

# **Doreen Power Generations and Systems Limited and its Subsidiaries**

## **Independent Auditor's Report and Audited Consolidated & Separate Financial Statements For the year ended 30 June 2018**



**ACNABIN**

*Chartered Accountants*

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## **Independent Auditor's Report To the Shareholders of Doreen Power Generations and Systems Limited**

We have audited the accompanying consolidated financial statements of Doreen Power Generations and Systems Limited and its subsidiaries ("the Group"), as well as the financial statements of Doreen Power Generations and Systems Limited ("the Company"), which comprise the consolidated and the separate statements of financial Position as at 30 June 2018, and consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. As disclosed in note # 1.2 the group has three subsidiary companies out of which the financial statements of one subsidiary namely, Chandpur Power Generations Limited (CPGL) were audited by another auditor and we have placed reliance on their audit report and the audited financial statements for the purpose of consolidation.

### **Management's Responsibilities for the Consolidated Financial Statements**

Management is responsible for the preparation of consolidated financial statements of the Group and also the separate financial statements of the Company that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the 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 consolidated financial statements of the Group and separate financial statements of the Company that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Company. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of consolidated financial statements of the Group and separate financial statements of the Company, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements of the Group and separate financial statements of the Company that give a true and fair view 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 consolidated financial statements of the group and also separate financial statements of the Company.



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 consolidated financial statements of the Group and the separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2018, and consolidated and separate financial performance and consolidated and separate cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards.

### **Emphasis of Matter**

Without modifying our opinion as above, we draw attention to the fact as disclosed in note # 3.9 to the financial statements that the management of the Company decided not to make any further provision for Workers Profit Participation Fund (WPPF) as the Ministry of Power, Energy and Mineral Resources on request of Bangladesh Independent Power Producers Association (BIPPA) approached the Ministry of Labour and Employment to exempt the power producers in private sector from implementation of WPPF as required by the Labour Act 2006 (amended in 2013). The management of the company informed us that the matter is under active consideration of the government and management is hopeful that they will get the positive outcome.

### **Report on Other Legal and Regulatory Requirements**

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations. We, as required by law, further report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books;
- (c) the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income of the Group and the separate statement of financial position and separate statement of profit or loss and other comprehensive income of the Company dealt with by the report are in agreement with the books of account maintained by the Group and the Company; and
- (d) the expenditure incurred was for the purpose of the business of the Group and the Company.


Dhaka,  
20 September 2018

**ACNABIN**  
**Chartered Accountants**

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2018**

	Notes	30.06.2018 Taka	30.06.2017 Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
		<b>10,682,153,400</b>	<b>10,234,794,882</b>
Property, plant and equipment	4(a)	9,887,893,590	10,210,664,754
Capital work in progress	5(a)	42,448,899	21,380,128
Investments	6(a)	751,810,911	2,750,000
<b>Current Assets</b>			
		<b>2,928,629,272</b>	<b>2,183,627,525</b>
Inventories	7(a)	478,512,664	467,798,135
Trade & other receivables	8(a)	1,433,924,835	1,249,279,788
Advance, deposit & prepayments	9(a)	367,045,922	316,284,600
Current A/C with Subsidiaries & Sister Concerns	10(a)	568,291,168	121,388,022
Cash and bank balance	11(a)	80,854,684	28,876,980
<b>TOTAL ASSETS</b>		<b>13,610,782,672</b>	<b>12,418,422,407</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
		<b>4,260,394,400</b>	<b>3,451,873,254</b>
Share capital	12	1,056,000,000	960,000,000
Share premium	13	361,849,889	361,849,889
Retained earnings	14(a)	2,129,042,678	1,387,213,958
Revaluation surplus	15	713,501,833	742,809,406
Non- controlling interest	16	56,228,686	21,055,314
<b>Total Equity</b>		<b>4,316,623,086</b>	<b>3,472,928,568</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
		<b>5,438,803,864</b>	<b>6,096,437,903</b>
Long term bank loan net off current maturity	17(a)	5,437,724,993	6,095,359,033
Deferred tax liability	18	1,078,870	1,078,870
<b>Current Liabilities</b>			
		<b>3,855,355,722</b>	<b>2,849,055,937</b>
Trade payables	19(a)	189,855,286	171,461,956
Current portion of long term bank loan	20(a)	697,215,057	876,344,580
WPPF and WF payable	21	9,279,348	16,569,348
Short term bank loan	22(a)	2,856,504,527	1,678,637,083
Liabilities for expenses and others	23(a)	101,298,410	103,631,297
Provision for income tax	24(a)	1,203,096	2,411,673
<b>TOTAL EQUITY</b>		<b>13,610,782,672</b>	<b>12,418,422,407</b>
<b>Consolidated Net Assets Value (NAV) per share</b>	33(a)	<b>40.34</b>	<b>32.69</b>

The annexed notes from 1 to 41 form an integral part of these Consolidated Financial Statements.

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

This is the Consolidated Statement of Financial Position referred to in our separate report of even date.

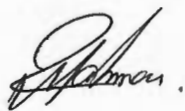
  
**ACNABIN**
**Chartered Accountants**

Dhaka,  
20 September 2018

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2018**

	Notes	2017-2018 Taka	2016-2017 Taka
Revenue	25(a)	6,660,495,190	5,150,748,279
Less: Cost of sales	26(a)	5,246,534,368	3,789,896,730
<b>Gross Profit</b>		<b>1,413,960,822</b>	<b>1,360,851,549</b>
Less: Operating expenses			
General and administrative expenses	27(a)	122,566,894	132,553,608
<b>Gross Operating Profit for the year</b>		<b>1,291,393,928</b>	<b>1,228,297,940</b>
Less: Financial expense	28(a)	460,751,796	481,473,112
<b>Net Operating Profit for the year</b>		<b>830,642,132</b>	<b>746,824,828</b>
Add: Non Operating Income			
Finance income	29(a)	1,829,050	1,775,002
<b>Profit before WPPF and WF</b>		<b>832,471,182</b>	<b>748,599,830</b>
Less: Provision for contribution to WPPF & WF		-	7,718,880
<b>Net Profit before income tax</b>		<b>832,471,182</b>	<b>740,880,950</b>
Less: Current tax expense	30(a)	776,663	3,897,606
<b>Net Profit after income tax</b>		<b>831,694,519</b>	<b>736,983,345</b>
Other Comprehensive income		-	-
<b>Total Comprehensive income</b>		<b>831,694,519</b>	<b>736,983,345</b>
<b>Attributable to:</b>			
Shareholders of the Company		829,275,457	726,631,172
Non controlling interest		2,419,062	10,352,173
		<b>831,694,519</b>	<b>736,983,345</b>
<b>Consolidated Earning per share (EPS)/Restated EPS</b>	31(a)	<b>7.85</b>	<b>6.88</b>

The annexed notes from 1 to 41 form an integral part of these Consolidated Financial Statements.



