Intangible assets are amortized at the rate of fifteen percent of cost per year.

3.4. Capital work in progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost.

3.5. Inventories

Inventories in hand as at 30th June, 2017 have been valued at lower of cost and net realizable value in accordance with BAS -2 "Inventories" after making due allowance for any obsolete or slow moving items.

3.6. Accounts Receivables

Accounts Receivables are considering good and realizable. Accounts Receivables are stated at the original invoice value.

3.7. Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

3.8. Investment in shares of listed companies

Investment in shares of listed companies is classified as financial assets fair value through profit or loss as it is designated as such upon initial recognition. Financial assets fair value through profit or loss are measured at fair value, and changes therein are recognized in comprehensive income.

3.9. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction.

3.10. Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

3.11. Other Corporate Debt, Accounts Payable, Trade and Other Liabilities

Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

3.12. Taxation

Income Tax expense comprises current and deferred Tax. Income Tax expense is recognized in the statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax

Current Tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Company is currently 25%.

Deferred Tax

Deferred income Tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of Deferred Income Tax. Deferred Tax liabilities are recognised for all temporary taxable differences.

Deferred Tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3.13. Provisions

A provision is recognized on the balance sheet date if, as a result of past events, the company has a presents legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.14. Revenue Recognition

Invoice are made by survey of meter reading in every month and recognized in the income statement after satisfying all the condition for revenue recognition as provided in BAS 18 "Revenue".

3.15. Foreign Currency

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance at bank at the close of the business, at the rate prevailing on the Balance Sheet date in accordance with BAS 21 "The effects of Changes in Foreign Currency Rates."

3.16. Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized on accrual basis.

Finance expenses comprise interest expenses on loan, overdraft and bank charges. All borrowing costs are recognized in the profit and loss account using effective interest method except to the extent that they are capitalized during constructions period of the plants in accordance with BAS-23 Borrowing cost.

3.17. Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning per Share, which has been shown on the face of Statement of Comprehensive Income account, and the computation of EPS is stated in **Note 35 & 35a**

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

Diluted earnings per share

No diluted earnings per share are required to be calculated per year as there was no scope for dilution during the year.

3.18. Cash flows statement

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

3.19. Workers Profit Participation Fund (WPPF)

The company has been providing worker profit participation fund for its employees in accordance with provisions of Bangladesh Labor Act 2006, Section-232(1)

3.20. Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the

International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

3.21. Risk and uncertainties for the use of estimates

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

3.22. Related Party Transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balance have been set out in accordance with the provisions of BAS 24.

3.23. Comparative Amounts

Comparative period figures have been rearranged to ensure consistency with current year's figures in order to better comparison and presentation;

3.24. Segment Reporting

Shahjibazar Power Company Limited generate revenue from only power generation. There no other segment of revenue producing and in this consequence no segment reporting is required.

3.25. Measurement of Fair Values

The Company has an established control framework with respect to the measurement of fair values. Management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of BFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

			June 30, 2017 Taka	June 30, 2016 Taka
4.00	**PROPERTY, PLANT AND EQUIPMENT:**			
	Cost			
	Cost at July 01, 2016		4,689,082,734	4,542,602,865
	Addition during the period		58,440,790	150,216,789
	Disposal during the year		(1,274,000)	(3,736,920)
	Cost at June 30, 2017		4,746,249,524	4,689,082,734
	Accumulated Depreciation			
	Balance at July 01, 2016		1,758,147,113	1,484,591,141
	Charged during the year		282,120,421	277,292,892
	Adjustment during the year		(1,274,000)	(3,736,920)
	At June 30, 2017		2,038,993,534	1,758,147,113
	Carrying Value at June 30, 2017		**2,707,255,991**	**2,930,935,622**
	LEASEHOLD/FREEHOLD STATUS (at carrying value)			
	Land, Building, Plant & Machinery, Furniture fixtures & Others			
	Leasehold		-	-
	Freehold		2,707,255,991	2,930,935,622
			2,707,255,991	**2,930,935,622**
	For details breakup please refer to Annexure - A			
4a	**Consolidated Property, Plant and Equipment**			
	Shahjibazar Power Company Limited		2,707,255,991	2,930,935,622
	Petromax Refinery Limited		3,224,842,214	3,251,690,984
			5,932,098,205	**6,182,626,606**
5.00	**Consolidated Intangible Assets**			
	Shahjibazar Power Company Limited		-	-
	Petromax Refinery Limited		745,787	607,312
			745,787	**607,312**
6.00	**INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD**			
	Initial Investment in Midland Power Co. Ltd.		49,000,000	49,000,000
	Share of Post Acquisition Change in Net Asset	6.01	128,731,076	86,034,989
			177,731,076	**135,034,989**
6.01	***Share of Post Acquisition Changes in Net Asset***			
	Opening Balance		86,034,989	46,888,003
	Share of net profit for the this Period		42,696,087	69,159,486
	Interim dividend declared and paid		-	(30,012,500)
			128,731,076	**86,034,989**
6a	**Consolidated Investment Accounted for using the Equity Method**			
	Initial Investment		49,000,000	49,000,000
	Share of Post Acquisition Changes in Net Asset		128,731,076	86,034,989
			177,731,076	**135,034,989**

	June 30, 2017 Taka	June 30, 2016 Taka

6c Nature of Investment in Associate:

Name of the Entity	Place of Business/Country of Incorporation	% of ownership Interest	Nature of the relationship	Measurement Method
Midland Power Co. Ltd.	The Company is incorporated and registered in Bangladesh. The plant of the Company is situated at Ashuganj, Brahmanbaria. The Company is engaged in generating supplying electricity to national grid. It has a set up of 51 MW gas based power plant.	49%	**Associate**	**Equity**

Midland Power Company Limited is a private limited company and there is no quoted market price available for its share.

There is no contingent liabilities relating to the group's interest in the associate.

Summarised financial information for associate

Summarised Balance Sheet:

	June 30, 2017	June 30, 2016
Current:		
Cash & Cash Equivalents	48,368,232	184,408,207
Other Current Assets (excluding cash)	210,460,988	193,779,723
Total Current Assets	**258,829,220**	**378,187,930**
Financial liabilities (excluding trade payables)	191,427,098	21,354,390
Other current liabilities	88,528,579	60,921,060
Total Current Liabilities	**279,955,677**	**82,275,450**
Non-Current:		
Assets	2,406,039,106	**2,493,831,160**
Total Non-Current Assets	**2,406,039,106**	**2,493,831,160**
Financial Liabilities	**1,142,196,168**	**1,383,259,207**
Other Liabilities	-	-
Total Non-Current Liabilities	**1,142,196,168**	**1,383,259,207**
Net Assets	**1,242,716,481**	**1,275,581,610**
Summarised Statement of Comprehensive Income		
Revenue	633,647,718	713,835,208
Cost of Revenue	421,746,993	468,557,546
Other Expenses	76,819,240	104,135,854
Income Tax Expense	-	-
Post tax profit from continuing operations	87,134,871	141,141,808
Other Comprehensive Income	-	-
Total Comprehensive Income	**87,134,871**	**141,141,808**

7.00 INVESTMENT IN SUBSIDIARY:

Petromax Refinery Limited	900,000,000	900,000,000
	900,000,000	**900,000,000**

Petromax Refinery Limited is 90% owned subsidiary company of Shahjibazar Power Co. Ltd.

7a Consolidated Capital Work in Progress:

Shahjibazar Power Co. Ltd.	-	-
Petromax Refinery Limited	-	5,923,742
	-	**5,923,742**

an independent member of BAKER TILLY INTERNATIONAL

			June 30, 2017 Taka	June 30, 2016 Taka
8.00	**OTHER INVESTMENTS:**			
	Investment In Mudaraba Term Deposit	**8.01**	105,773,109	103,007,834
	Investment In Associate over share capital as advance		431,200,000	490,000,000
			536,973,109	**593,007,834**
8.01	***Investment in Mudaraba Term Deposit***			
	Mudaraba Term Deposit Receipt-IBBL		97,919,107	95,751,896
	Mudaraba Term Deposit Receipt-IFIL		7,854,003	7,255,938
			105,773,109	**103,007,834**
	Lien Status:			
	Under Lien (Against Short Term Loan)		59,892,230	95,751,896
	Free from Lien		45,880,879	7,255,938
			105,773,109	103,007,834
8a	**Consolidated Other Investment**			
	Shahjibazar Power Company Limited		536,973,109	103,007,834
	Petromax Refinery Limited		-	-
			536,973,109	**103,007,834**
9.00	**INVENTORIES**			
	Oil & Lubricant		2,324,696	4,191,680
	Spare parts and others		129,883,459	102,944,804
			132,208,155	**107,136,484**

Inventories in hand have been valued at lower of cost and net realizable value.

Items	Measurement Unit	Quantity	Value
Oil & Lubricant	Drum	42	2,309,740
	Liter	18	5,496
	Can	25	9,460
Spare Parts & Others	Pieces	59,630	96,070,321
	Packet	125	375,690
	Set	38	370,050
	Roll	1	900
	Rim	3	1,110
	Rft	18,950	27,990,585
	Pairs	185	465,390
	Book	195	18,370
	Box	65	4,209,600
	Kgs	28	82,758
	Lbs	1	1,650
	Mtr	265	297,035
Total			**132,208,155**

9a	**Consolidated Inventories**			
	Shahjibazar Power Company Limited		132,208,155	107,136,484
	Petromax Refinery Limited		653,184,480	820,047,270
			785,392,635	**927,183,754**
10.00	**ACCOUNTS RECEIVABLES**			
	Bangladesh Power Development Board (BPDB)		**222,267,768**	**294,569,121**
	Ageing Status of Accounts Receivables			
	Less than six months		222,267,768	294,569,121
	More than six months		-	-
			222,267,768	**294,569,121**

		June 30, 2017 Taka	June 30, 2016 Taka
10a	**Consolidated Accounts Receivables:**		
	Shahjibazar Power Company Limited	222,267,768	294,569,121
	Petromax Refinery Limited	686,150,070	789,122,160
		908,417,838	**1,083,691,281**

Out of total receivable of Petromax Refinery Limited an amount of Taka : 24,59,98,869.03 is under the process of settlement with BPC. Since the government of Bangladesh has published a gazette reducing the petroleum price with effect from November 1, 2014 dated back on March 5, 2015 and accordingly, against this gazette the company filed a writ petition through Honorable High Court dated on March 16, 2015, therefore considering the old rate total receivable of the company was reported.

11.00	**OTHER RECEIVABLES:**		
	Interest on Mudaraba Term Deposit-IFIL	304,184	582,716
	Interest on Mudaraba Term Deposit-IBBL	207,848	1,629,505
		512,032	**2,212,221**
11a	**Consolidated Other Receivables:**		
	Shahjibazar Power Company Limited	512,032	2,212,221
	Petromax Refinery Limited	-	-
		512,032	**2,212,221**

12.00	**ADVANCE, DEPOSITS AND PREPAYMENTS:**			
	Advance	12.01	785,991	5,872,002
	Deposits	12.02	14,673,190	14,646,235
	Prepayments	12.03	24,151,687	34,655,374
			39,610,868	**55,173,611**

12.01	***Advances:***		
	Advance Income Tax:		
	Opening Balance	3,682,623	4,055,887
	Add: During this period	75,000	-
	Adjusted with Non-Operating Income Tax Payable	(3,757,623)	(373,264)
		-	3,682,623
	Advance to Others :		
	Abdullah Electric Co.	-	200
	Guraba Engineering Ltd.	-	400
	Saudia Electric Co.	-	94,412
	Mahim Traders	-	39,700
	Delcot Ltd.	-	103,600
	Al-Amin Trading Organization	-	66,400
	Inter Space Design	-	1,200,000
	Assign Engineering Ltd.	30,000	-
	Energypac Engineering Ltd.	105,000	-
	M/S Chunnu Enterprise	53,625	-
	Olympia Machinery Store	14,100	-
	Youth Garments Ltd (C&F).	31,000	-
	UMS Centre	20,000	-
		253,725	1,504,712
	Advance to Staffs:		
	Mr. Tamiz Uddin	327,879	332,044
	Mr. Bhulon Bhowmik	-	10,533
	Mr. Tarequl Islam	102,854	35,136
	Mr. Faridur Rahman	49,384	-
	Mr. Hasan Imam Siddiki	-	225,000
	Others	52,149	81,954
		532,266	684,667
	Total Advances :	**785,991**	**5,872,002**

An independent member in
BAKER TILLY
INTERNATIONAL

		June 30, 2017 Taka	June 30, 2016 Taka
12.02	**Deposits :**		
	Central Depository Bangladesh Ltd.(CDBL)	500,000	500,000
	Power Development Board (Hobigonj)	72,660	72,660
	Bank Guarantee margin - IBBL	11,530,530	9,889,690
	Letter of credit margin - IBBL	2,570,000	4,183,885
	Total Deposits :	**14,673,190**	**14,646,235**
12.03	***Pre-Payments:***		
	Pre-paid Insurance	4,976,594	4,668,133
	Pre-paid Security Guard Bill	679,574	-
	Pre-paid Interest on MPI Loan	-	161,440
	Pre-paid Interest-Bai Murabaha FC bills	-	3,701,783
	Pre-paid Interest-Bai Murabaha TR Loan	17,249,718	18,672,487
	Pre-paid BG Commission	1,245,801	7,451,531
	Total Prepayments :	**24,151,687**	**34,655,374**

Islami Bank Bangladesh Limited has issued Bank Guarantee on behalf of SPCL favoring Bangladesh Power Development Board (BPDB) & Jalalabad Gas Transmission and Distribution Company Limited (JGTDCL) regarding Plant Operation & ensuring the bill payment. The Bank has kept a Margin of said Guarantee which will be continued up to 2023.