Company Secretary



Director



Managing Director

This is the Consolidated Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,  
20 September 2018



**ACNABIN**  
Chartered Accountants

DOREEN POWER GENERATIONS AND SYSTEMS LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity  
For the year ended 30 June 2018

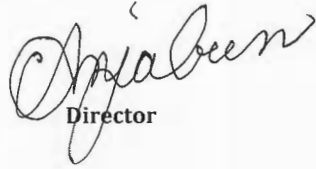
(Amount in Taka)

Particulars	Share capital	Share Premium	Revaluation surplus	Retained earnings	Sub-Total	Non controlling interest	Total Equity
Balance as at 01 July 2017	960,000,000	361,849,889	742,809,406	1,387,213,958	3,451,873,253	21,055,314	3,472,928,568
Adjustment for change in holding percentage of Non Controlling Interest	-	-	-	3,245,689	3,245,689	(3,245,689)	-
Net Profit for the year	-	-	-	829,275,457	829,275,457	2,419,062	831,694,519
Stock Dividend for the Year 2016-2017	96,000,000	-	-	(96,000,000)	-	-	-
Cash Dividend for the Year 2016-2017	-	-	-	(24,000,000)	(24,000,000)	-	(24,000,000)
Revaluation surplus realized (Depreciation on increased value of assets due to revaluation)	-	-	(29,307,573)	29,307,573	-	-	-
Share Capital	-	-	-	-	-	36,000,000	36,000,000
<b>Balance as at 30 June 2018</b>	<b>1,056,000,000</b>	<b>361,849,889</b>	<b>713,501,833</b>	<b>2,129,042,678</b>	<b>4,260,394,400</b>	<b>56,228,686</b>	<b>4,316,623,086</b>
<b>Balance as at 01 July 2016</b>	<b>800,000,000</b>	<b>361,849,889</b>	<b>773,195,849</b>	<b>812,005,353</b>	<b>2,747,051,091</b>	<b>5,973,001</b>	<b>2,753,024,092</b>
Net Profit for the year	-	-	-	726,631,172	726,631,172	10,352,173	736,983,345
Adjustment for changes in share holding position	-	-	-	(730,140)	(730,140)	730,140	-
Stock Dividend for the Year 2015-2016	160,000,000	-	-	(160,000,000)	-	-	-
Cash Dividend for the Year 2015-2016	-	-	-	(20,000,000)	(20,000,000)	-	(20,000,000)
Adjustment for deferred tax against Revaluation of Land (Note: 18)	-	-	(1,078,870)	-	(1,078,870)	-	(1,078,870)
Revaluation surplus realized (Depreciation on increased value of assets due to revaluation)	-	-	(29,307,573)	29,307,573	-	-	-
Non-controlling Interest on newly formed Chandpur Power Generations Limited	-	-	-	-	-	4,000,000	4,000,000
<b>Balance as at 30 June 2017</b>	<b>960,000,000</b>	<b>361,849,889</b>	<b>742,809,406</b>	<b>1,387,213,958</b>	<b>3,451,873,254</b>	<b>21,055,314</b>	<b>3,472,928,568</b>

The annexed notes from 1 to 41 form an integral part of these Consolidated Financial Statements.

Dhaka,  
20 September 2018

  
Company Secretary

  
Director

  
Managing Director



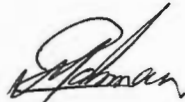



**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2018**

	2017-2018 Taka	2016-2017 Taka
<b>A. Cash flows from operating activities</b>		
Receipt from customers	6,469,761,093	4,235,203,661
Payment to suppliers	(4,731,352,535)	(3,335,278,695)
Payment for direct expenses and administrative expenses	(130,895,873)	(136,151,821)
Financial expenses paid	(460,751,796)	(481,678,173)
Income Tax Paid	(1,985,240)	(6,516,351)
<b>Net cash flow from operating activities</b>	<b>1,144,775,649</b>	<b>275,578,621</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(167,930,796)	(410,722,554)
Capital work in progress	(33,448,899)	(21,380,128)
Encashment/(Investment) in FDR	(2,760,911)	(2,724,000)
Interest received	1,918,101	1,637,534
Received from/(paid to) subsidiaries & sister concerns	(446,903,146)	(121,388,022)
Investment in subordinated loan to Banco Energy Generations Ltd.	(746,300,000)	-
Insurance Claim Received	6,000,000	8,500,000
Advance payment for land and land development	(56,805,307)	-
<b>Net cash used in investing activities</b>	<b>(1,446,230,958)</b>	<b>(546,077,170)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of short term bank loan	1,177,867,444	860,494,695
Proceed from Share Money Deposit	36,000,000	4,000,000
Dividend Payment	(23,670,869)	(20,000,000)
Repayment of long term bank loan	(836,763,563)	(492,801,553)
Loan received from/(payment to) Sister Concerns	-	(156,917,790)
<b>Net cashflow from financing activities</b>	<b>353,433,013</b>	<b>194,775,352</b>
<b>D. Net increase/(decrease) in cash and bank balance (A+B+C)</b>	<b>51,977,704</b>	<b>(75,723,197)</b>
<b>E. Cash and bank balance at beginning of the year</b>	<b>28,876,980</b>	<b>104,600,177</b>
<b>F. Cash and bank balance at end of the year</b>	<b>80,854,684</b>	<b>28,876,980</b>
<b>Consolidated Net Operating Cash Flow per share (NOCFPS)</b>	<b>10.84</b>	<b>2.61</b>

The annexed notes from 1 to 41 form an integral part of these Consolidated Financial Statements.

Dhaka,  
20 September 2018

  
Company Secretary

  
Director

  
Managing Director



**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**
**Statement of Financial Position  
 As at 30 June 2018**

	Notes	30.06.2018 Taka	30.06.2017 Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
		<b>4,370,945,896</b>	<b>4,298,373,894</b>
Property, plant and equipment	4	2,604,661,086	2,607,043,766
Capital work in progress	5	39,573,899	21,380,128
Investments	6	1,726,710,911	1,669,950,000
<b>Current Assets</b>			
		<b>495,254,345</b>	<b>517,853,936</b>
Inventories	7	48,560,217	49,730,449
Trade & other receivables	8	290,901,971	260,600,534
Advance, deposit & prepayments	9	38,389,420	39,578,256
Current A/C with Subsidiaries & Sister Concerns	10	116,087,942	162,500,007
Cash and bank balances	11	1,314,795	5,444,690
<b>TOTAL ASSETS</b>		<b>4,866,200,241</b>	<b>4,816,227,830</b>
<b>EQUITY AND</b>			
<b>Shareholders' Equity</b>			
		<b>3,365,997,723</b>	<b>3,166,412,385</b>
Share capital	12	1,056,000,000	960,000,000
Share premium	13	361,849,889	361,849,889
Retained earnings	14	1,234,646,001	1,101,753,090
Revaluation surplus	15	713,501,833	742,809,406
<b>Non-Current Liabilities</b>			
		<b>728,826,012</b>	<b>999,178,665</b>
Long term bank loan net of current maturity	17	727,747,142	998,099,795
Deferred tax liability		1,078,870	1,078,870
<b>Current Liabilities</b>			
		<b>771,376,506</b>	<b>650,636,781</b>
Trade payable	18	168,415,195	160,526,926
Current portion of long term bank loan	19	263,883,768	263,883,768
WPPF and WF payable	20	9,279,348	16,569,348
Short term bank loan	21	307,233,878	187,776,560
Liabilities for expenses and others	23	21,744,765	19,617,884
Provision for income tax	24	819,553	2,262,295
<b>TOTAL LIABILITIES</b>		<b>1,500,202,518</b>	<b>1,649,815,445</b>
<b>TOTAL EQUITY AND</b>		<b>4,866,200,241</b>	<b>4,816,227,830</b>
<b>Net Assets Value (NAV) per share</b>	33	<b>31.87</b>	<b>29.98</b>

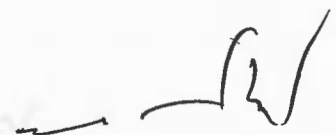
The annexed notes from 1 to 41 form an integral part of these Financial Statements.



Company Secretary



Director



Managing Director

This is the Statement of Financial Position referred to in our separate report of even date.



ACNABIN

Chartered Accountants

Dhaka,  
20 September 2018



**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2018**

	Notes	2017-2018 Taka	2016 - 2017 Taka
Revenue	25	1,135,785,948	1,091,021,875
Less: Cost of sales	26	740,910,308	676,451,300
<b>Gross Profit</b>		<b>394,875,640</b>	<b>414,570,575</b>
Less: Operating Expenses			
General administrative expenses	27	47,990,605	48,406,069
<b>Gross Operating Profit for the year</b>		<b>346,885,035</b>	<b>366,164,506</b>
Less: Financial expense	28	123,711,813	134,638,103
<b>Net Operating Profit for the year</b>		<b>223,173,222</b>	<b>231,526,403</b>
Add: Non Operating Income			
Finance income	29	733,783	1,775,002
<b>Profit before WPPF and Welfare Fund</b>		<b>223,907,005</b>	<b>233,301,405</b>
Less: Provision for contribution to WPPF & WF		-	7,718,880
<b>Profit before income tax</b>		<b>223,907,005</b>	<b>225,582,525</b>
Less: Income tax expense	30	321,668	3,897,606
<b>Net profit after income tax</b>		<b>223,585,338</b>	<b>221,684,920</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>223,585,338</b>	<b>221,684,920</b>
<b>Earning per share (EPS)/Restated EPS</b>	31	<b>2.12</b>	<b>2.10</b>

The annexed notes from 1 to 41 form an integral part of these Financial Statements.



Company Secretary



Director



Managing Director

This is the statement of profit or loss and other comprehensive income referred to in our separate report of even date.



Dhaka,  
20 September 2018

**ACNABIN**  
Chartered Accountants

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**


**Statement of Changes in Equity**  
**For the year ended 30 June 2018**

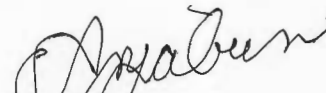
(Amount in Taka)

Particulars	Share capital	Share Premium	Revaluation surplus	Retained earnings	Total Equity
Balance as at 01 July 2017	960,000,000	361,849,889	742,809,406	1,101,753,090	3,166,412,385
Net Profit for the year	-	-	-	223,585,338	223,585,338
Stock Dividend for the year 2016-2017	96,000,000	-	-	(96,000,000)	-
Cash Dividend for the year 2016-2017	-	-	-	(24,000,000)	(24,000,000)
Revaluation surplus realized (Depreciation on increased value of assets due to revaluation)	-	-	(29,307,573)	29,307,573	-
<b>Balance as at 30 June 2018</b>	<b>1,056,000,000</b>	<b>361,849,889</b>	<b>713,501,833</b>	<b>1,234,646,001</b>	<b>3,365,997,723</b>
Balance as at 01 July 2016	800,000,000	361,849,889	773,195,849	1,030,760,598	2,965,806,335
Net Profit for the year	-	-	-	221,684,920	221,684,920
Stock Dividend for the year 2015-2016	160,000,000	-	-	(160,000,000)	-
Cash Dividend for the year 2015-2016	-	-	-	(20,000,000)	(20,000,000)
Adjustment for deferred tax against Revaluation of Land	-	-	(1,078,870)	-	(1,078,870)
Revaluation surplus realized (Depreciation on increased value of assets due to revaluation)	-	-	(29,307,573)	29,307,573	-
<b>Balance as at 30 June 2017</b>	<b>960,000,000</b>	<b>361,849,889</b>	<b>742,809,406</b>	<b>1,101,753,090</b>	<b>3,166,412,385</b>

The annexed notes from 1 to 41 form an integral part of these Financial Statements.

Dhaka,  
20 September 2018

  
 Company Secretary

  
 Director

  
 Managing Director




**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30 June 2018**

	2017-2018 Taka	2016-2017 Taka
<b>A. Cash flows from operating activities</b>		
Receipt from customers	1,099,395,460	1,031,727,998
Payment to suppliers	(573,269,073)	(491,973,486)
Payment for administrative expenses	(52,635,013)	(44,776,937)
Financial Expenses paid	(123,711,813)	(135,413,546)
Income tax payment	(1,764,410)	(6,464,440)
<b>Net cash flow from operating activities</b>	<b>348,015,151</b>	<b>353,099,589</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(134,478,932)	(85,510,194)
Capital work in progress	(39,573,899)	(21,380,128)
Interest received	822,834	1,637,534
Insurance claim received	6,000,000	8,500,000
Received from/(paid to) subsidiaries & sister concerns	46,412,065	21,111,380
Investment in FDRs	(2,760,911)	(2,724,000)
Investment in subsidiaries	(54,000,000)	(97,540,000)
<b>Net cash used in investing activities</b>	<b>(177,578,843)</b>	<b>(175,905,408)</b>
<b>C. Cash flows from financing activities</b>		
Receipt from short term bank loan	119,457,318	45,087,159
Payment of long term bank loan	(270,352,653)	(203,921,275)
Dividend Payment	(23,670,869)	(20,000,000)
Loan paid to subsidiaries and sister-concern	-	(88,833,122)
<b>Net cash used in financing activities</b>	<b>(174,566,204)</b>	<b>(267,667,238)</b>
<b>D. Net decrease in cash and bank balances (A+B+C)</b>	<b>(4,129,895)</b>	<b>(90,473,057)</b>
E. Cash and bank balances at beginning of the year	5,444,690	95,917,747
<b>F. Cash and bank balances at the end of the year</b>	<b>1,314,795</b>	<b>5,444,690</b>
<b>Net operating cash flow per share (NOCFPS)</b>	<b>3.30</b>	<b>3.34</b>

The annexed notes from 1 to 41 form an integral part of these Financial Statements.