	Ageing Status of Advance, Deposits & Prepayments		
	Less than One Year	39,610,868	50,918,328
	More than One Year	-	4,255,283
		39,610,868	**55,173,611**
12a	**Consolidated Advance, Deposits and Prepayments:**		
	Shahjibazar Power Company Limited	39,610,868	545,173,611
	Petromax Refinery Limited	701,391,539	565,233,255
	Less : Loan from Petromax Refinery Limited	(233,918,559)	(190,918,559)
		507,083,848	**919,488,307**
12b	***Consolidated Financial Assets at fair value through profit or loss***		
	Shahjibazar Power Company Limited	-	-
	Petromax Refinery Limited	24,774,556	16,223,666
		24,774,556	**16,223,666**
	Financial Assets at fair value through profit or loss		
	Listed Equity Securities-Held for Trading		
	ACI Limited	684,363	4,565,563
	AB Bank Ltd.	233,888	-
	The ACME Laboratories Limited	-	907,920
	Active Fine Chemicals Limited	354,900	402,360
	Aman Feed Ltd.	370,000	-
	Apex Footwear Limited	-	1,335,092
	Appollo Ispat Complex Limited.	721,000	-
	Building Systems Limited	-	976,692
	Bay Leasing & Investment Ltd.	2,490,000	-
	Bangladesh Thai Aluminium Ltd	697,500	-
	Bangladesh Steel Re-Rolling Mills Limited	1,749,800	1,123,280
	CVO Petrochemical Refinery Limited	1,662,570	1,617,840
	The City Bank Ltd.	935,000	-
	City General Insurance Company Ltd.	360,800	-
	Dhaka Electric Supply Company Limited	303,891	305,109
	Evince Textiles Ltd.	345,780	-
	Far Chemicals Industries Ltd.	257,000	-
	The IBN SINA Pharmaceutical Industry Limited	-	162,750
	GPH Ispat Ltd.	443,000	-

	June 30, 2017 Taka	June 30, 2016 Taka
Ifad Autos Ltd.	2,023,500	-
Islamic Finance & Investment Ltd.	159,250	-
KDS Accessories Ltd.	190,250	-
Jamuna Oil Company Limited	-	909,000
Lafarge Surma Cement Limited	629,000	791,000
Lankabangla Finance Ltd.	557,000	-
MJL Bangladesh Ltd.	607,500	-
National Polymar Industries Ltd.	1,924,930	-
Premier Leasing & Finance Ltd.	477,500	-
RAK Ceramics (Bangladesh) Limited	316,800	304,500
Summit Alliance Port Limited	-	2,822,560
Saiham Cotton Mills Ltd.	352,000	-
Shahjalal Islami Bank Ltd.	422,625	-
Shepherd Industries Ltd.	710,630	-
Union Capital Ltd.	894,080	-
Western Marine Shipyard Ltd.	3,900,000	-
	24,774,556	**16,223,666**

Changes in fair value of financial assets at fair value through profit or loss are recorded in Non-operating income and General and Administrative Expense.

13.00 CASH AND CASH EQUIVALENT:

Cash in Hand	**30,486**	**90,012**
Cash at Bank:	**46,289,091**	**20,430,126**
CD Account with Bank Asia Limited # 6128	-	0.20
CD Account with Bank Asia Limited, IPO-USD	96,351	96,351
CD Account with Bank Asia Limited, IPO-GBP	31,778	31,778
CD Account with Bank Asia Limited, IPO-EURO	780	780
STD Account with Bank Asia Limited, IPO-Taka	14,411,411	13,955,925
CD Accounts with Exim Bank Limited # 14088	-	183
CD Account with Islami Bank Bangladesh Ltd# 9396	27,120,153	590,781
CD Account with Islami Bank Bangladesh Ltd# 1250	630,779	12,280
SND Account with Islami Bank Bangladesh Ltd# 49	3,992,089	5,250,734
MDA Account with Islami Bank Bangladesh Ltd# 56512	-	209,796
CD A/C with Standard Chartered Bank # 53917701	5,750	6,900
STD A/C with Exim Bank Limited # 85345	-	4
CD A/C with Eastern Bank Ltd. # 1041060274350	-	274,614
	46,319,577	**20,520,138**

13a Consolidated Cash and Cash Equivalent

Shahjibazar Power Company Limited	46,319,577	20,520,138
Petromax Refinery Limited	462,671,516	524,917,603
	508,991,093	**545,437,741**

14.00 GOODS IN TRANSIT:

Parts of Plant & Machinery	9,539,247	25,042,546
	9,539,247	**25,042,546**

14a *Consolidated Goods in Transit*

Shahjibazar Power Company Limited	9,539,247	25,042,546
Petromax Refinery Limited	50,852,326	364,702,959
	60,391,573	**389,745,505**

15.00 SHARE CAPITAL:

Authorized :		
500,000,000 shares @ Tk.10.00 each	**5,000,000,000**	**5,000,000,000**
Issued, Subscribed and paid -up:		
141,245,998 shares @ Tk.10.00 each	**1,412,459,981**	**1,371,320,370**

an independent member of BAKER TILLY INTERNATIONAL

	June 30, 2017 Taka	June 30, 2016 Taka
Movement of Share Capital:		
Opening Balance	1,371,320,370	1,331,379,000
Add: Bonus Share issued (3%)	41,139,611	39,941,370
	1,412,459,981	**1,371,320,370**

Shareholding position was as follows:

Name of Shareholders	% of Shareholding 30-Jun-17	% of Shareholding 30-Jun-16
Mr. Rezakul Haider	9.71%	10.60%
Mr. Feroz Alam	8.96%	9.84%
Mr. Anis Salahuddin Ahmad	9.84%	9.84%
Mr. A.K.M.Badiul Alam	7.57%	7.57%
Md. Samsuzzaman	11.36%	11.36%
Ms. Shahida Alam	3.79%	3.79%
Md. Akbor Haider	3.43%	3.79%
Mr. Faridul Alam	3.43%	3.79%
Mr. Rezina Alam	3.43%	3.79%
Mr. Faisal Alam	3.43%	3.79%
Mr. Asgor Haider	3.43%	3.79%
Ms. Israt Azim Ahmad	3.43%	3.79%
General Public	28.18%	24.29%
	100%	**100%**

Classification of Shareholders by holding:

Class by number of shares	Number of Shareholders 30-Jun-17	Number of Shareholders 30-Jun-16	Percentage of Shareholding 30-Jun-17	Percentage of Shareholding 30-Jun-16
Less than 500 Shares	4,799	5,188	55.63%	60.96%
501 to 5,000 shares	3376	3291	35.29%	31.10%
5,001 to 10,000 shares	433	335	3.59%	3.33%
10,001 to 20,000 Shares	245	224	2.40%	1.98%
20,001 to 30,000 Shares	92	109	1.17%	0.96%
30,001 to 40,000 Shares	38	40	0.43%	0.28%
40,001 to 50,000 Shares	35	28	0.30%	0.31%
50,001 to 100,000 Shares	63	45	0.48%	0.50%
100,001 to 1,000,000 Shares	53	51	0.55%	0.42%
Over 1,000,000 Shares	14	15	0.16%	0.17%
	9,148	**9,326**	**100%**	**100%**

Name of the Directors and their Shareholding position:

Name of the Directors	No. of Shareholding 30-Jun-17	No. of Shareholding 30-Jun-16
Mr. Rezakul Haider	13,721,420	14,535,360
Mr. Feroz Alam	12,652,033	13,497,120
Mr. Anis Salahuddin Ahmad	13,902,033	13,497,120
Mr. A.K.M.Badiul Alam	10,693,872	10,382,400
Md. Samsuzzaman	16,040,808	15,573,600
Total :	67,010,166	67,485,600

16.00 SHARE PREMIUM:

Opening Balance	914,920,000	914,920,000
	914,920,000	**914,920,000**

an independent member of BAKER TILLY INTERNATIONAL

		June 30, 2017 Taka	June 30, 2016 Taka
16a	**Consolidated Tax Holiday Reserve**		
	Shahjibazar Power Company Limited	-	-
	Petromax Refinery Limited	701,982,235	473,326,411
		701,982,235	**473,326,411**
17.00	**RETAINED EARNING:**		
	Opening Balance	949,576,353	978,245,849
	Add: Net profit for this year	449,739,716	384,057,994
	Less: 30% Cash Dividend	(411,396,111)	(372,786,120)
	Less: 3% Stock Dividend	(41,139,611)	(39,941,370)
		946,780,347	**949,576,353**
17a	**Consolidated Retained Earning**		
	Opening Balance	1,637,413,664	1,473,275,941
	Net Profit for the period	886,379,275	705,403,359
	Bonus Share/Stock Dividend	(41,139,611)	(39,941,370)
	Cash Dividend Paid	(411,396,111)	(372,786,120)
	Transfer to Tax Holiday Reserve	(228,655,824)	(128,538,146)
		1,842,601,393	**1,637,413,664**
18.00	**LONG TERM LOAN - NET OF CURRENT MATURITY**		
	Islami Bank Bangladesh Limited	17,261,131	213,315,689
	Eastern Bank Limited	267,008,882	376,679,561
		284,270,013	**589,995,250**

Facility arrangement for bank overdraft, short term bank loan and long term loan, working capital loan and bank guarantee.

Name of the Bank	Working Capital Loan	Short Term Facilities Limit	Long Term Loan Limit	Bank Guarantee
Islami Bank Bangladesh Ltd.	233.80	300.00	1,354.83	290.00
Eastern Bank Limited	300.00	300.00	1,100.00	250.00
Total	**533.80**	**600.00**	**2,454.83**	**540.00**

Islami Bank Bangladesh Limited

Name of the facility: HPSM (Project)

Purpose of Loan: To import equipment/accessories for the existing power plant.

Mode of Repayment: Monthly installment

Security: Proportionate ownership of the proposed machinery of the project to be procured valued Tk. 234.37 million shall be retained in the Bank's name by creating hypothecation till full adjustment of Bank's dues.

Collaterals: Registered Mortgage/further charge with registered irrevocable power of attorney from the mortgagors in Bank's favor including the clause "Bank can sell the property as per section-12 of Artho Rin Adalot Ain-2003 without the intervention of court in case of default to pay bank's dues within due date by the client"

432.00 decimal project land and building (Total area: 62,360 sft), 199.00 decimal project

Name of facility Working Capital

Purpose of Loan: To procure spare parts, lube oil etc. for the existing power plant

Mode of Repayment: Deal to deal basis as per bank's standard norms

Security: Proportionate ownership of the proposed machinery of the project to be procured valued Tk. 234.37 million shall be retained in the Bank's name by creating hypothecation till full adjustment of Bank's dues.

Collaterals: Registered Mortgage/further charge with registered irrevocable power of attorney from the mortgagors in Bank's favor including the clause "Bank can sell the property as per section-12 of Artho Rin Adalot Ain-2003 without the intervention of court in case of default to pay bank's dues within due date by the client"

432.00 decimal project land and building (Total area: 62,360 sft), 199.00 decimal project land and building (Total area: 24,200 sft) & Machineries and vehicles as per Balance sheet.

		June 30, 2017 Taka	June 30, 2016 Taka
	Eastern Bank Limited		
	Name of the facility: Term Loan		
	Purpose of Loan: To takeover the loan from Islami Bank Bangladesh Limited		
	Mode of Repayment: Monthly installment		
	Tonor: 4 (Four) Years		
18a	**Consolidated Long Term Loan- Net of Current Maturity**		
	Shahjibazar Power Company Limited	284,270,013	589,995,250
	Petromax Refinery Limited	66,156,487	69,259,446
		350,426,500	**659,254,696**
18b	**Consolidated Loan from other than Bank**		
	Shahjibazar Power Company Limited	-	-
	Petromax Refinery Limited	12,500,000	67,322,967
		12,500,000	**67,322,967**
19.00	**DEFERRED TAX LIABILITIES:**		
	Investment in associates carrying value	177,731,076	135,034,989
	Investment in associates tax base	49,000,000	49,000,000
	Taxable temporary Difference	**128,731,076**	**86,034,989**
	Deferred tax liabilities at 20%	**25,746,215**	**17,206,998**
19a	**Consolidated Deferred Tax Liabilities**		
	Shahjibazar Power Company Limited	25,746,215	17,206,998
	Petromax Refinery Limited	-	-
		25,746,215	**17,206,998**
20.00	**L/C LIABILITIES:**		
	Liabilities for Letter of Credit	58,040,125	34,430,587
		58,040,125	**34,430,587**
20a	**Consolidated LC Liabilities**		
	Shahjibazar Power Company Limited	58,040,125	34,430,587
	Petromax Refinery Limited	6,986,396	1,010,175,470
		65,026,521	**1,044,606,057**
21.00	**SHORT TERM LOAN:**		
	QTDR - Islami Bank Bangladesh Ltd.	59,892,230	59,892,460
	Bai Murabaha FC Bills-IBBL	-	51,366,818
	Bai Murabaha TR-IBBL	-	211,217,598
	MPI Loan-IBBL	209,320,789	2,946,262
	Comfit Composite Knit Ltd.	53,649,500	56,225,950
	Youth Fashion Ltd.	38,261	65,861
	Petromax Refinery Ltd.	233,918,559	190,918,559
		556,819,339	**572,633,509**

Short term loan from Comfit Composite Knit Ltd. and Petromax Refinery Ltd. were taken at zero profit margin basis. This loan was taken due to overcome the short time deficiencies. Repayment will be made on availability of cash.

21a	**Consolidated Short Term Loan**		
	Shahjibazar Power Company Limited	556,819,339	572,633,509
	Petromax Refinery Limited	2,807,669,943	2,405,650,815
	Less: Intercompany Loan	(233,918,559)	(190,918,559)
		3,130,570,723	**2,787,365,765**
22.00	**IPO APPLICATION AMOUNT:**	**6,084,318**	**6,104,318**

		June 30, 2017 Taka	June 30, 2016 Taka

This amount represents the balance amount of IPO proceeds collected through applications from general public. The company submitted the Return of Allotment to the Registrar of Joint Stock Companies on July 06, 2014 for allotment of 126,80,000 shares of Tk. 10 per share which was approved by RJSC on September 22, 2014. On that day an amount of Tk. 19,02,00,000 was also credited to Share Premium Account. The balance amount are the refund amount of the un-successful applicant of IPO.

22a Consolidated IPO Application Amount

Shahjibazar Power Company Limited		6,084,318	6,104,318
Petromax Refinery Limited		-	-
		6,084,318	**6,104,318**

23.00 LONG TERM LOAN - CURRENT MATURITY:

Islami Bank Bangladesh Limited		248,305,776	237,600,000
Eastern Bank Limited		164,671,153	164,671,153
		412,976,929	**402,271,153**

This represents the current portion of Long Term Loan payable with in one year from the Financial Position date.