Dhaka,  
20 September 2018

  
 Company Secretary

  
 Director

  
 Managing Director



**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED AND ITS SUBSIDIARIES**  
**Notes to the Consolidated & Separate Financial Statements**  
**As at and for the year ended 30 June 2018**

**1. Reporting entity**

Doreen Power Generations and Systems Limited ("the Company") was incorporated on 20 August 2007 as a private company limited by shares and converted into a public limited company on 31 October 2011. Asian Entech Power Corporation Limited and OPG Energy (pvt.) Limited participated in a bidding process of three power plants through joint venture agreement and win the bids. Then they formed Doreen Power Generations and Systems Limited to implement the 3 (three) power plants and the company has done all that was necessary as per contract with Government of Bangladesh "Supply, Installation and Putting in Commercial Operation of 22 MW Gas Fired Power Plant at Feni, Tangail and Narsingdi each on BOO basis for a term of 15 years". The Project was approved by Bangladesh Power Development Board and Rural Electrification Board vide Memo No. 199-BPDB (Sectt.)/(Dev.)/Feni/175 dated 23 March 2009 and Memo No. 1030-BPDB (Sectt.)/(Dev.) Tangail/ 175 dated 17 December 2008 and Memo No. REB/SE (G)/100.01 (2.03) Narshingdi/193 dated 20 January 2009 respectively.

The registered office of the Company is situated at Walsow Tower (16th floor), 21, Kazi Nazrul Islam Avenue, Dhaka-1000 and the operational Headquarters is located at (11th Floor) 82, Mohakhali C/A, Dhaka.

**1.2 Subsidiaries of the Company**

The company has three subsidiaries, namely Dhaka Northern Power Generations Limited, Dhaka Southern Power Generations Limited (DSPGL) and Chandpur Power Generations Limited (CPGL). Two of them have been in operations on the reporting date. CPGL is yet to start commercial operation.

**a) Dhaka Northern Power Generations Limited (DNPGL)**

DNPGL was incorporated on 25 June 2012 as a private company limited by shares with RJSC. The company has signed a power supply agreement with Bangladesh Power Development Board (BPDB) on 07 January 2013 to provide 55 MW net electrical power for a term of 15 years. It has started its commercial operation on 17 August 2016 and continued its operation during the reporting period successfully. Doreen Power Generations and Systems Limited owns 99.40% of its Tk.983,000,000 paid up capital.

**b) Dhaka Southern Power Generations Limited (DSPGL)**

DSPGL was incorporated on 25 June 2012 as a private company limited by shares with RJSC. The company has signed a power supply agreement with Bangladesh Power Development Board (BPDB) on 07 January 2013 to provide 55 MW net electrical power for a term of 15 years. It has started its commercial operation on 17 June 2016 and continued its operation during the reporting period successfully. Doreen Power Generations and Systems Limited owns 99.145% of its Tk. 690,000,000 paid up capital.

**c) Chandpur Power Generations Limited (CPGL)**

DSPGL was incorporated on 18 June 2017 as a private company limited by shares with RJSC. The company has signed a power supply agreement with Bangladesh Power Development Board (BPDB) dated 17 January 2018 for 115 MW net electrical power for a term of 15 years. Its construction work is going on and management hopes to start commercial operation with in 16 July 2019. Doreen Power Generations and Systems Limited owns 60% of its Tk.100,000,000 paid up capital.

Information regarding statutory auditors and accounting period of these subsidiary companies is given bellow:

SL #	Name of the Company	Accounting Period	Statutory Auditor
1	Dhaka Northern Power Generations Limited	July -June	ACNABIN Chartered Accountants
2	Dhaka Southern Power Generations Limited	July -June	MABS & J Partners Chartered Accountants
3	Chandpur Power Generations Limited	July -June	MABS & J Partners Chartered Accountants





### 1.3 Nature of Business

The principal activity of the Company is to set up power plants for generation and supply of electricity. Operational details of the company is given below:

Location of Plant	Licensed Capacity by BERC (Net) (MW)	Saleable Capacity by PPA (Net) (MW)	Installed Capacity (MW)	Commissioned Capacity (MW)	Date of Commercial operation
Feni	23.216	22	23.216 (100%)	22	16 February 2009
Tangail	23.216	22	23.216 (100%)	22	12 November 2008
Narshinghdi	23.216	22	23.216 (100%)	22	21 December 2008
<b>Total</b>	<b>69.648</b>	<b>66</b>	<b>69.648</b>	<b>66</b>	

### 1.4 Power purchase agreement (PPA)

The Company has signed two power supply agreements with Bangladesh Power Development Board (BPDB) vide agreement # 09681 dated 11 October 2007 for 22 MW power from Feni plant and agreement # 09683 dated 11 October 2007 for 22 MW power from Tangail Plant. Another agreement was signed with Rural Electrification Board (REB) on 11 October 2007 for 22 MW for supply of Electricity from Narsingdi plant. All the agreements are for a term of 15 years to provide 44 MW net electrical power to BPDB and 22 MW net electrical power to REB.

These agreements are effective upon signing and shall be terminated after 15 years from the date of commercial operation, unless extended or earlier terminated in pursuant of the provision of the agreements. The purpose of these agreements is to supply of electrical power and energy by the Company to BPDB and REB under the terms and conditions provided in the agreements. For this purpose, the Company will build, operate and maintain the facility, all of its own expenses and responsibility in accordance with the provisions of the agreements and within the technical limits and each of the schedules that are parts of those agreements.

The Power Purchase Agreements (PPA) stipulates two elements tariff as provided in schedule -5 of the agreements for the purchase of dependable capacity and net energy output which is specific for each year throughout the term. Each annual reference tariff is composed of two components:

- A. Reference capacity price; and
- B. Reference energy price

From and after the date of commercial operation, the capacity payment and energy payment payable to the Company for dependable capacity and net energy output in any period during the term shall be calculated based on the reference capacity price and the reference energy price respectively.

### 1.5 Gas supply agreements

The Company has signed three gas supply agreements for its three plants with Titas Gas Transmission and Distribution Company Limited (TGTDC) and Bakhrabad Gas Systems Limited for Tangail -22 MW power Plant, Narsingdi- 22 MW Power plant and Feni- 22 MW Power Plant for a term of 15 years.

These agreements are effective upon signing and shall continue subject to the other provisions of those agreements for the period that ends on the expiry date which is the expiration date of the terms of the power purchase agreements. Subject to the terms and condition of those agreements and availability of gas, TGTDC and BGSL shall sell and supply gas to all the plants of the Company's requirements for gas for the facility during the terms hereof to meet start up, commissioning and operation of the plants of the Company shall accept, receive and pay for gas seller at a gas price set by the Government or any authority assigned by it from time to time.

## 2. Basis of preparation of the financial statements

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), The Companies Act 1994, Securities and Exchange Rules 1987, Securities and Exchange Ordinance 1969 and other applicable laws and regulations.

**2.2 Other regulatory compliance**

In addition to the above, the group entities are also required to comply with the following laws and regulations:

The Income Tax Ordinance, 1984;  
The Income Tax Rules, 1984;  
The Value Added Tax Act, 1991;  
The Value Added Tax Rules, 1991;  
The Bangladesh Labor Act (Amendment 2013), 2006;  
Bangladesh Labor Rule 2015

**2.3 Authorization for issue**

These financial statements were authorized to issue by the Board of Directors on 20 September 2018.

**2.4 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for some classes of property, plant and equipment which are measured at revalued amount assuming that the contract with the Government will be renewed after expiry of the tenure of existing contract.

**2.5 Going concern assumption**

The financial statements have been prepared considering going concern assumption as per IAS-1(25). The management did not find any significant uncertainties regarding going concern issue within the next twelve months from the end of the reporting period.

**2.6 Components of Financial Statements:**

The Financial Statements of the company consist of the following components:

Statement of Financial Position;  
Statement of Profit or Loss and Other Comprehensive Income;  
Statement of Changes in Equity;  
Statement of Cash Flows; and  
Notes to the Financial Statements

**2.7 Functional and presentation currency**

These financial statements are presented in Bangladesh Taka (BDT), which is also the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest integer. Because of these rounding off, in some instances the totals may not match the sum of individual balances.

**2.8 Use of estimates and judgments**

The preparation of the consolidated financial statements of the group and the separate financial statements of the company requires management to make and apply consistently the judgments, estimates and assumptions for records and balances that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note: 4 Property, plant and equipment  
Note: 7 Inventories  
Note: 8 Trade and other receivables  
Note: 24 Provision for income tax

**2.9 Reporting Period**

These financial period of the company covers twelve months from 1 July to 30 June and is being followed consistently.





### 2.10 Applicable accounting standards

The Company's status of compliance with applicable Financial Reporting Standards is as under:

IAS	Title	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
18	Revenue	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
27	Separate Financial Statements	Complied
32	Financial Instruments: Presentation	Complied
33	Earnings per Share (EPS)	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
39	Financial Instruments: Recognition and Measurement	Complied
IFRS	Title	Remarks
3	Business Combinations	N/A
7	Financial Instruments: Disclosures	Complied
10	Consolidated Financial Statements	Complied
12	Disclosure of Interest in Other Entities	Complied
13	Fair Value Measurement	Complied

### 3. Significant accounting policies

The accounting policies and methods set out below have been applied consistently to all periods presented in these financial statements by the Group entities.

#### 3.1 Basis of consolidation

##### (a) Subsidiary

Subsidiary is an enterprise controlled by the parent entity. Control exists when the parent entity has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Dhaka Northern Power Generations Limited ((99.40%), Dhaka Southern Power Generations Limited (99.145%) and Chandpur Power Generations Limited (60%) are partially owned subsidiaries of Doreen Power Generations and Systems Limited.

##### (b) Transactions eliminated on consolidation

Intra-Group balances, transactions and any unrealized gains arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

#### 3.2 Property, plant and equipment

##### 3.2.1 Recognition and measurement

Items of property, plant and equipment are measured at historical cost except land & land development, building & premises and power plant which are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any, in accordance with the requirements of International Accounting Standard 16: Property, Plant and Equipment. Historical cost includes expenditures that are directly attributable to the acquisition of the items of property, plant and equipment.



### 3.2.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.

The cost of overhauling for replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. As the benefits of such major overhauling will be consumed over 5 years, the cost of such has been recognized separately in the carrying amount of respective power plant in accordance with IAS 16: Property, Plant and Equipment. The company underwent the second phase of its expected major overhauling in 2012-13 of its plant and machinery. However, the carrying amount of the replaced capital spare parts relating to major overhauling has to be derecognized. Previously, the related assets were not segregated and were thus depreciated over the life of the plant which was 30 years. Now the useful life has been changed to 5 years and required adjustments were provided in the financial statements.

### 3.2.3 Revaluation of assets

Financial statement of the company have been prepared on historical cost basis. However, the prices of assets have been increased substantially due to high inflationary trend. In this circumstance, management of Doreen Power Generations and Systems Limited decided to determine fair market value of the assets and liabilities through revaluation. The company revaluated its land and land development, building & premises and power plants as on 30 June 2012 by Rahman Mostafa Alam & Co., Chartered Accountants and the revaluation surplus has been incorporated in the financial statement as on 1 July 2012.

### 3.2.4 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is provided using straight line method to allocate the costs over their estimated useful lives. Items of Property, Plant and Equipment (PPE) are depreciated from immediately following month in which the asset comes into use or capitalized. In case of disposals, no depreciation is charged for the month of disposal. The annual depreciation rates applicable to different category of PPE are as follows:

Category of PPE	Rate of depreciation (%)
Buildings & Premises	5%
Office Decoration & Renovation	20%
Power Plant	3.33%
Machine Overhauling	20%
Furniture and Fixture	20%
Office Equipment	20%
Office Car /Vehicle	20%

### 3.3 Pre-operating revenue expenses

Pre-operating revenue expense of the subsidiaries have been charged in the statement of profit or loss and other comprehensive income of the subsidiaries and in the consolidated statement of Profit or Loss and Other Comprehensive Income of the Group.

### 3.4 Inventories

#### 3.4.1 Nature of inventories

Inventories comprises of spare parts, lube oil, grease, collent, multipurpose cleaners, bullab etc. These are used for in the operation and maintenance of power plants.