23a Consolidated Long Term Loan- Current Maturity

Shahjibazar Power Company Limited		412,976,929	402,271,153
Petromax Refinery Limited		97,070,442	437,862,216
		510,047,371	**840,133,369**

24.00 SUNDRY CREDITORS:

ABB Limited		-	4,375,744
Aamra Networks Ltd		20,000	7,000
Amicus Curiae		15,000	15,000
Arthosuchak		80,000	40,000
Amber IT Ltd.		11,841	-
Clarke Enery Bangladesh Ltd.		92,000	6,000
Square Pharmaceuticals Ltd.		10,200	10,200
Dhaka Stock Exchange		-	40,000
Orient Energy Systems Ltd. Bangladesh		1,319,382	1,319,382
Global Digital mart Ltd.		8,750	-
Provision for WPPF		46,322,638	54,825,819
Payable for Current Tax	24.01	32,768,378	17,674,147
		80,648,188	**78,313,293**

24.01 Payable for Current Tax

Sales Tax at Source	102,987,976	90,666,973
Previous year Income Tax Payable	17,674,147	16,638,420
Tax on non-operating income	(460,360)	6,966,562
Tax on Dividend	27,000,000	-
Total Payable	147,201,763	114,271,955
Tax paid during this period	(110,675,762)	(96,224,543)
	36,526,001	18,047,412
Adjustment of Non-Opr. Tax with AIT on Share premium	(3,757,623)	373,264
	32,768,378	**17,674,147**

		June 30, 2017 Taka	June 30, 2016 Taka
24a	**Consolidated Sundry Creditors**		
	Shahjibazar Power Company Limited	80,648,188	78,313,293
	Petromax Refinery Limited	43,398,733	56,246,514
		124,046,922	**134,559,807**
25.00	**LIABILITIES FOR EXPENSES:**		
	Salary & Allowance	2,043,363	-
	Directors Remuneration	500,000	-
	Audit Fees	759,000	660,000
	Office Rent	134,375	165,000
		3,436,738	**825,000**
25a	**Consolidated Liabilities for Expenses**		
	Shahjibazar Power Company Limited	3,436,738	825,000
	Petromax Refinery Limited	8,058,783	3,890,591
		11,495,521	**4,715,591**
25b	**Unclaimed Dividend**		
	Dividend Payable	10,141,045	20,682,755
		10,141,045	**20,682,755**

Subsequent to the year end maximum portion of unclaimed dividend has been claimed and disbursed accordingly.

26.00	**TRADE PAYABLE:**		
	Orient Energy Systems Ltd.	65,200	65,200
	MJL Bangladesh Limited	11,627,460	17,297,280
	Anwara Trade International	-	3,660
	Jalalabad Gas Transmission and Distribution Systems Ltd.	47,906,281	87,887,023
	Aqua Care Trading	172,500	75,000
	Alpana Tyre Corporation	36,400	-
	A to Z Computer	4,600	-
	Energy Plus Electric	2,000	-
	Metro Police Store	130,000	-
	HAMKO Corporation Ltd.	121,824	-
	Others	28,322	24,817
		60,094,587	**105,352,980**
26a	**Consolidated Trade Payable**		
	Shahjibazar Power Company Limited	60,094,587	105,352,980
	Petromax Refinery Limited	6,627,957	17,072,254
		66,722,544	**122,425,235**

an independent member of
BAKER TILLY INTERNATIONAL

			2016 - 2017 Taka	2015 - 2016 Taka
27.00	**REVENUE**			
	Sales		1,314,173,261	1,511,116,209
			1,314,173,261	**1,511,116,209**
27a	**Consolidated Revenue**			
	Shahjibazar Power Company Limited		1,314,173,261	1,511,116,209
	Petromax Refinery Limited		7,328,382,889	6,483,197,804
			8,642,556,150	**7,994,314,013**
28.00	**COST OF SALES:**			
	Raw Material Consumed	28.01	359,285,859	538,937,569
	Factory Overhead	28.02	359,150,523	343,371,050
			718,436,382	**882,308,619**
28.01	**Raw Material Consumed**			
	Opening Stock		107,136,484	108,985,944
	Purchase During the Year		384,357,530	537,088,109
	Closing Stock		(132,208,155)	(107,136,484)
			359,285,859	**538,937,569**
	Consumption of Raw Materials:			
			2017	**2016**
	Natural Gas Consumption (Cubic Meter)		109,731,541	152,321,464
	Lube & Other Oil (Ltrs)		106,545	128,336
28.02	**Factory Overhead**			
	Salary & Allowance		39,255,593	36,501,586
	Overtime		888,097	798,186
	Festival Bonus		4,084,317	3,011,526
	Plant & Machinery maintenance		36,791,987	28,398,604
	Fuel & Lubricants for car		1,451,149	1,744,991
	Diesel for Generator		175,325	200,669
	Depreciation		276,504,056	272,715,487
			359,150,523	**343,371,050**
28a	**Consolidated Cost of Sales**			
	Shahjibazar Power Company Limited		718,436,382	882,308,619
	Petromax Refinery Limited		6,170,884,579	5,610,587,023
			6,889,320,961	**6,492,895,641**
29.00	**GENERAL & ADMINISTRATIVE EXPENSES:**			
	Salary & Allowance		11,581,335	9,878,278
	Audit Fee		858,000	760,000
	Advertisement & Publicity		1,550,150	1,418,960
	Secretarial Expenses		3,014,471	3,660,569
	BG Commission		9,167,062	2,940,815
	Board Meetting Fees		-	345,000
	Credit Rating Expenses		172,500	200,000
	Carrying Inwards/C&F Charges		1,758,600	873,000
	Gift, Donation & Subscription		1,058,000	5,677,200
	Utility Bill		806,936	887,038
	Entertainment		3,450,059	3,780,585
	Insurance Premium		6,887,965	6,493,960
	Legal & Professional Fees		2,000	1,695,271
	Directors Remuneration	29.01	4,000,000	3,600,000
	Office Maintenance		2,422,827	1,596,103
	Printing, Stationary & Supplies		1,139,397	768,430
	Registration & Renewals		476,358	909,304
	Tool Tax/Land Tax		-	80,040
	Traveling & Conveyances		1,392,687	1,640,288
	Training & Workshop		279,000	33,450
	Civil Works Maintenance		3,104,183	-
	Depreciation Expenses		5,616,365	4,577,404
			58,737,895	**51,815,695**

an independent member of
BAKER TILLY
INTERNATIONAL

		2016 - 2017 Taka	2015 - 2016 Taka

29.01 ***Discloser as per requirement of Schedule XI, Part II, Para 4***

Name	Designation	June-2017	June-2016
Feroz Alam	Managing Director	4,000,000	3,600,000
Total		4,000,000	3,600,000

Note: Other directors are not entitled to receive remuneration and other facilities for their directorship.

29a	**Consolidated General & Administrative Expenses**		
	Shahjibazar Power Company Limited	58,737,895	51,815,695
	Petromax Refinery Limited	104,922,225	70,765,934
		163,660,120	**122,581,629**
30.00	**FINANCIAL EXPENSES, NET**		
	Interest on Loan - *Islami Bank Bangladesh Ltd.*	51,373,445	137,657,553
	Interest on Mudaraba Term Deposit	(2,235,273)	(7,679,244)
	Interest on Loan - Eastern Bank Ltd.	44,579,659	5,073,310
	Bank Charges & Commission	586,092	959,036
	Charge for Delay Payment	1,352,831	-
		95,656,754	**136,010,655**
30a	**Consolidated Financial Expenses**		
	Shahjibazar Power Company Limited	95,656,754	136,010,655
	Petromax Refinery Limited	276,512,248	400,609,947
		372,169,002	**536,620,602**
31.00	**NON-OPERATING INCOME:**		
	Income from Bank Interest	569,572	760,012
	Wastage Sale	1,542,700	3,258,209
	Foreign Exchange Gain	58,809	6,109
	Foreign Exchange Loss	(4,237,522)	(1,868,082)
	Gain on sale of vehicle	225,000	1,700,000
	Income from *Dividend- Subsidiaries*	135,000,000	-
		133,158,559	**3,856,248**

Non-Operating income increased due to receiving of Dividend from Subsidiary Company.

31a	**Consolidated Non-operating Income**		
	Shahjibazar Power Company Limited	133,158,559	3,856,248
	Petromax Refinery Limited	4,206,889	1,945,279
	Less: Inter-company Dividend	(135,000,000)	-
		2,365,447	**5,801,527**
32.00	**SHARE OF PROFIT FROM ASSOCIATE:**		
	Net Profit of Associate company	87,134,871	141,141,808
	Percentage of share holding	49%	49%
	Share of profit from Associate	**42,696,087**	**69,159,486**
32a	**Consolidated Share of Profit from Associate:**		
	Shahjibazar Power Company Limited	42,696,087	69,159,486
	Petromax Refinery Limited	-	-
		42,696,087	**69,159,486**
33.00	**WPPF IS BASED ON NET PROFIT BEFORE TAX @ 5%**	29,390,327	24,476,046
		29,390,327	**24,476,046**
33a	**Consolidated Workers' Profit Participant Fund:**		
	Shahjibazar Power Company Limited	29,390,327	24,476,046
	Petromax Refinery Limited	37,155,749	19,199,056.12
		66,546,076	**43,675,102**

In accordance with Bangladesh Labor Act 2006 as amended in 2013, the company has made a provision for Workers Profit Participation Fund @ 5% of Profit Before Tax.

an independent member of
BAKER TILLY
INTERNATIONAL

		2016 - 2017 Taka	2015 - 2016 Taka
34.00	**INCOME TAX EXPENSES:**		
	Current Tax		
	Tax on Operating Income	102,987,976	90,666,973
	Tax on Non-Operating Income @ 25%	(460,360)	964,062
	Tax on Dividend Received @ 20%	27,000,000	6,002,500
	Tax on Capital Gain @ 15%	-	-
		129,527,615	**97,633,535**

In accordance with the provision of Income Tax Ordinance 1984 under section 52N, Bangladesh Power Development Board is deducting tax at source @ 6% on invoice value.

Deferred Tax

	Deferred Tax on the Profit from Associate accounted for using Equity Method	8,539,217	7,829,397
		8,539,217	**7,829,397**

Deferred tax has been recognized on Share of Profit of Associate accounted for using Equity Method for the earlier period for better presentation.

34a	**Consolidated Income Tax Expense**		
	Shahjibazar Power Company Limited	129,527,615	97,633,535
	Petromax Refinery Limited	107,959,911	26,930,717
		237,487,526	**124,564,252**
35.00	**EARNING PER SHARE (EPS)**		
	Net Profit After Tax	449,739,716	384,057,994
	Number of share	141,245,998	137,132,037
	Earnings Per Share	**3.18**	**2.80**
35a	**Consolidated Basic Earning Per Share (EPS)**		
	Profit/(Loss) attributable to equity holder of the parent	886,379,275	705,403,359
	Number of share	141,245,998	137,132,037
	Earnings Per Share	**6.28**	**5.14**
36.00	**CAPACITY AND UTILIZATION:**		
	License Capacity (Unit - Kw)	753,360,000	753,360,000
	Actual Utilized (Unit - Kw)	402,946,125	553,765,512
	Capacity Utilize (Unit - Kw)	**53%**	**74%**

During the period license capacity and Actual capacity considered for 12 (Twelve) months.

37.00 CONTINGENT LIABILITIES:

The Company has also Contingent Liabilities of an amount Tk. 32,63,67,025/- which was issued by Shahjibazar Power Company Limited Infavour of BPDB, Commissioner of Customs, Chittagong and Jalalabad Gas Transmission & Distribution Systems Ltd, The Chief Controller of Import and Export, The Commissioner of Customs, Benapole. These contingent liabilities created due to released of capital goods from customs authority, guarantee of power sell and gas bill List of contingent liabilities are as follows:

B. G Issued	Beneficiary Name	B.G No	Guarantee Value
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/51	1,897,479
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/57	839,273
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/60	127,431
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/58	648,848
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/61	509,724
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/71	4,247,697
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/75	118,935
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/80	1,136,259
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/81	4,247,696
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/82	4,183,981
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/85	95,572
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/86	1,018,152
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/87	4,183,981
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	BG/08/91	139,816,591
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/94	4,041,046

		2016 - 2017 Taka	2015 - 2016 Taka
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/97	4,041,046
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/98	826,644
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/100	8,082,049
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/101	9,135,058
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/105	8,750,934
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/107	45,875
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/109	8,664,228
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/08/110	420,564
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/02	35,043
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/03	8,407,253
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/10	10,619
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/13	467,247
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Ctg.	BG/09/16	20,389
Islami Bank Bangladesh Ltd.	Bangladesh Power Development Board	BG/09/25	91,500,000
Islami Bank Bangladesh Ltd.	Jalalabad Gas Transm. & Dist. Co. Ltd.	Gas Purchase	11,249,611
Islami Bank Bangladesh Ltd.	The Chief Controller of Import & Export	Export-Import Permit	1,263,600
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Benapole	Export-Import Permit	1,263,600
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Benapole	Export-Import Permit	1,263,600
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Benapole	Custom Guarantee	1,263,600
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Benapole	Export-Import Permit	1,263,600
Islami Bank Bangladesh Ltd.	Commissioner of Customs, Benapole	Export-Import Permit	1,279,800
Grand Total			**326,367,025**

38.00 CAPITAL EXPENDITURE COMMITMENT:

- No capital expenditure contracted or incurred provided for as at 30th June, 2017.
- There was no material capital expenditure authorized by the Board or contracted for as at 30th June, 2017.

39.00 CLAIM ACKNOWLEDGEMENT:

There was no claim against the Company not acknowledged as debt as on June 30, 2017.

40.00 EVENTS AFTER THE REPORTING PERIOD:

The Board of Directors at the Board Meeting held on 28 October 2017, has recommended to the shareholders a cash dividend @ 16% Cash i.e. Tk. 1.6 per share (amounting to Tk. 225,993,597) and stock dividend @14%. This will be considered for approval by the shareholders at the 10th Annual General Meeting (AGM) to be held on 31 January 2018.