#### 3.4.2 Valuation of the inventories

Inventories are stated at the lower of cost or net realizable value in accordance with IAS 2 "Inventories" after making due allowances for any obsolete or slow moving items, if any. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Cost is calculated on Weighted Average method.





### 3.5 Financial assets

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the group/company becomes a party to the contractual provisions of the instrument.

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

Financial assets include, trade and other receivable, advances, deposits and prepayments, loan to related companies and cash and bank balances etc.

#### 3.5.1 Trade and other receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful debts, if any, based on a review of all outstanding amounts at the period end.

#### 3.5.2 Cash and bank balance

Cash and bank balance include cash in hand and cash at bank which are held and available for use by the company without any restriction.

### 3.6 Financial liabilities

The group recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade creditors and other financial obligations.

#### 3.6.1 Trade and other payables

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

#### 3.6.2 Loans and borrowings

Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

#### 3.6.3 Provisions

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

### 3.7 Impairment

#### 3.7.1 Financial assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets, and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably. As at 30 June 2018, the assessment of indicators of impairment reveals that impairment testing is not required for the group.

#### 3.7.2 Non financial assets

The carrying amount of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment, if any and such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.





### 3.8 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.

### 3.9 Workers' profit participation fund and welfare fund

The Company made a provision for Workers' Profit Participation and Welfare funds @ 5% of net profit before tax till 31 March 2017 as per Bangladesh Labor Act (Amendment 2013), 2006. Bangladesh Independent Power Producers Association (BIPPA) requested vide their letter # BIPPA/SGO/MoPE&MR/2017/049 dated 13/03/2017 to the Ministry of Power, Energy and Mineral Resources to take up the matter with the Ministry of Labor and Employment to exempt the Power Producers in private sector from implementation of WPPF as per Labor Act 2006 (Amendment 2013) as it is highly capital intensive industry. Accordingly, the Ministry of Power, Energy and Mineral Resources requested vide its letter # 27.00.0000.071.31.002.2013.278 dated 31/05/2017 to the Ministry of Labor and Employment to take necessary steps in this regard. The matter is under consideration of the Ministry. In view of the above, the management has decided to suspend making of further provision for WPPF from 01 April 2017 until the decision of the Ministry of Labor & Employment is known.

### 3.10 Revenue

Revenue is recognized in the statement of profit or loss and other comprehensive income upon supply of electricity, quantum of which is determined by survey of meter reading at the end of each month. Revenue is measured at fair value of consideration received or receivable.

### 3.11 Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. No provision is required for income tax on the Company's profits as the company is exempted from tax for a period of fifteen years from start of its commercial production on 12 November 2008 vide SRO no.188-AIN/AIKOR/2009 dated 01 July 2009 of NBR.

### 3.12 Deferred tax

The company is enjoying 15 years tax exemption and there is considerable uncertainty with regard to the taxation of such companies after expiry of the tax exemption period. So, the management feels it is not possible to make a reasonable estimate of deferred tax assets/liabilities at this stage regarding the components which are related to tax exempted business.

### 3.13 Non-controlling interest

Non-controlling interest is that portion of the profit or loss and net assets of the subsidiaries (Dhaka Northern Power Generations Ltd. and the Dhaka Southern Power Generations Ltd. and Chandpur Power Generations Limited) attributable to equity interests that are not owned, directly or indirectly through subsidiaries by the parent (Doreen Power Generations and Systems Limited).

### 3.14 Transactions in foreign currencies

Foreign currency transactions are translated into Bangladesh taka at the rates ruling on the date of transaction. All foreign currency monetary assets and liabilities at the date of financial position are retranslated using rates prevailing on that day. Exchange differences at the date of financial position are charged/credited to the statement of profit or loss and other comprehensive income.

### 3.15 Finance income and expenses

Finance income comprises interest income on funds invested, bank deposits and intercompany loan. Interest income is recognized using accrual principle.

Finance expenses comprise interest expenses on loan, overdraft, mortgage charges, bank charge, trustee fees, interest on commercial paper and commission on bank guarantee. All borrowing costs are recognized in the statement of Profit or Loss and other comprehensive income using effective interest rate method.



### 3.16 Earnings per share

The company presents basic and diluted (when dilution is applicable) Earnings Per Share (EPS) for its ordinary shares. Basic EPS has been calculated in compliance with the requirements of IAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

#### Current Year (2017-2018)

The Bonus Shares issued during the current year were treated as if they always had been in issue. Hence, in computing the Basic EPS of Current year, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares outstanding during the Current year.

#### Earlier Periods

The number of shares outstanding before the bonus issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issue had occurred at the beginning of the earliest periods reported, and accordingly, in calculating the adjusted EPS of earlier periods, the total number of shares including the subsequent bonus issued in current year has been considered as the Weighted Average number of Shares outstanding during the earlier periods. The basis of computation of number of shares as stated above is in line with the provisions of IAS 33: Earnings per Share. The logic behind this basis, as stated in the said IAS is that the Bonus Shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources.

### 3.17 Events after the reporting period

Events after the reporting period that provide additional information about the Company's positions at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. There are no material events that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements.

### 3.18 Comparative information

Comparative information has been disclosed in respect of the period in accordance with IAS-1: Presentation of Financial Statements, for all numeric 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.

### 3.19 General

Previous year's figures have been rearranged where required. Details of the rearrangements were given under note - 41.

**4. Property, plant and equipment**
**A. Cost/revaluation**

	30.06.2018 Taka	30.06.2017 Taka
Opening Balance	3,255,705,699	3,170,195,505
Add: Addition during the year	155,859,060	85,510,194
	<b>3,411,564,759</b>	<b>3,255,705,699</b>

**(B) Accumulated depreciation**

Opening Balance	648,661,933	504,379,451
Add: Charged during the year	158,241,741	144,282,482
	<b>806,903,673</b>	<b>648,661,933</b>

**(C) Written down value (A-B)**

	<b>2,604,661,086</b>	<b>2,607,043,766</b>
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(Schedule of property, plant and equipment is given in **Annexure - A**)

**4(a) Consolidated Property, plant and equipment**

Doreen Power Generations and Systems Limited	(Note: 4)	2,604,661,086
Dhaka Northern Power Generations Limited		3,715,743,179
Dhaka Southern Power Generations Limited		3,567,489,325
		<b>9,887,893,590</b>
		<b>10,210,664,754</b>

**5. Capital Work In Progress**

Opening balance	21,380,128	-
Add: Addition during the year	39,573,899	21,380,128
	60,954,027	21,380,128
Less: Transferred to property, plant & equipment	21,380,128	-
	<b>39,573,899</b>	<b>21,380,128</b>

Capital work in progress includes the Spare parts for Overhauling.