41.00 NUMBER OF EMPLOYEES:

Total number of employees is 127 in comparison to 128 in previous year. There is no employees in the company who is entitled to get annual salary below TK. 36,000.

an independent member of
BAKER TILLY
INTERNATIONAL

SHAHJIBAZAR POWER COMPANY LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2017

Annexure - A

SL No.	Particulars	Cost				Depreciation					Written Down Value as on 30.06.2017
		Balance as on 01.07.2016	Addition during this year	Disposal/ Impairment during the year	Balance as on 30.06.17	Rate %	Balance as on 01.07.16	Adjustment during the year	Charged During the year	Balance as on 30.06.2017	
01	Land & Land Development	149,587,065	-	-	149,587,065	0.0%	-		-	-	149,587,065
02	Building & Construction	374,855,803	-	-	374,855,803	7.0%	184,861,879	-	26,239,906	211,101,786	163,754,018
03	Plant & Machineries	4,126,007,503	55,319,025	-	4,181,326,528	6.0%	1,552,805,893	-	249,488,390	1,802,294,283	2,379,032,245
04	Mechanical & Electrical Goods	1,072,263	744,000	-	1,816,263	10.0%	587,082	-	150,259	737,342	1,078,921
05	Office Equipment	3,389,125	1,750	-	3,390,875	15.0%	2,298,785	-	508,500	2,807,285	583,590
06	Computer & Computer Equipment	2,311,970	-	-	2,311,970	20.0%	2,311,970	-	-	2,311,970	-
07	Water Treatment Plant	4,170,000	-	-	4,170,000	15.0%	1,477,750	-	625,500	2,103,250	2,066,750
08	Furniture & Fixture	4,126,755	1,015	-	4,127,770	10.0%	2,779,378	-	412,716	3,192,094	935,677
09	Vehicles	23,562,250	2,375,000	1,274,000	24,663,250	20.0%	11,024,375	1,274,000	4,695,150	14,445,525	10,217,725
	June-2017	**4,689,082,734**	**58,440,790**	**1,274,000**	**4,746,249,524**		**1,758,147,113**	**1,274,000**	**282,120,421**	**2,038,993,534**	**2,707,255,991**
	June-2016	**4,542,602,865**	**150,216,789**	**3,736,920**	**4,689,082,734**		**1,484,591,141**	**3,736,920**	**277,292,892**	**1,758,147,113**	**2,930,935,622**

Allocation Current Year Depreciation:

		Taka
Cost of Goods Sold Portion:		
Building & Construction		26,239,906
Plant & Machineries		249,488,390
Mechanical & Electrical Goods		150,259
Water Treatment Plant		625,500
Total	**Note: 28**	**276,504,056**
General & Amin. Portion:		
Office Equipment		508,500
Computer & Computer Equipment		-
Furniture & Fixture		412,716
Vehicles		4,695,150
Total	**Note: 29**	**5,616,365**
Grand Total :		**282,120,421**

Annexure-A/1

SHAHJIBAZAR POWER COMPANY LIMITED
CONSOLIDATED SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2017

SL	Particulars	Cost				Depreciation					Written Down Value as on 30.06.2017
		Balance as on 01.07.2016	Addition during the year	Disposal during the year	Balance as on 30.06.17	Rate %	Balance as on 01.07.2016	Adjustment during the year	Charged During the year	Balance as on 30.06.2017	
1	Land & Land Development	209,385,174	973,111		210,358,285	0.0%	-	-	-	-	210,358,285
2	Building & Construction	888,641,135	10,232,345		898,873,480	7.0%	252,905,837	-	56,782,432	309,688,269	589,185,211
3	Plant & Machineries	6,962,667,922	55,319,025		7,017,986,947	6.0%	1,944,397,680	-	392,924,550	2,337,322,230	4,680,664,717
4	Mechanical & Electrical Goods	1,072,263	744,000		1,816,263	10.0%	587,082	-	150,259	737,341	1,078,922
5	Office/factory Equipment	10,599,275	639,035		11,238,310	15.0%	4,224,382	-	1,303,546	5,527,928	5,710,382
6	Computer & Computer Equipments	3,625,383	295,400		3,920,783	20.0%	2,655,116	-	161,883	2,816,999	1,103,784
7	Water Treatment Plant	8,552,645	-		8,552,645	15.0%	2,711,377	-	1,071,942	3,783,319	4,769,326
8	Furniture & Fixture	11,031,235	61,133		11,092,368	10.0%	4,567,777	-	1,139,568	5,707,345	5,385,023
9	Vehicles	56,573,547	2,375,000	1,274,000	57,674,547	20.0%	17,068,020	1,274,000	9,697,481	25,491,501	32,183,046
10	Electric Installation	35,456,026	-		35,456,026	15.0%	10,634,049	-	3,519,047	14,153,096	21,302,930
11	Fire Extinguisher/Equipments	606,910	37,900		644,810	15.0%	174,585	-	65,397	239,982	404,827
12	Lab Equipments	2,780,321	10,858		2,791,179	15.0%	639,808	-	304,640	944,448	1,846,730
13	Refrigerator	28,300	-		28,299	15.0%	9,018	-	2,734	11,752	16,548
14	Air Conditioner	5,642,540	-		5,642,540	15.0%	1,262,232	-	621,003	1,883,235	3,759,306
15	Fork LIFT	1,750,000	-		1,750,000	15.0%	557,700	-	169,034	726,734	1,023,266
16	Jetty	9,047,777	-		9,047,777	15.0%	2,564,924	-	919,083	3,484,007	5,563,770
17	Cylindrical Vertical Steel Tank	105,669,606	5,924,432		111,594,038	15.0%	33,509,540	-	10,452,404	43,961,944	67,632,094
18	Generator	20,300,278	-		20,300,278	15.0%	6,407,331	-	1,969,624	8,376,955	11,923,324
19	Ship	187,265,927	97,661,780		284,927,707	20.0%	55,135,829	-	29,102,925	84,238,754	200,688,953
20	Helicopter	-	90,285,623		90,285,623	10.0%	-	-	4,455,082	4,455,082	85,830,541
21	Solar Power System	560,000	-		560,000	15.0%	178,464	-	54,092	232,556	327,444
22	Telephone Installation	1,702,088	-		1,702,088	15.0%	363,371	-	189,791	553,162	1,148,926
23	Water Line Installation	326,395	-	-	326,395	15.0%	104,018	-	31,526	135,544	190,851
	June 30, 2017	**8,523,284,747**	**264,559,642**	**1,274,000**	**8,786,570,388**		**2,340,658,138**	**1,274,000**	**515,088,046**	**2,854,472,183**	**5,932,098,205**
	June 30, 2016	**8,231,827,518**	**295,194,149**	**3,736,920**	**8,523,284,747**		**1,831,145,918**	**3,736,920**	**513,249,140**	**2,340,658,138**	**6,182,626,609**

During the year under review, the Company carried out a number of transactions with related parties in the normal course of business The name of related parties, nature of these transactions and their value have been set out below in accordance with the provision of BAS 24 **"Related Party Disclosure".**

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2016	Addition during the period	Adjustment during the period	Balance as at June 30, 2017
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	56,225,950	431,110	3,007,560	53,649,500
Petromax Refinery Limited	Parent - Subsidiary	Short Term Loan	190,918,559	43,000,000	-	233,918,559
Youth Fashion Limited	Common Directorship	Short Term Loan	65,861	251,995	279,595	38,261
Youth Garments Limited	Common Directorship	Short Term Loan	-	792,348	823,348	(31,000)
Midland Power Co. Ltd.	Associate Company	Advance	490,000,000	-	58,800,000	431,200,000
Islamic Finance & Inv. Ltd.	Common Directorship	MTDR	7,255,938	40,916,688	41,514,752	6,657,874
Feroz Alam	Managing Director	Remuneration	-	4,000,000	3,500,000	500,000
		Office Rent	82,500	1,301,250	1,249,375	134,375
Yeasin Ahmed	Company Secretary	Salaries and other short term benefit	-	600,000	550,000	50,000
Saiful Islam	Head of Internal Audit	Salaries and other short term benefit	-	282,288	258,764	23,524

Annexure-C

Financial risk management

The management has overall responsibility for the establishment and oversight of the company`s risk management framework.The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It mainly comprises of accounts/trade receivables, advances to suppliers and trade deposits . The Company's maximum exposure to credit risk at the reporting date is accounts receivables which is also secured by agreement with Bangladesh Power Development Board (BPDB) and Bangladesh Petroleum Corporation (BPC).

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2017	2016
	Taka	Taka
Accounts receivable	908,417,838	1,083,691,281
Advance, Deposit & Prepayments	331,559,958	919,488,307
Other Receivable	1,485,765	2,212,221
	1,241,463,560	**2,005,391,809**

b) Ageing of receivables

Accounts receivable were aged as below:

Less than six months	817,576,054	837,691,637
More than six months	90,841,784	245,999,644
	908,417,838	1,083,691,281

c) Impairment losses

The accounts receivables are secured by agreement with Bangladesh Power Development Board (BPDB) and Bangladesh Petroleum Corporation (BPC). According to the company, recognition of any impairment losses were not necessary as they were fully collectible. Subsequent to year end the collectibles were realised duly.

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 (cash and cash equivalents) 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.

The contractual maturities of financial liabilities of the Group are as follows:

Particulars	Carrying amount	Cash flows	Up to 1 year	Above 1 Year
As at 30 June 2017	Taka	Taka	Taka	Taka
Short Term interest bearing loans	3,076,882,962	3,076,882,962	3,076,882,962	-
Short Term non-interest bearing loans	53,687,761	53,687,761	53,687,761	-
Long Term interest bearing loans	860,473,871	860,473,871	510,047,371	350,426,500
Long Term non-interest bearing loans	12,500,000	12,500,000	-	12,500,000
Trade creditors/Payable	66,722,544	66,722,544	66,722,544	-
Sundry creditors	123,995,358	123,995,358	123,995,358	-
L/C Liabilities	65,026,521	65,026,521	65,026,521	
Other liabilities	27,720,883	27,720,883	27,720,883	-
	4,287,009,900	4,287,009,900	3,924,083,401	362,926,500
As at 30 June 2016				
Short Term interest bearing loans	2,731,073,954	2,731,073,954	2,731,073,954	-
Short -Term non interest bearing loans	56,291,811	56,291,811	56,291,811	-
Long Term interest bearing loans	1,499,388,065	1,499,388,065	840,133,369	659,254,696
Long Term non-interest bearing loans	67,322,967	67,322,967	-	67,322,967
Trade creditors/Payable	122,425,235	122,425,235	122,425,235	-
Sundry creditors	131,266,497	131,266,497	131,266,497	-
L/C Liabilities	1,044,606,057	1,044,606,057	1,010,175,470	34,430,587
Other liabilities	31,502,664	31,502,664	31,502,664	-
	5,683,877,250	5,683,877,250	4,922,868,999	761,008,250

Annexure D

Reporting under Company Act 1994, section 186(6)

Investment in Subsidiary	Amount in BDT						
Share of net assets	**Current Assets**	**Non-current Assets**	**Total Assets**	**Current Liabilities**	**Non-current Liabilities**	**Total Liabilities**	**Net Assets**
30 June 2017							
Petromax Refinery Limited	2,579,024,487	3,225,588,001	5,804,612,488	2,969,812,254	78,656,487	3,048,468,741	2,756,143,747
30 June 2016							
Petromax Refinery Limited	3,080,246,913	3,258,222,039	6,338,468,952	3,930,897,862	136,582,413	4,067,480,273	2,270,988,679
Share of Net Profit & Loss	**Reporting Date**	**Nature of Investment Controlling Power**	**Income**	**Expenses**	**Tax Expenses**	**Profit After tax**	**Share of Profit**
30 June 2017							
Petromax Refinery Limited	17-Oct-2017	Subsidiary	7,332,589,777	6,589,474,801	107,959,911	635,155,066	571,639,559
30 June 2016							
Petromax Refinery Limited	20-Oct-16	Subsidiary	6,485,143,083	6,101,161,961	26,930,717	357,050,405	321,345,365

Appendix A

Directors Report of Petromax Refinery Limited

AMARSTOCK

DIRECTORS REPORT



PETROMAX REFINERY LTD
FY 2016-17

Table of Contents

1. Company Introduction 2

2. Directors Report to Shareholders..... 3

2.1 Economy at a Glance 3

2.2 Petrochemical Sector Scenario of Bangladesh 3

2.3 Business Activities Including Its Operating Performance 5

2.4 Segment Wise Performance 6

2.5 Contribution to the National Exchequer... 6

2.6 Extra-Ordinary Gain or Loss 6

2.7 Related Party Transaction 6

2.8 Utilization of Proceeds from Public Issues, Rights Issues and/or Through Any Other Instrument 6

2.9 Remuneration of Directors 7

2.10 Corporate and Financial Reporting Framework 7

2.11 Financial Results and Performance of the Company7

2.12 Significant Variance of Financial Statements & Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin..... 7

2.13 Profit Appropriation..... 8

2.14 Dividend 8

2.15 Directors' Meeting & Attendance..... 8

2.16 The Pattern of Shareholding 9

2.17 Directors' election & re-appointment 9

2.18 Holding Of Directorship and Membership of the Committees of the Board Other Than This Company 10

2.19 Auditors..... 10

2.20 Business Risk & Uncertainties 10

2.21 Going Concern..... 11

2.22 Corporate Governance 11

2.23 Human Resource Management..... 11

2.24 Acknowledgement 12

AMAR STOCK

1. Company Introduction

Petromax Refinery Ltd (PRL) erstwhile Mongla Oil Mills registered under Company Act 1994 Registration No- C – 58744 is a fractionation facility of Hydrocarbon to refine and produce different grades of gasoline. The Plant is situated at the embankment of Poshur River Mongla Industrial Area, Khulna. The facility consists of Condensate Fractionation Unit (CFU), Naphtha Hydro Treating Unit (NHTU) and a Catalytic Reforming Unit (CRU). The only customer of the company is Bangladesh Petroleum Corporation (BPC).

Partnering with some world class energy companies, Petromax has sourced and installed state of the art refining equipment and equipped the project as one of the first of its kind in the Country. In the Petrochemical Industry of Bangladesh PRL is the first company to achieve the quality credentials from Bangladesh Accreditation Board (BAB).

Experiencing several hurdles at the commissioning phase, the Company has been in successful operation since October, 2013.

AMAR STOCK

2. Directors Report to Shareholders

Respected Shareholders,

On behalf of the Board of Directors of Petromax Refinery Ltd (PRL) I would like to extend my warm greetings and welcome you all to 12th Annual General Meeting of the Company. Being authorized by the Board of Directors, I am hereby submitting the Audited Financial Statements for the year then ended June 30, 2017.

This Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994.

2.1 Economy at a Glance

Over the last almost one decade the Economy of Bangladesh has been showing a consistent growth of over six percent in terms of GDP. According to several sources, the Economy is going to register a GDP of whooping 7.15% for the period of 2016-17 which is an all-time record.

Foreign Exchange Reserve has reached a record USD 32.91 Billion and GDP Per capita has reached at USD 1029.60 showcasing unprecedented growth.

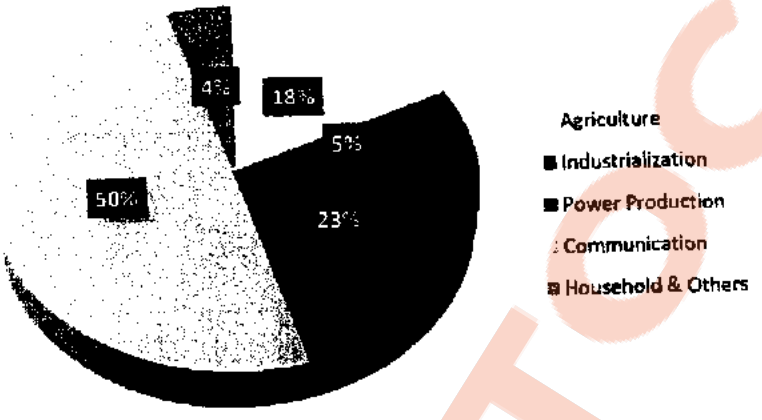
2.2 Petrochemical Sector Scenario of Bangladesh

Business of Petrochemical sector has been lone prerogative of Government of Bangladesh since the inception of the Country. Bangladesh Petroleum Corporation (BPC) a statutory corporation under an ordinance effective from the year 1977 has been given with the only right of Petroleum Import, Collection, Production and Distribution. Government is realizing the matter that, sustainable development can only be possible by ensuring participation of both private and public sector.