**5(a) Consolidated Capital Work In Progress**

Doreen Power Generations and Systems Limited	39,573,899	21,380,128
Dhaka Northern Power Generations Limited	-	-
Dhaka Southern Power Generations Limited	-	-
Chandpur Power Generations Limited	2,875,000	-
	<b>42,448,899</b>	<b>21,380,128</b>

**6. Investments**

Investment in Rupali Engineers and Traders Ltd.	26,000	26,000
Investment in Subsidiaries	1,721,200,000	1,160,530,000
Share money deposit in subsidiaries	-	506,670,000
Investment in FDR	5,484,911	2,724,000
	<b>1,726,710,911</b>	<b>1,669,950,000</b>

**6.1 Investments in subsidiaries**

Dhaka Northern Power Generations Limited	977,100,000	977,100,000
Dhaka Southern Power Generations Limited	684,100,000	177,430,000
Chandpur Power Generations Limited	60,000,000	6,000,000
	<b>1,721,200,000</b>	<b>1,160,530,000</b>



**6(a) Consolidated investment**

		30.06.2018 Taka	30.06.2017 Taka
Doreen Power Generations and Systems Limited	(Note: 6)	1,726,710,911	1,669,950,000
Dhaka Northern Power Generations Limited		314,300,000	-
Dhaka Southern Power Generations Limited		432,000,000	-
		<b>2,473,010,911</b>	<b>1,669,950,000</b>
Less: Investment in subsidiaries	(Note: 6.1)	1,721,200,000	1,160,530,000
Share money deposit in subsidiaries		-	506,670,000
		<b>751,810,911</b>	<b>2,750,000</b>

**7. Inventories**

Spare parts (Maintenance)	45,159,911	47,867,100
Lube oil	3,153,186	1,575,349
Grease	89,500	29,000
Bulab, Multi-purpose Cleaner	157,620	259,000
	<b>48,560,217</b>	<b>49,730,449</b>

All the items are fast moving and used in the plant regularly in normal course of business.

Movement of Inventory items is given below:

(Amount in Taka)

Inventory	Balance as at 01 July 2017	Purchase during the year	Consumption during the year	Balance as at 30 June 2018
Spare parts (Maintenance)	47,867,100	84,028,103	86,735,292	45,159,911
Lube Oil	1,575,349	38,911,620	37,333,783	3,153,186
Grease	29,000	427,500	367,000	89,500
Bulab, Multipurpose Cleaner	259,000	1,210,000	1,311,380	157,620
	<b>49,730,449</b>	<b>124,577,223</b>	<b>125,747,455</b>	<b>48,560,217</b>

**7 (a) Consolidated inventories**

Doreen Power Generations and Systems Limited	(Note: 7)	48,560,217	49,730,449
Dhaka Northern Power Generations Limited		39,990,982	132,668,162
Dhaka Southern Power Generations Limited		389,961,464	285,399,524
		<b>478,512,664</b>	<b>467,798,135</b>

7.1 Inventories of Dhaka Northern Power Generations Limited and Dhaka Southern Power Generations Limited include furnace oil and lubricant oil as fast moving items and used for the operation and maintenance of Manikgonj and Nababgonj plant.

**8. Trade and other receivables**

Bangladesh Power Development Board (BPDB)	214,868,187	181,200,020
Rural Electrification Board (REB)	66,678,087	63,955,766
Insurance claim receivables	9,307,280	15,307,280
Interest income receivables	48,417	137,468
	<b>290,901,971</b>	<b>260,600,534</b>

In accordance with para (iii) (a) of clause 13.3 of Power Purchase Agreement, "Late payment shall bear interest at a rate per annum equal to the bank rate and shall be computed for the actual number of days on the basis of a three hundred sixty five (365) Day year".

The Company did not charge any interest for the time being on the receivables to BPDB and REB considering the strategic reasons but the Company is actively considering applying the clause to charge interest on the receivables. Upon realization of the principal amount, the Company shall pursue collection of interest separately.

**I. Debt considered good in respect of which the company is fully secured**

Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. All the receivables from BPDB and REB were subsequently received by the company.

**II. Debt considered good for which the company hold no security**

Receivables are unsecured but considered good.

**III. Debt due by directors or other officers of the company**

There is no such trade debtors due by or to directors or other officers of the Company.

**IV. Debt considered doubtful or bad**

Management considered the trade debtors are collectable and thus no provision had been made for any doubtful receivable.

**V. The maximum amount due by directors or other officers of the company**

There are no such debt in this respect as at 30 June 2018.

	30.06.2018 Taka	30.06.2017 Taka
The aging of above trade and other receivables as at the statement of financial position date was:		
Past due 0-30 days	119,854,154	89,569,292
Past due 31-90 days	161,740,537	155,723,962
Past due more than 90 days	9,307,280	15,307,280
	<b>290,901,971</b>	<b>260,600,534</b>

**8 (a) Consolidated Trade and other receivables**

Doreen Power Generations and Systems Limited	(Note: 8)	290,901,971	260,600,534
Dhaka Northern Power Generations Limited		606,890,759	456,210,982
Dhaka Southern Power Generations Limited		536,132,105	532,468,272
		<b>1,433,924,835</b>	<b>1,249,279,788</b>

**9. Advance, deposit and prepayments**

Advance	(Note: 9.1)	19,291,337	18,995,889
Deposits	(Note: 9.2)	13,198,221	17,625,039
Prepayments	(Note: 9.3)	5,899,862	2,957,328
		<b>38,389,420</b>	<b>39,578,256</b>

a) All the advances & deposits are considered goods and recoverable.

b) There is no amount due from directors of the company.

**9.1 Advance**

Advances to staff & others	1,512,174	1,251,994
Advance tax	606,271	348,857
Advance against Land Purchase	3,898,200	3,898,200
Advance against LC for spare parts	12,101,573	1,285,838
LC Margin for spare parts	1,173,119	12,211,000
	<b>19,291,337</b>	<b>18,995,889</b>

\*Advance against LC for spare parts includes LC commissions, marine insurance charges, others LC opening expenses.