Energy is the driving force of economic development. Each dollar investment in energy will return in manifolds to all branches of economy which includes Agriculture, Industrialization, Power Production, Communication, Households and so forth.

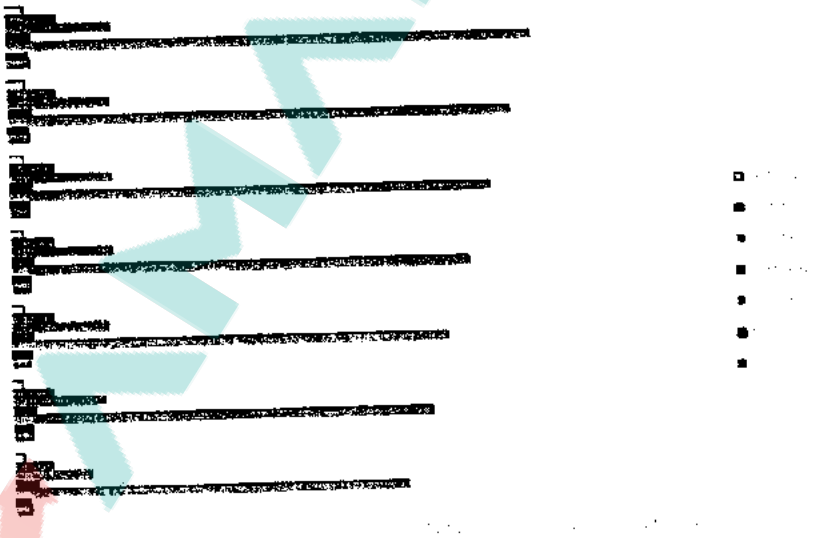
For the period of 2015-16 total consumption of petroleum product was 52.56 Lac MT out of which more than 72% was consumed by communication and power production sector.

Sector wise use of Fuel Oil 2015-16

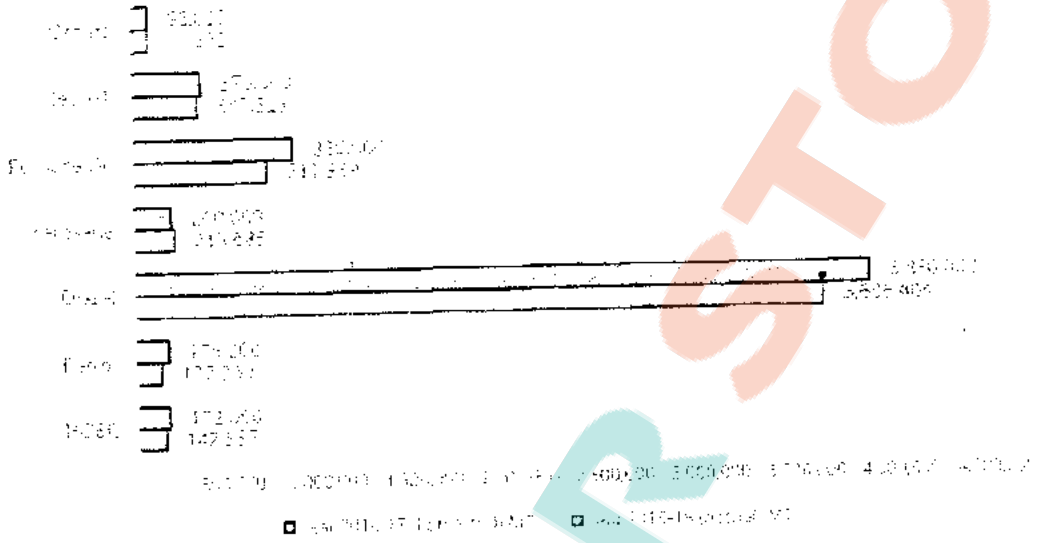


Around 47.66 Lac MT refined oil are imported from abroad and the rest 11.29 Lac MT are being refined within the country by BPC's subsidiary company Eastern Refinery Ltd (ERL) and other Private Fractionation Plants operating within the framework of BERC and MPEMR. The distribution channel is maintained by three state run oil companies PADMA, MEGHNA and JAMUNA through 23 Countrywide Depots. Around 90% of the total petroleum product are distributed through riverine channels using 220 Tanker vessels, rest 10% are being distributed through Railway and Road.

Forecast of Petroleum Product Sale in MT



According to the estimates of Bangladesh Petroleum Corporation (BPC), till the year 2020-21 the total size of the market will be around 70.50 Lac MT.



Current oil consumption portfolio shows the dominant use of Diesel. Almost 68% of total oil consumption is covered by Diesel use most of which are imported from overseas market. Existing storage capacity for Petroleum product is somewhere between 11-12 Lac MT in aggregate of both floating and fixed storage capacity.

The sector enjoys subsidies from the Government for a long time. Recent fall of price in petroleum products throughout the world market, has reveal the opportunity for the state owned oil companies to recover huge accumulated loss by making some profit.

Major challenge of the industry remains with pilferages in different stages of refining, collection and distributing throughout the country. The limited storage capacity is also an issue for optimum use of distribution channels and more extension of Refining Capacity.

2.3 Business Activities Including Its Operating Performance

During the year under report, your company has managed to generate a revenue of Tk. 7328.38 Million as compared to Tk. 6483.19 Million in FY 2015-16 which is 13.04 % Higher. The only reason for such increase in revenue is the no price adjustment by the government during the period under report.

Particulars	FY 2016-17	FY 2015-16
Capacity (In liter Per day)	3,97,500	3,97,500
Capacity Utilization (%)	90.52	81.90
Revenue (In Million Taka)	7328.38	6483.19
Gross Profit (In Million Taka)	1157.49	872.61
Profit from Operation (In Million Taka)	1052.57	801.84

Profit Before Tax (In Million Taka)	743.11	383.98
Profit After Tax (In Million Taka)	635.15	357.05
Gross Profit Margin (%)	15.79	13.45
Operating Profit Margin (%)	14.36	12.36
Net Profit Margin (%)	8.67	5.50

To ensure the availability of NGC (Natural Gas Condensate) which is the only feedstock of the plant; there is an agreement for between Rupantarita Prakritik Gas Company Ltd (RPGCL) and Your Company for the allocation of 60,000 MT NGC signed and executed on June 24, 2017 for next six months which will expire on December 31, 2017.

For delivery of Finished Oil in different Depots throughout the country operated by PADMA, MEGHNA and JAMUNA Oil Company Ltd, your company is maintaining a fleet of tanker vessel consists of 3 number of Vessels (1000 MT x 3). Apart from that your company is also maintaining a fixed storage capacity of approximately 2300 MT in 12 Tanks installed within the premises of the plant area.

2.4 Segment Wise Performance

Your company retains the higher ratio of production and sale of HOBC being the higher margin product as per the latest price gazette of the government. At the same token, ratio of diesel production was decreased by 5% by increasing the Petrol production by 7%.

(Taka in Million)

Product	Year 2015-16	%	Year 2016-17	%
HOBC	4,400.53	68%	4,947.90	68%
Petrol	512.91	8%	1068.78	15%
Diesel	1,251.32	19%	1,027.38	14%
Kerosene	318.32	5%	283.75	4%
Others	-		0.5625	0%
Total	6,483.08	100%	7,328.37	100%

2.5 Contribution to the National Exchequer

Seamless supply of energy is a prerequisite for the development of economy. Your company is contributing to the economic growth by supplying energy products in the market. Currently your company is enjoying Tax Holiday but still for FY2015-16 your company has added a total of Tk. 90.25 Million as Advance Income Tax and Tk. 1098.75 Million in the form of VAT.

2.6 Extra-Ordinary Gain or Loss

Bank interest and wastage sale can be termed as Extra-Ordinary Gain which may fluctuate time to time.

2.7 Related Party Transaction

The related party transactions have been taken place on arm's length basis during the year have been disclosed in the financial statements.

2.8 Utilization of Proceeds from Public Issues, Rights Issues and/or Through Any Other Instrument

There was no such issues.

2.9 Remuneration of Directors

Remuneration, performance and other related perquisites/benefits of managing director is disclosed other directors are not entitled to remuneration and other facilities for their directorship except the Board Meeting Fee.

2.10 Corporate and Financial Reporting Framework

As per law the financial statements of your Company has followed International Financial Reporting Standards (IFRS) as adopted by ICAB as 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.

2.11 Financial Results and Performance of the Company

Particulars	2016		2017		% Change
	(in Million Taka)	% on Sales	(in Million Taka)	% on Sales	
Revenue	6,483.19		7,328.38		13.04%
Cost of Sales	5,610.58	87%	6,170.88	84%	9.99%
Gross Profit	872.61	13%	1,157.50	16%	32.65%
Other Income Net	1.95	0%	4.21	0%	115.90%
General and Administrative Expenses	70.76	1%	104.92	1%	48.28%
Operating Profit	801.85	12%	1,052.58	14%	31.27%
Finance Costs Net	400.60	6%	276.51	4%	-30.98%
WPPF	19.19	0%	37.16	1%	93.64%
Net Profit Before Income Tax	382.06	6%	738.91	10%	93.40%
Income Tax	26.93	0%	107.96	1%	300.89%
Net Profit After Income Tax	357.08	6%	635.16	9%	77.88%

2.12 Significant Variance of Financial Statements & Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

Gross revenue has increased by around 13.04% due to the steady petroleum price and Cost of Sales was also increased in the same ratio and the company gains 32.65% on Gross Margin. General and Administrative expenses has a significant rise of over 48.28%, due to increase in sales and distribution expenses.

30.98% fall in Net Finance Cost can be attributed to principal repayment of term loans which eventually decreases the interest expenses.

As you know, your company is enjoying Tax Holiday from the date of commercial operation. Therefore, in the earlier years there is lesser provision of Income Tax. During the year under report, 14.61% on Net Profit before Tax (NPBT) was accrued and charged, accordingly 300.89% rise in Income Tax expense was recorded.

2.13 Profit Appropriation

During the year under report the net profit of your company stands at Tk. 635.16 Million as compared to Tk. 357.08 Million in the last year. However, the Company needs availability of funds for continuous progress and investments in new projects. Keeping these in view, the Directors would like to report the Company's financial results for the year that ended on June 30, 2017 with the recommendations for appropriation as follows:

Particulars	Amount in Million Taka
Net Profit for the year 2017	635.16
Profit brought Forward	604.22
Less: Tax Holiday Reserve	(254.06)
Profit available for appropriation	985.32
Appropriations:	
Proposed Stock and Cash Dividend	150.00
Transferred to Retained Earning	835.32
Profit available for appropriation	985.32

2.14 Dividend

Your company has just started commercial operation from October 2013. Generally to attain the operational stability a new company requires some incubation time to attain certain level of resilience to battle unwanted risks. Keeping this in mind your board recommends 15% cash dividend for the year under report.

Dividend Type	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14
Cash Dividend (%)	15%	15%	0%	0%
Stock Dividend (%)	0%	0%	0%	0%
Total	15%	15%	0%	0%

2.15 Directors' Meeting & Attendance

During the year ended June 30, 2017 The Board of Directors held 5 meetings. Directors who attended the board meetings are shown below:

Name of Directors	Attended
Mr. Rezakul Haider	5
Mr. Feroz Alam	5
Mr. Anis Salahuddin Ahmad	5
Mr. A.K.M Badiul Alam	4
Mr. Shamsuzzaman	4
Mr. Faridul Alam	4
Mr. Golam Nabi FCA	4

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

2.16 The Pattern of Shareholding

Pattern of Shareholding as on June 30, 2017				
Name of Shareholders	Status	Relation	Share Held	Percentage (%)
i)Parent/Subsidiary/Associated Companies and other related parties	-		-	-
Shahjibazar Power Co. Ltd.	Public Listed Company	Parent	90,000,000	90%
ii) Directors				
A. Mr. Rezakul Haider	Chairman		1,700,000	1.70%
B. Mr. Feroz Alam	Managing Director		1,800,000	1.80%
C. Mr. Anis Salahuddin Ahmad	Director		1,000,000	1.00%
D. Mr. A.K.M.Badiul Alam	Director		1,000,000	1.00%
E. Mr. Md. Shamsuzzaman	Director		1,500,000	1.50%
F. Ms. Shahida Alam	Sponsor	Spouse of Mr. A.K.M.Badiul Alam	500,000	0.50%
G. Mr. Akbor Haider	Sponsor	Son of Mr. Rezakul Haider	500,000	0.50%
H. Mr. Faridul Alam	Director	Son of Mr. Feroz Alam	500,000	0.50%
I. Mr. Faisal Alam	Sponsor	Son of Mr. Feroz Alam	500,000	0.50%
J. Mr. Asgar Haider	Sponsor	Son of Mr. Rezakul Haider	500,000	0.50%
K. Ms. Israt Azim Ahmad	Sponsor	Spouse of Mr. Anis Salahuddin Ahmad	500,000	0.50%
M. Mr. Golam Nabi FCA	Nominee Director		Nil	Nil
v. Shareholders Holding 10% or more voting interest in the company:	-	-	-	-
Shahjibazar Power Co. Ltd.	Public Listed Company	Parent	90,000,000	90%

2.17 Directors' election & re-appointment

As per Articles of Association Mr. Rezakul Haider and Mr. Feroz Alam shall retire in 12th Annual General Meeting by rotation and being eligible to offer themselves for re-election.

2.18 Holding Of Directorship and Membership of the Committees of the Board Other Than This Company

Companies >>	Petromax Refinery Ltd.	Midland Power Company Ltd.	Comfit Composite Knit Ltd.	Youth Fashion Ltd.	Youth Garments Ltd.	Chowdhury Apparels (Pvt.) Ltd.	Islamic Finance & Investment Ltd.	Garments Export Village Ltd.	Grey Stone Sweater Ltd.	Power Vantage Wear Ltd.	Shirts Mine Ltd.	Apparel Marketing & Trading Network Ltd.	Orbital Accessories Ltd.	Eden Multi Care Hospital (Pvt.) Ltd.	Orient Chem-Tex Ltd.	Micro Fiber Ltd.	Liberty Knitwear Ltd.	Midland Knitwear Ltd.	A-One Polar Ltd.	Midland Bank Limited
Name of Directors																				
Mr. Rezakul Haider	√	√	√	√	√	√														
Mr. Feroz Alam	√	√	√	√	√	√	√													
Mr. Anis Salahuddin Ahmad	√		√																	
Mr. A.K.M Badiul Alam	√							√	√	√	√	√	√	√						√
Mr. Shamsuzzaman	√														√	√	√	√	√	√
Mr. Faridul Alam	√		√	√																

2.19 Auditors

Being eligible as per section 212 of Company Act 1994, the re-appointment of Aziz Halim Khair Chowdhury Chartered Accountants shall be presented at the 12th AGM for member's approval.

2.20 Business Risk & Uncertainties

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 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.

Your company operates in a field of involving some internal/external risk factors and some of those are avertible; others are beyond control, which may be causes of loss. The management of Petromax Refinery Limited perceives the risk factors which are as follows simultaneously:

Private sector oil refinery businesses are very highly exposed to the risk of government policy change. As we all know, like other countries, energy security of the country is the sole jurisdiction of Ministry of

Power, Energy and Mineral Resources (MPEMR). During the year under report your company has to struggle for adjustment of price administered by regulatory authority.
Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan process interest rate structure to be fixed at high. Raising of interest rate increases the cost of fund for a company, which has borrowed fund, consequently profit is squeezed.
The management of the company is always aware of interest rate, which is connected to the cost of fund of the Company the Management prefers procuring the long-term fund with minimum fixed interest rate and the short term fund with reasonable competitive rate. On the other hand management of the company is emphasizing equity based financing.
Technology always plays a vital role for existence of any industrial concern. Innovation of new and cost effective technology may obsolescence existent technology, which may cause negative impact. The project is equipped with world's modern and latest machineries and technology and to cope with the pace in harmony with modern power sector, the company is continuing modernization program of its machinery.
Apart from the above your company operates under companies act, taxation policy adopted by NBR, Security and Exchange Commission's rule and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the company will not be effected.
Government emphasizes participation of private sector in energy business. A large amount of foreign currency reserve are spent for importing raw as well as refined oil. A well-organized policy of international standard is still lacking this sector. Sponsors are in process of convincing the authority to formulate a standard policy by infusing favorable terms for private sector investors.
The performance of the Company may be affected by the political and economic instability both in Bangladesh and Global Market. Any instance of political turmoil and disturbance in the country may adversely affect the power production of the company and can adversely impact the profitability of the company.

2.21 Going Concern

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

2.22 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. Since corporate governance is not a static process, we will always continue to improve our practices.

2.23 Human Resource Management

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

2.24 Acknowledgement

Through the undersigned, the Board of Directors (BOD) would like to extend their sincerest thanks to the shareholders for their continuous support and trust upon the business of the Company.

The board would further like to extend their graceful appreciation for the assistance and co-operation received from Bangladesh Petroleum Corporation (BPC), PetroBangla, Rupantarita Prakritic Gas Compay Ltd (RPGCL), Registrar of Joint Stock Companies & Firms, and various government authorities, individual and agencies.

The Board of Directors would like to acknowledge the effort of its employees to the Business of the Company. Their commitment, passion and teamwork towards the dream of the Company has helped to stand the company where it is today.

Looking forward for a better future and sustainable growth.

For and On Behalf of the Board

Feroz Alam
Managing Director

AMARSTOCK

Appendix B

Auditor's Report and Audited Financial Statements of Petromax Refinery Limited

AMARSTOCK

Independent Auditors' Report to the Shareholders of Petromax Refinery Limited

We have audited the accompanying financial statements of **Petromax Refinery Limited** which comprise the Statement of Financial Position as at 30 June 2017, Statement of Profit or Loss and other 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 information for the year then ended.

Management's responsibility for the financial statements

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 of **Petromax Refinery Limited** prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2017 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books;

c) the Company's Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditure incurred was for the purposes of the company's business.

17 October, 2017
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

AMARSTOCK

Petromax Refinery Limited

Statement of Financial Position

As at June 30, 2017

	Notes	June 30, 2017	June 30, 2016
Assets			
Non-Current Assets		**3,225,588,001**	**3,258,222,039**
Property, Plant and Equipment	4	3,224,842,214	3,251,690,984
Intangible Assets	5	745,787	607,312
Capital Working-In Progress	6	-	5,923,742
Current Assets		**2,579,024,487**	**3,080,246,913**
Inventories	7	653,184,480	820,047,270
Accounts Receivable	8	686,150,070	789,122,160
Advance, Deposits and Prepayments	9	701,391,539	565,233,255
Financial Assets at fair value through profit or loss	10	24,774,556	16,223,666
Goods In-transit	11	50,852,326	364,702,959
Cash and Cash Equivalents	12	462,671,516	524,917,603
Total Assets		**5,804,612,488**	**6,338,468,952**
Shareholders Equity and Liabilities			
Shareholder's Equity		**2,756,143,746**	**2,270,988,679**
Share Capital	13	1,000,000,000	1,000,000,000
Tax Holiday Reserves	14	770,824,933	516,762,906
Retained Earnings	15	985,318,813	754,225,773
Non-Current Liabilities		**78,656,487**	**136,582,413**
Loan other than Bank and Financial Institutes	16	12,500,000	67,322,967
Long Term Loan-Net off Current Maturity	17	66,156,487	69,259,446
Current Liabilities		**2,969,812,254**	**3,930,897,859**
Accounts Payable	18	6,627,957	17,072,254
Other Payable	19	43,398,733	56,246,514
L/C Liabilities	20	6,986,396	1,010,175,470
Short Term Loan	21	2,807,669,943	2,405,650,815
Long Term Loan-Current Maturity	22	97,070,442	437,862,216
Liabilities for Expenses	23	8,058,783	3,890,591
Total Liabilities		**3,048,468,741**	**4,067,480,273**
Total Shareholders Equity and Liabilities		**5,804,612,488**	**6,338,468,952**
Net Assets Value Per Share (NAV)		**27.56**	**22.71**
Number of Shares used to compute NAV		100,000,000	100,000,000

The accompanying notes 1 to 35 form an integral part of these financial statements.

Managing Director | Director | Chairman

17 October, 2017
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited

Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2017

	Notes	June 30, 2017	June 30, 2016
Revenue	24	7,328,382,889	6,483,197,804
Cost of Sales	25	6,170,884,579	5,610,587,023
Gross Profit		**1,157,498,310**	**872,610,781**
General and Admin. Expenses	26	104,922,225	70,765,934
Profit/(Loss) from Operation		**1,052,576,085**	**801,844,846**
Non-Operating Income	28	4,206,889	1,945,279
Financial Income/(Expenses),net	27	276,512,248	400,609,947
Worker's Profit Participation Fund (WPPF)	29	37,155,749	19,199,056
Net Profit/(Loss) Before Tax		**743,114,977**	**383,981,122**
Current Tax	30	107,959,911	26,930,717
Net Profit/(Loss) After Tax		**635,155,066**	**357,050,405**
Other Comprehensive Income		-	-
Total Comprehensive Income		**635,155,066**	**357,050,405**
Earnings Per Share (EPS)	31	**6.35**	**3.57**
Number of Shares used to compute EPS		100,000,000	100,000,000

The accompanying notes 1 to 35 form an integral part of these financial statements.

Managing Director **Director** **Chairman**

17 October, 2017
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited
Statement of Changes in Equity
For the year ended June 30, 2017

Figures are in Taka

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2016	1,000,000,000	516,762,906	754,225,773	2,270,988,679
Dividend Payment	-	-	(150,000,000)	(150,000,000)
Net profit for the period	-	-	635,155,066	635,155,066
Tax Holiday Reserve	-	254,062,026	(254,062,026)	-
Balance as at June 30, 2017	**1,000,000,000**	**770,824,932**	**985,318,813**	**2,756,143,745**

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2015	1,000,000,000	373,942,744	539,995,530	1,913,938,274
Net profit for the period	-	-	357,050,405	357,050,405
Transfer for the period	-	142,820,162	(142,820,162)	-
Balance as at June 30, 2016	**1,000,000,000**	**516,762,906**	**754,225,773**	**2,270,988,679**

The accompanying notes 1 to 35 form an integral part of these financial statements.

Managing Director **Director** **Chairman**

17 October, 2017
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited

Statement of Cash Flows
For the year ended June 30, 2017

	June 30, 2017	June 30, 2016
Cash Flow from Operating Activities		
Cash receipt from customers	7,431,354,979	6,477,722,086
Cash paid to suppliers, service providers and employees	(5,693,175,250)	(5,398,944,643)
Cash (used)/Generated from operations	(61,388,427)	(167,339,344)
Tax Paid/Deducted	(107,959,911)	(26,930,717)
Cash received from Non-Operating Activities	4,206,889	1,945,279
Financial Charge	(276,512,248)	(400,609,947)
Net Cash Flows from Operating Activities	**1,296,526,033**	**485,842,714**
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(200,333,584)	(82,981,408)
Intangible Assets	-	(415,350)
Investment in quoted Securities	(8,550,890)	(16,223,666)
Goods In Transit	-	(73,792,926)
Net Cash Used in Investing Activities	**(208,884,474)**	**(173,413,350)**
Cash Flow from Financing Activities		
Loan other than Bank and Financial Institutes	(54,822,967)	(92,352,508)
Short term Loan	402,019,128	758,903,738
Dividend Paid	(150,000,000)	-
Payment of L/C Liabilities	(1,003,189,074)	(535,835,746)
Project Loan	(343,894,733)	(422,519,466)
Net Cash Used in Financing Activities	**(1,149,887,646)**	**(291,803,982)**
Net cash inflow for the period	(62,246,087)	20,625,382
Cash and Cash Equivalent as at July 01, 2016	524,917,603	504,292,221
Cash and Cash Equivalent as at June 30, 2017	**462,671,516**	**524,917,603**

The accompanying notes 1 to 35 form an integral part of these financial statements.

Managing Director **Director** **Chairman**

17 October, 2017
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

Petromax Refinery Limited

Notes to the Accounts

As at and for the year ended 30 June, 2017

SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1. Status of the Reporting Entity

1.1. Legal form of the Company

Petromax Refinery Limited is a public Company limited by shares and registered under The Companies Act 1994. The Company was incorporated in Bangladesh on 14th May, 2009 vide registration no. C – 58744 and not listed with any Stock Exchange in Bangladesh. The Company went into commercial operation on October 25, 2013.

1.2. Registered office

The registered office of the company is located at 822/2 Rokeya Sarani, Dhaka – 1216 and the factory is located at 15, Mongla Port Industrial Area, Mongla, Bagerhat, Bangladesh.

1.3. Nature of business activities

The principal activity of this company is production and supply of petroleum products like liquid petroleum gas, special boiling point solvent, mineral turpentine, high speed diesel, octane, kerosene, and fuel gas to Bangladesh Petroleum Corporation.

The management of the company will continue its operational existence for the foreseeable future on the basis of improved profitability and continued support from its bankers, equipment vendors and other contractors and suppliers.

2. Basis of Preparation and Presentation of Financial Statements

2.1. Statement of Compliance

The financial statements have been prepared and the disclosures of information are made in accordance with the requirements of Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS) as much as practicable. The statement of financial position and statement of comprehensive income have been prepared according to BAS 1 Presentation of Financial Statements on accrual basis of accounting and statement of cash flows is prepared according to "BAS 7 Statement of Cash Flows".

2.2. Other Regulatory Compliances

The company is also required to comply with the following major laws and regulation in addition to the Companies Act 1994:
The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Act 1991
The Value Added Tax Rules 1991
The Customs Act 1969
Bangladesh Labor Law 2006
Securities and Exchange Rules 1987
Other applicable regulations

2.3. Application of Standards

The following BASs and BFRSs are applicable for the financial statements for the year under review.

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 33	Earnings Per Share
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets

2.4. Going Concern Assumption

The company has adequate resources to continue its operation for the foreseeable future and the Directors are of the opinion that the Company is a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

2.5. Measurement bases used in Preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" convention except for those which is measured under revaluation model including land, financial instrument, biological assets etc. which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

2.6. Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.7. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is 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 amounts recognized in the financial statements are reflected in measuring fair value of Land and Building, calculation of deferred tax liabilities and any other head as appropriate.

2.8. Comparative Information

Comparative information has been disclosed in respect of the year ended 30 June 2016 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Certain figures for the year ended 30 June 2016 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant BAS.

2.9. Accounting Convention and Basis

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, financial assets and financial liabilities (including derivative financial instruments at fair value through profit or loss) and certain biological assets. The financial statement also followed by Going Concern basis in accordance with applicable International Accounting Standards in Bangladesh which does not vary from the requirements of the Companies Act 1994, and other laws and rules applicable in Bangladesh.

2.10. Functional and presentational currency and level of precision

The financial statements are prepared and presented in Bangladeshi Currency (Taka), which is the company's functional currency. All financial information has been shown rounded off to the nearest Taka except where indicated otherwise.

2.11. Authorization for issue

The financial statements have been authorized by the Board of Directors on 17 October, 2017

2.12. Reporting period

The financial period of the company covers one year from 1 July to 30 June and followed consistently.

2.13. Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

i) Statement of Financial Position
ii) Statement of Profit or Loss and other Comprehensive Income
iii) Statement of Changes in Equity
iv) Statement of Cash Flows
v) Notes to the Financial Statements

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied in preparations of these financial statements.

3.1. Property, Plant and Equipment

3.1.1 Recognition and Measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses in compliance with the requirements of BAS-16: Property, Plant and Equipment.

3.1.2 Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognized 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 costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

3.1.3 Disposal of Non-Current Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

3.1.4 Depreciation on Non-Current Assets

Depreciation is recognized in the statement of comprehensive Income on a reducing Balance method in accordance with the provisions of BAS 16: Property, Plant and Equipment.
Depreciation is charged on PPE in the following quarter of the procurement because procured assets takes on an average 2 to 3 months for ready to use.

3.1.5 Borrowing Costs

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized are also included in applicable borrowing cost considering the requirement of BAS-23: Borrowing Costs.

3.1.6 Impairment of Assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset) exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income.

3.2. Intangible Assets

Intangible assets are measured at cost less accumulated amortization and recognized when all the conditions for recognition as per BAS-38: Intangible Assets are met. Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied there with will flow to the Company and its cost can be measured reliably. Intangible assets are amortized at the rate of fifteen percent of cost per year.

3.3. Inventories

Inventories are valued in accordance with BAS-2: Inventories i.e. at cost or estimated net realizable value whichever is lower. The cost of inventories includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion and selling. When the inventories are used, the carrying amount of those inventories is recognized in the period in which the related revenue is recognized.

3.4. Trade Receivable (Book Debt)

Book debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the period-end.

3.5. Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account. Deposits are measured at payment value.

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

3.6. Foreign Exchange

Transactions in foreign currencies are translated at the average rate of the month. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Bangladeshi Taka at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement in accordance with BAS 21 "The effects of Changes in Foreign Currency Rates."

3.7. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction.

3.8. Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

3.9. Other Corporate Debt, Accounts Payable, Trade and Other Liabilities

Liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

3.10. Taxation

3.10.1 Current Tax

No provision is required for current income tax on the company's operating profit because Petromax Refinery Limited has been enjoying tax holiday for 7 years from the date of October 25, 2013 to October 24, 2020 and the rate of tax holiday for the year are 70% and 55%. Moreover tax on remaining 30% and 45% of income had duly been calculated and adjusted with the Tax deducted at source. Again Tax on Non-operating income has been calculated properly and provision made accordingly.

3.10.2 Deferred Tax

As Petromax Refinery Limited has been enjoying Tax holiday for 7 years under income Tax Ordinance 1984 (XXXVI of 1984) section 46B, there is no effect regarding deferred taxation to increase or decrease the current tax liability.

3.11. Creditors and Accrued Expenses

3.11.1 Trade and Other Payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company.

3.11.2 Provisions

The preparation of financial statements in conformity with BAS-37:Provisions, Contingent Liabilities and Contingent Assets, requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with the guidelines as prescribed by BAS-37, provisions were recognized in the following situations:

- When the Company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

We have shown the provisions in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision, represents the best estimate of the probable expenditure required to fulfill the current obligation on the date of statement of financial position.

Other provisions are valued in accordance with BAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.12. Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37, provision, contingent liabilities and contingent assets those are disclosed in the notes to the financial statements.

3.13. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity.

3.14. Cash flows statement

Cash Flow Statement is prepared in accordance with BAS 7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of BAS-7, which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

3.15. Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

3.16. Risk and uncertainties for the use of estimates in preparing financial statements

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

3.17. Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning per Share, which has been shown on the face of Statement of Comprehensive Income account and computation of EPS is stated in related note.

3.17.1 Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.17.2 Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

3.17.3 Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year.

3.18. Workers Profit Participation Fund

The company has created Worker's Profit Participation Fund (WPPF) @ of 5% on Net Profit before Tax in accordance with Chapter XV of Labour Law 2006 as amended in 2013.

3.19. Related Party Transaction

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balance have been set out in accordance with the provisions of BAS 24.

AMARSTOCK

		June 30, 2017	June 30, 2016
4	**Property, Plant & Equipment**		
	Cost		
	Opening Balance	3,834,202,013	3,689,224,653
	Addition During The Period	206,118,852	144,977,360
	Cost at 30 June , 2017	**4,040,320,864**	**3,834,202,013**
	Accumulated Depreciation		
	As at July 01, 2016	582,511,029	346,554,778
	Charged during the Period	232,967,622	235,956,251
	At 30 June, 2017	815,478,650	582,511,029
	Written Down Value at 30 June, 2017	**3,224,842,214**	**3,251,690,984**

All assets are freehold to the company and there is no leasehold property presented in the head "Property, Plant & Equipment".

For details please refer to Annexure A

5	**Intangible Assets**		
	Cost		
	Opening Balance	681,000	231,000
	Addition During the Period	250,000	450,000
	Closing Balance	931,000	681,000
	Amortization		
	Opening Balance	73,688	39,038
	Amortization During the Period	111,526	34,650
	Closing Balance	185,214	73,688
	Written Down Value	**745,787**	**607,312**

Intangible assets are amortizing @ 15% on cost as per the Company's policy.

6	**Capital Work-In-Progress**	-	5,923,742

Transferred to PPE as it is qualified for use.

7	**Inventories**		
	Raw materials(Condensate)	426,999,679	628,520,153
	Work-in-progress	4,639,710	4,976,530
	Finished Goods	196,139,154	171,978,094
	General Stores	25,405,938	14,572,493
		653,184,480	**820,047,270**

		June 30, 2017	June 30, 2016
8	**Accounts Receivables**		
	Bangladesh Petroleum Corporation	682,358,467	784,816,818
	Jamuna Spacetech Joint Venture Ltd.	252,430	13,700
	Interest Receivable	3,539,172	4,291,642
		686,150,070	**789,122,160**

Out of total receivable of the Company an amount of Taka : 24,59,98,869.03 is under the process of settlement with BPC. Since government of Bangladesh has published a gazette reducing the petroleum price with effect from November 1, 2014 dated back on March 5, 2015 and accordingly, against this gazette the company filed a writ petition through Honorable High Court dated on March 16, 2015, therefore considering the old rate total receivable of the company was reported.

	Age Analysis of Accounts Receivables		
	Less than One Year	411,092,253	543,122,516
	More than One Year	275,057,816	245,999,644
		686,150,070	**789,122,160**
9	**Advance, Deposits and Prepayments**		
	Advances	700,379,544	565,160,239
	Deposits	1,011,995	73,016
	Prepayments	-	-
		701,391,539	**565,233,255**
	Advance		
	Advance to Different Suppliers	9.01	211,570,337	135,187,284
	Advance for Operational Activities	9.02	624,149	1,641,847
	TDS (Tax Deducted at Source)	9.03	45,706,101	26,956,160
	VAT Current A/C		13,513,764	39,839,721
	Interest Charges in Advance by IBBL for MPI Loan		21,457,532	-
	Interest Charges in Advance by IBBL for MTR Loan		173,589,103	170,616,668
	Advance to Shahjibazar Power Co. Ltd. (Parent Co.)		233,918,559	190,918,559
			700,379,544	**565,160,239**
9.01	**Advance to Different Suppliers**		
	Eastern Maritime Corporation		-	32,262,000
	Guraba Engineering Ltd.		2,000	2,000
	Instrumentation Engineering Services Ltd.		-	40,263
	Integrated Design		-	120,000
	Inspace Atelier		3,000,000	-
	Janata Mechineries		13,400	13,400
	Malik Enterprise		-	5,800
	Mirzapur Green City		10,000	-
	Mission Scientific Company		10,000	10,000
	Omi Solutions Ltd.		-	60,000
	Robinson Helicopter Company		-	90,156,487
	Rupantarita Prakritik Gas Company Ltd.		175,523,890	-
	Ecomax Plastics Ltd.		-	100,600

	June 30, 2017	June 30, 2016
Omera Petroleum Ltd.	310,695	260,356
Petromax Coastal Refinery Ltd.	-	500,000
Petromax LPG Ltd.	28,248,650	165,137
TEAM Investments Ltd.	-	600
S.P. Engineer's	1,000	1,000
ICON Engineering Services	-	850,000
Advance Insurance Premium	4,450,703	1,733,860
Clearing and forwarding agency	-	8,905,782
	211,570,337	**135,187,284**

9.02 Advance for Operational Activities

Advance to Different Individual for Official Work	351,819	297,847
Comfit Composite Knit Ltd.	272,330	-
Mr. Khair Ahmed (IMS Group)	-	1,344,000
	624,149	**1,641,847**
Deposits		
Security Deposit with Pally Biddut Samitee	35,616	35,616
Security Deposit To MPA for Pipeline	938,979	-
Electricity Connection	20,840	20,840
BTRC Demand Note	16,560	16,560
	1,011,995	**73,016**

9.03 TDS (Tax Deducted at Source)

TDS (Tax Deducted at Source)	153,666,011	52,549,719
Adjusted with current tax payable	107,959,911	25,593,559
	45,706,101	**26,956,160**

Ageing Status of Advance, Deposit and Prepayments:

Less than one year	673,835,963	550,204,771
More than one year	27,555,576	15,028,484
	701,391,539	**565,233,255**

10 Financial Assets at fair value through profit or loss

ACI Limited	684,363	4,565,563
AB Bank Ltd.	233,888	-
The ACME Laboratories Limited	-	907,920
Active Fine Chemicals Limited	354,900	402,360
Amman Feed Ltd.	370,000	
Apex Footwear Limited	-	1,335,092
Apollo Ispat Complex Limited.	721,000	-
Building Systems Limited	-	976,692
Bay Leasing & Investment Ltd.	2,490,000	-
Bangladesh Thai Aluminium Ltd	697,500	
Bangladesh Steel Re-Rolling Mills Limited	1,749,800	1,123,280
CVO Petrochemical Refinery Limited	1,662,570	1,617,840
The City Bank Ltd.	935,000	-
City General Insurance Company Ltd.	360,800	-

	June 30, 2017	June 30, 2016
Dhaka Electric Supply Company Limited	303,891	305,109
Evince Textiles Ltd.	345,780	-
Far Chemicals Industries Ltd.	257,000	-
The IBN SINA Pharmaceutical Industry Limited	-	162,750
GPH Ispat Ltd.	443,000	-
Ifad Autos Ltd.	2,023,500	-
Islamic Finance & Investment Ltd.	159,250	-
KDS Accessories Ltd.	190,250	-
Jamuna Oil Company Limited	-	909,000
Lafarge Surma Cement Limited	629,000	791,000
Lankabangla Finance Ltd.	557,000	-
MJL Bangladesh Ltd.	607,500	-
National Polymar Industries Ltd.	1,924,930	-
Premier Leasing & Finance Ltd	477,500	-
RAK Ceramics (Bangladesh) Limited	316,800	304,500
Summit Alliance Port Limited	-	2,822,560
Saiham Cotton Mills Ltd.	352,000	-
Shahjalal Islami Bank Ltd.	422,625	-
Shepherd Industries Ltd.	710,630	-
Union Capital Ltd.	894,080	-
Western Marine Shipyard Ltd.	3,900,000	-
	24,774,556	**16,223,666**

11 Goods In Transit

Goods In Transit- Condensate	43,865,930	364,227,008
Goods In Transit- Machinery/Parts	6,986,396	475,951
	50,852,326	**364,702,959**

12 Cash and Cash Equivalents

Cash in Hand	86,295	605
Islami Bank Bangladesh Limited (A/C No:9766)	12,688,892	39,236,160
Bank Asia Limited (A/C No:333006320)	2	2
Exim Bank Limited (A/C No:125161)	95,699	22,328
National Bank Ltd. (A/C No:1106001842669)	-	1,755,540
Islami Bank Bangladesh Limited (A/C No:46-IDB Br.)	212,558	23,100
Islami Bank Bangladesh Limited (L/C Margin)	342,100	58,060,979
Islami Bank Bangladesh Limited (A/C No:560)	1,925,712	2,880,015
Islami Bank Bangladesh Limited (A/C No. 3074816)	242,351,856	232,708,863
Islami Bank Bangladesh Limited (A/C No. 3142812)	112,827,672	106,412,083
Islami Bank Bangladesh Limited (A/C No. 3217512)	22,507,079	21,273,514
Islami Bank Bangladesh Limited (A/C No. 333674)	4,579,000	-
Exim Bank Limited (MTDR A/C No:272671)	2,002,178	-
Revolving A/C (Mongla Port Authority)	10,000	10,000
Ledger Balance of BO Account	3,011	4,191
Security Deposit against Bank Guarantee	63,039,462	62,530,224
	462,671,516	**524,917,603**

		June 30, 2017	June 30, 2016
13	**Share Capital**		
	Authorized Capital :		
	300,000,000 shares @ Tk.10.00 each	3,000,000,000	3,000,000,000
	Issued, Subscribed and Paid-up Capital		
	10,00,00,000 shares @ Tk.10.00 each	1,000,000,000	1,000,000,000
	Movement of Share Capital:		
	Opening Balance	1,000,000,000	1,000,000,000
	Allotment During the Period	-	-
		1,000,000,000	**1,000,000,000**

SHARE HOLDING POSITION:

Name of the Share Holder	No. of shares held	Percentage
Feroz Alam	1,800,000	1.80%
Rezakul Haider	1,700,000	1.70%
Anis Salahuddin Ahmad	1,000,000	1.00%
Akbor Haider	500,000	0.50%
Asgar Haider	500,000	0.50%
Faridul Alam	500,000	0.50%
Faisal Alam	500,000	0.50%
Shahida Alam	500,000	0.50%
Israt Azim Ahmad	500,000	0.50%
A.K.M.Badiul Alam	1,000,000	1.00%
Shamsuzzaman	1,500,000	1.50%
Shahjibazar Power Co. Ltd.	90,000,000	90.00%
	100,000,000	**100%**

14	**Tax Holiday Reserve**		
	Balance as at 01 July 2016	516,762,906	373,942,744
	Addition during the Period	254,062,026	142,820,162
	Balance as at 30 June 2017	**770,824,933**	**516,762,906**
15	**Retained Earnings**		
	Balance as at 01 July 2016	754,225,773	539,995,530
	Less: Dividend	(150,000,000)	-
	Add: Net profit/(Loss) for the Period	635,155,066	357,050,405
	Less: Transferred to Tax Holiday Reserve	(254,062,026)	(142,820,162)
	Balance as at 30 June 2017	**985,318,813**	**754,225,773**
16	**Loan Other Than Bank**		
	Comfit Composite Knit Ltd.	-	27,322,967
	Midland Knitwear Ltd.	12,500,000	40,000,000
		12,500,000	**67,322,967**

		June 30, 2017	June 30, 2016
17	**Long Term Loan - Net of Current Maturity**		
	Islami Bank Bangladesh Ltd.	66,156,487	69,259,446
		66,156,487	**69,259,446**

i. The Company is paying installments against term loan as per schedule.

ii. The term loan are fully secured to IBBL- Local Office Branch, against registered mortgage on the following:

a) 711.50 Decimal project land at Industrial Plot No.- 15, Mongla Port, Bagherhat.

b) Project Building.

c) Machineries of the project.

iii. Personal Guarantee of all Directors of the company.

18	**Accounts Payable**		
	AKH Fashion Ltd.	14,261	7,010
	A to Z Computer	3,600	-
	Alam Trading Agency	-	2,500
	Bata Shoe Company Bangladesh Ltd.	621	621
	Balaka Tools Traders	-	32,000
	B.K. Instruments & Chemicals	2,180	-
	Confidence Design & Construction (CDC) Ltd.	479,368	-
	DHL Worldwide Express (Bangladesh) Pvt. Ltd.	9,953	-
	Clearing and forwarding agency	83,523	-
	EMI Engineering Ltd.	896,706	896,706
	Global Digital Mart Ltd.	8,750	-
	Hydraulic Collection	-	80,000
	H.R.S. Trading Corporation	11,900	-
	Integrated Design	240,000	-
	Islami Insurance Bangladesh Ltd.	335,044	335,044
	JTZ Engineering & Trading Inn.	57,750	-
	Lubricants Asia Ltd.	56,000	-
	Linde Bangladesh Ltd.	198,542	445,792
	Maisha Enterprise Ltd.	2,500,000	2,489,400
	Monico Ltd.	178,645	3,078,645
	Modern Erection Ltd.	-	40
	Mayer Doa Tripal House	360	25,560
	Masum Trade International	-	1,105,887
	Metro Police Store .	45,600	-
	Omni Solutions Ltd.	66,000	-
	Puradest Prakawshali	-	90,000
	Rupali Insurance Co. Ltd.	1,100,319	908,912
	Sigma Construction Company	-	7,574,137
	Pioneer Scientific Stores	15,086	-
	Rabeya Nur Enterprise	19,000	-
	Science Museum	4,350	-
	Shuvo Boiler & Tools Traders	155,400	-
	TG Logistics (BD) Ltd.	145,000	-
		6,627,957	**17,072,254**

		June 30, 2017	June 30, 2016
	Age Analysis of Accounts Payable		
	Less Than One Year	5,217,563	12,649,859
	More Than One Year	1,410,395	4,422,395
		6,627,957	**17,072,254**
19	**Other Payable**		
	Sahara Trading	54,011	54,011
	Audit Fee	402,500	402,500
	Raaj Fuel Agency	143	143
	Worker's Profit Participation Fund	42,901,979	55,746,230
	Danlop Enterprise	17,000	17,000
	Al-Amin (Driver)	1,061	-
	Asif Ahmed Chowdhury	22,040	26,630
		43,398,733	**56,246,514**
20	**L/C Liabilities**		
	Islami Bank Bangladesh Ltd.	6,986,396	1,010,175,470
		6,986,396	**1,010,175,470**
21	**Short Term Loan**		
	MPI Loan (Mura Post Import-IBBL)	209,210,043	54,612,129
	MTR Loan (Murabaha Term Loan-IBBL)	2,530,344,234	2,269,626,334
	SOD Loan (Secured Over Draft-EBL)	68,115,666	81,412,352
		2,807,669,943	**2,405,650,815**
22	**Long Term Loan - Current Maturity**		
	Islami Bank Bangladesh Ltd.	97,070,442	437,862,216
		97,070,442	**437,862,216**
23	**Liabilities for Expenses**		
	Remuneration	300,000	-
	Salary & Allowance - H/O	450,000	-
	Salary & Wages - Factory	3,428,809	79,196
	Electricity Bill	3,780,593	3,698,489
	Water Bill	31,980	83,100
	Telephone Bill	925	2,109
	Internet Bill	12,513	-
	Security Service Charge-H/O	53,963	27,697
		8,058,783	**3,890,591**

			June 30, 2017	June 30, 2016
24	**Revenue**			
	Liquid Petroleum Gas (LPG)		562,501	-
	High Speed Diesel (HSD)		1,027,382,151	1,251,325,649
	Superior Kerosene Oil (SKO)		283,750,514	318,420,183
	Motor Spirit (MS)		1,068,783,538	512,919,251
	High Octane Blending Component (HOBC)		4,947,904,186	4,400,532,721
			7,328,382,889	**6,483,197,804**
25	**Cost of Sales**			
	Raw Materials Consumed	25.01	5,626,200,458	5,024,461,111
	Factory Overhead	25.02	544,684,122	586,125,912
			6,170,884,579	**5,610,587,023**
25.01	**Raw Materials Consumed**			
	Opening Stock of Raw Materials		820,047,270	798,688,437
	Purchase During the Period		5,459,337,668	5,045,819,944
	Less: Closing Stock		(653,184,480)	(820,047,270)
			5,626,200,458	**5,024,461,111**
25.02	**Factory Overhead**			
	Insurance Premium		13,792,959	6,401,361
	Rent & Rates		116,551,130	121,716,978
	Electricity, Gas & Water		45,142,725	44,226,702
	Wages, Salary & Allowance - Factory		89,937,707	79,562,303
	Repair & Maintenance - Factory		37,787,189	71,753,393
	Consumable Spare Parts		-	16,268,792
	Tiffin & Refreshment - Factory		1,356,061	4,374,691
	Medical Expenses		14,915	31,393
	Government Taxes & License Fee		733,778	530,617
	Office Expenses-Factory		557,698	518,537
	Uniform & Liveries		24,569	284,865
	Lab Test Fees		149,658	347,302
	LPG for Operation		2,225,673	3,738,118
	Labour Bill		1,376,035	141,500
	Safety Items Expenses		450,100	273,110
	Exchange Gain or Loss		6,071,386	-
	Depreciation		228,512,540	235,956,251
			544,684,122	**586,125,912**

		June 30, 2017	June 30, 2016
26	**General and Administrative Expenses**		
	Rent & Rates	1,754,031	2,501,657
	Consultancy Fee	600,000	50,000
	Carriage Outward	3,523,900	2,131,720
	Repair & Maintenance - H/O	597,548	308,789
	Vehicles Running & Maintenance	3,147,451	4,179,262
	Tiffin & Refreshment	3,179,551	2,932,446
	Fees & Subscription	14,977,568	2,432,540
	Postage, Telephone, Fax & Telex	648,943	1,653,907
	Govt. Taxes, Stamp Duty & License Fee	1,666,424	1,463,991
	Advertisement Expenses	328,692	138,810
	Audit Fees	402,500	433,550
	Insurance Premium of Helicopter	1,154,102	-
	BO Account Charge	660	1,270
	Board Meeting Fees	-	110,000
	Electricity Bill- Office	10,169	19,592
	Internet Bill	77,131	81,330
	Survey Bill	64,661	840,808
	Training & Development	307,131	3,669,127
	Stationary	494,055	1,694,223
	Overseas Travelling	980,800	1,606,601
	Remuneration	6,000,000	3,600,000
	Papers, Books & Periodicals	8,060	787
	Selling & Distribution Expenses	35,651,442	23,401,764
	Salary & Allowance	17,450,218	11,428,715
	Security Charge	262,872	243,556
	Amortization of Intangible Assets	111,526	34,650
	Provision for Unrealized loss on holding shares	-	2,932,758
	Operational, Maintenance & Others Charge (Helicopter)	4,759,400	-
	Tree Plantation	223,631	379,848
	Write off of Receivables	25,067	25,425
	Depreciation of Helicopter	4,455,082	-
	Fuel & Lubricant- Helicopter	734,000	-
	Travelling & Conveyance bill	1,325,610	2,468,809
		104,922,225	**70,765,934**
27	**Financial Expenses**		
	Interest / Profit Charge	288,804,626	415,078,746
	Interest / Profit Income	(18,817,344)	(20,258,547)
	Bank Charge	6,524,966	5,789,748
		276,512,248	**400,609,947**

		June 30, 2017	June 30, 2016
28	**Non-Operating Income**		
	Wastage Sales	444,636	238,871
	Dividend Income	157,882	149,024
	Lab Test Income	54,000	-
	Unrealized Gain/Loss on Sale of Share	463,144	-
	Realized Gain on Sale of Share	3,087,226	1,557,384
		4,206,889	**1,945,279**
29	**Worker's Profit Participation Fund (WPPF)**		
	Net Profit Before Tax	743,114,977	383,981,122
	WPPF @ 5% of Net Profit Before Tax	37,155,749	19,199,056
		37,155,749	**19,199,056**
30	**Income Tax Expenses:**		
	Current Tax	107,959,911	26,930,717
	Deferred Tax	-	-
		107,959,911	**26,930,717**
31	**Earning Per Share**		
31.01	**Basic Earning Per Share (EPS)**		
	Net Profit after Tax	635,155,066	357,050,404
	Number of Shares Outstanding	100,000,000	100,000,000
	Earning Per Share (EPS)	**6.35**	**3.57**

AMAR STOCK

32 Financial risk management

The company has exposure to the following risks arising from financial instruments:

a) Credit risk
b) Market risk
c) Liquidity risk

a) Credit risk

Credit risk represents the financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It mainly comprises of trade receivables, advances to suppliers, trade deposits and bank balances. The Company's maximum exposure to credit risk at the reporting date is trade receivable which is also secured by agreement with Bangladesh petroleum Corporation (BPC), the only one customer of the Company.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range:

i) Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Company is exposed to currency risk on its purchases that is denominated in foreign currencies. Majority of the Company's foreign currency transactions are denominated in USD. The Company also has exposure in foreign currencies relating to some services.

ii) Interest rate risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its long term foreign currency debts with the lender.

Interest bearing financial instruments of the Company at reporting date are as follows:

Financial Liabilities	**30-Jun-17**	**30-Jun-16**
Term loan	163,226,929	507,121,662
Short term loan	2,807,669,943	2,405,650,815
	2,970,896,872	**2,912,772,477**

Including the current portion of long term loan.

c) 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 maintains sufficient resources and arrangement of credit lines with the various banks for managing its liquidity risk.

33. Related Party Transactions

a) Key management personnel compensation
Short term employee benefits (salary & allowances etc.)

Particulars	30.06.2017		30.06.2016	
	Directors	All Managers	Directors	All Managers
Board Meeting Fee	-	-	110,000	-
Remuneration & Allowances	6,000,000	22,021,871	7,050,000	15,423,800
Bonus	120,000	1,636,365	1,030,000	659,463
Total	6,120,000	23,658,236	8,190,000	16,083,263

Transport and other facilities provided to Managing Directors, Directors, GM, DGM, Managers and Deputy Managers:

Designation	Facilities Provided
Managing Director	Mobile Bill & Transport Facility
Directors	Mobile Bill & Transport Facility
GM & DGM	Mobile Bill & Transport Facility
Manager & Deputy Manager	Mobile Bill & Transport Facility

b) Other related party transactions:

Name of the related party	Nature of Relationship	Nature of Transaction	Balance as at July 01, 2016	Amount of Transaction		Balance as at June 30, 2017
				Debit	Credit	
Shahjibazar Power Co. Ltd.	Parent- Subsidiary	Advance	190,918,559	43,000,000	-	233,918,559
Garments Export Village Ltd.	Common Directorship	Short Term Loan	-	-	-	-
Comfit Composite Knit Ltd.	Common Directorship	Short Term Loan	27,322,967	27,908,437	313,140	(272,330)
Youth Garments Ltd.	Common Directorship	Short Term Loan	-	-	-	-
Youth Fashion Ltd.	Common Directorship	Short Term Loan	-	-	-	-
Midland Knitwear Ltd.	Common Directorship	Short Term Loan	40,000,000	27,500,000	-	12,500,000
Mr. Feroz Alam	Directorship	Office Rent	-	206,250	206,250	-
Mr. Rezakul Haider	Directorship	Office Rent	-	1,095,000	1,095,000	-

34. Commitments and Contingencies

A) Capital expenditure commitments
B) Bank guarantees

In favor of:	30 June 17	30 June 16
The Commissioner of Customs, Mongla Custom House, Khulna	528,084,260	528,084,260
Rupantarita Prakritik Gas Company Limited	3,000,000	3,000,000
The Commissioner of Customs, Custom House, Chittagong	5,088,238	-
	536,172,498	**531,084,260**

35. Other disclosures

35.1 Number of employees

As at 30 June 2017, number of regular employees receiving salary & allowance above 30,000.00 per month were 92 persons.

35.2 Comparatives

Comparative period figures have been rearranged to ensure consistency with current year's figures in order to better comparison and presentation.

35.3 Events after the reporting period

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

Petromax Refinery Limited

Non-Current Assets Schedule
As at June 30, 2017

Annexure - A

SL	Name of Assets	Cost				Depreciation					Written down Value at June 30, 2017
		Balance at July 01, 2016	Addition during the period	Disposal During the Period	Balance at June 30, 2017	Rate %	Balance at July 01, 2016	Charged During the Period	Adjustment During the Period	Balance at June 30, 2017	
01	Land & Land Development	59,798,109	973,111	-	60,771,220	-	-	-	-	-	60,771,220
02	Building & Construction	513,785,333	10,232,345	-	524,017,678	7%	68,043,958	30,542,526	-	98,586,484	425,431,193
03	Electric Installation	35,456,026	-	-	35,456,026	15%	10,634,049	3,519,047	-	14,153,096	21,302,930
04	Computer	1,313,413	295,400	-	1,608,813	15%	343,145	161,883	-	505,028	1,103,785
05	Fork LIFT	1,750,000	-	-	1,750,000	15%	557,700	169,034	-	726,734	1,023,266
06	Jetty	9,047,777	-	-	9,047,777	15%	2,564,924	919,083	-	3,484,007	5,563,770
07	Factory Equipments	6,061,259	634,335	-	6,695,594	15%	1,631,613	673,631	-	2,305,244	4,390,350
08	Lab Equipment	2,780,321	10,858		2,791,179	15%	639,808	304,640	-	944,448	1,846,731
09	Fire Fighting Equipments	606,910	37,900	-	644,810	15%	174,585	65,397	-	239,982	404,828
10	Plant & Machineries	2,836,660,419	-	-	2,836,660,419	6%	391,591,788	143,436,160	-	535,027,948	2,301,632,471
11	Cylindrical Vertical Steel Tank	105,669,605	5,924,432	-	111,594,037	15%	33,509,540	10,452,404	-	43,961,944	67,632,093
12	Generator	20,300,278	-	-	20,300,278	15%	6,407,330	1,969,624	-	8,376,954	11,923,324
13	Office Equipment	1,148,891	2,950	-	1,151,841	15%	293,984	121,415	-	415,399	736,442
14	Refrigerator	28,300	-	-	28,300	15%	9,019	2,734	-	11,753	16,547
15	Solar Power System	560,000	-	-	560,000	15%	178,464	54,092	-	232,556	327,444
16	Telephone Installation	1,702,089	-	-	1,702,089	15%	353,371	189,791	-	553,162	1,148,927
17	Ship	187,265,926	97,661,780		284,927,706	20%	55,135,829	29,102,925	-	84,238,754	200,688,952
18	Helicopter	-	90,285,623	-	90,285,623	10%	-	4,455,082	-	4,455,082	85,830,541
19	Vehicle	33,011,297	-	-	33,011,297	20%	6,043,645	5,002,331	-	11,045,976	21,965,321
20	Air Condition	5,642,540	-	-	5,642,540	15%	1,262,231	621,003	-	1,883,234	3,759,306
21	Water Line Installation	326,395	-	-	326,395	15%	104,018	31,526	-	135,544	190,851
22	Water Treatment Plant	4,382,645	-		4,382,645	15%	1,233,627	446,442	-	1,680,069	2,702,576
23	Furniture & Fixture	6,904,480	60,118	-	6,964,598	15%	1,788,399	726,852	-	2,515,251	4,449,347
	June 30, 2017	**3,834,202,013**	**206,118,852**	**-**	**4,040,320,864**		**582,511,029**	**232,967,622**	**-**	**815,478,650**	**3,224,842,214**
	June 30, 2016	**3,689,224,653**	**144,977,360**	**-**	**3,834,202,013**		**346,554,778**	**235,956,251**	**-**	**582,511,029**	**3,251,690,984**

Depreciation Expenses:

Factory Overhead	228,512,540
General and Administrative	4,455,082
Total	**232,967,622**