**9.2 Deposits**

Falcon Securities Limited	200,718	200,718
Margin on bank guarantee	12,497,503	16,924,321
Security deposit to CDBL	500,000	500,000
	<b>13,198,221</b>	<b>17,625,039</b>

**9.3 Prepayment**

BERC license fee	27,600	27,600
Commission on bank guarantee	882,108	1,490,982
Prepayments for C&F and EIA expenses	3,551,396	-
Insurance premium	1,438,758	1,438,746
	<b>5,899,862</b>	<b>2,957,328</b>

**9(a) Consolidated advance, deposits and prepayments**

Doreen Power Generations and Systems Limited	(Note: 9)	38,389,420	39,578,256
Dhaka Northern Power Generations Limited		246,440,441	252,230,414
Dhaka Southern Power Generations Limited		28,874,754	24,175,929
Chandpur Power Generations Limited		53,341,307	300,000
		<b>367,045,922</b>	<b>316,284,600</b>





30.06.2018	30.06.2017
Taka	Taka

The aging of Advances, Deposits & Prepayments as at the statement of financial position date was as follows:

Past due 0-30 days	5,063,570	3,458,112
Past due 31-90 days	14,713,450	2,294,987
Past due 91-180 days	2,927,137	24,822,407
Past due more than 180 days	15,685,263	9,002,750
	<b>38,389,420</b>	<b>39,578,256</b>

The details breakup of Advance, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act. 1994 stated below:

Advance, Deposit and Prepayments exceeding 6 months	15,685,263	9,002,750
Advance, Deposit and Prepayments not exceeding 6 months	22,704,157	30,575,506
Other Advance, Deposits & Prepayments less provision	19,098,083	20,582,367
Advance, Deposits and Prepayments considered Good and Secured	36,877,246	38,326,262
Advance, Deposits and Prepayments considered Good without Security	1,512,174	1,251,994
Advance, Deposits and Prepayments considered Doubtful or Bad	-	-
Advance, Deposits and Prepayments due by Directors	-	-
Advance, Deposits and Prepayments due by Other Officers (against Salary)	66,600	6,600
Advance, Deposits and Prepayments due from Companies under same mgt	-	-
Maximum Advance, Deposits & Prepayments due by Directors	-	-

**10. Current A/C with Subsidiaries & Sister Concerns**

Dhaka Southern Power Generations Limited	296,005,847	(13,618,900)
Dhaka Northern Power Generations Limited	(82,249,291)	116,594,619
Banco Energy Generation Limited	(9,248,000)	-
Eastern Cement Industries Ltd.	-	4,700,000
Doreen Power House and Technologies Ltd.	(97,749,314)	53,524,288
Bhairab Power Limited	4,113,000	-
Chandpur Power Generation Limited	(1,994,300)	-
Manikgonj Power Generations Limited	4,060,000	-
Doreen Garments Ltd.	1,800,000	-
Rupali Engineers & Traders Ltd.	50,000	-
Asian Entech Power Corporations Ltd.	1,300,000	1,300,000
	<b>116,087,942</b>	<b>162,500,007</b>

**10.1** The Board of Directors presenting in the meeting of Doreen Power Generations and Systems Limited held on 12 July 2017 decided to give or take temporary loan up to Tk. 40 crore through current account maintained with Dhaka Northern Power Generations Limited, Dhaka Southern Power Generations Limited and Chandpur Power Generations Limited for emergency business need at prevailing bank interest (9.50%). The company has charged/paid interest on outstanding current account balance of these subsidiaries company.

**10.2** In another board meeting held on 17 July 2017, the Board of Directors has decided to give or take temporary loan up to Tk. 40 crore through current account maintained with Banco Energy Generation Limited, Doreen Power House and Technologies Limited, Bhairab Power Limited, Manikgonj Power Generations Limited, Doreen Garments Limited, Rupali Engineers Limited and Asian Entech Power Corporations Limited to meet emergency business need at prevailing bank interest (9.50%). The company has charged/paid interest on outstanding current account balance of these sister concerns.

**10.3** Positive figure indicates debit balance (receivable) and negative (...) figure indicates credit balance of current A/C.

**10(a) Consolidated Current A/C with Subsidiaries & Sister Concerns**

Doreen Power Generations and Systems Limited	(Note: 10)	116,087,942	162,500,007
Dhaka Northern Power Generations Limited		392,855,230	(274,422,784)
Chandpur Power Generations Ltd.		38,026,060	(478,238)
Dhaka Southern Power Generations Limited		21,321,936	233,789,037
		568,291,168	121,388,022
Less: Intercompany Transaction		-	-
		<b>568,291,168</b>	<b>121,388,022</b>

**11. Cash and bank balance**

Cash in Hand		28,536	25,000
Cash at Bank	(Note: 11.1)	1,286,259	5,419,690
		<b>1,314,795</b>	<b>5,444,690</b>



**11.1 Cash at bank**

Name of the Bank	Branch Name	Account Name	30.06.2018	30.06.2017
			Taka	Taka
Bank Asia Limited	Corporate	CD A/C 000233011084	7,293	7,868
Bank Asia Limited	Shantinagar	SOD A/C 03533000260	4,300	4,875
BRAC Bank Limited	Gulshan	CD # 1501202461190001	21,128	21,455
Dhaka Bank Limited	Baridhara	CD A/C 218-100-2671	146,976	38,643
Islami Bank BD Ltd.	HOGB	AWCA # 205021301001818	9,325	40,703
NCC Bank Limited	Moijheel	CD A/C 0210014963	-	4,631,998
NCC Bank Limited	Moijheel	STD A/C 0002-0325000902	6,903	7,892
NCC Bank Limited	Moijheel	STD A/C 0002-0325000911	-	673
NCC Bank Limited	Moijheel	STD A/C 0002-0325000920	-	656
Prime Bank Limited	Mohakhali	CD # 11011080011964	272,593	122,452
The City Bank Ltd.	Gulshan-2	CA # 1101823203003 (Dividend)	331,246	-
The City Bank Ltd.	Gulshan-2	CA # 1101823203002 (Dividend)	229,856	231,970
The City Bank Ltd.	Gulshan	CA # 1101823203001	169,676	254,375
The City Bank Ltd.	Gulshan	SND# 3101823203001	86,963	56,130
			<b>1,286,259</b>	<b>5,419,690</b>

**11(a) Consolidated cash and bank balance**

Doreen Power Generations and Systems Limited	(Note: 11)	1,314,795	5,444,690
Dhaka Northern Power Generations Limited		77,550,328	1,344,844
Dhaka Southern Power Generations Limited		1,324,881	12,087,446
Chandpur Power Generations Limited		664,680	10,000,000
		<b>80,854,684</b>	<b>28,876,980</b>

**12. Share capital**
**Authorized capital**

200,000,000 ordinary shares of Taka 10 each

**2,000,000,000**      **2,000,000,000**
**Issued, Subscribed and Paid up Capital**

60,000,000 ordinary shares issued for cash

600,000,000      600,000,000

20,000,000 ordinary shares issued through IPO

200,000,000      200,000,000

16,000,000 ordinary shares issued as Stock dividend for year 2015-16

160,000,000      160,000,000

96,000,000 ordinary shares issued as Stock dividend for year 2016-17

96,000,000      -

**1,056,000,000**      **960,000,000**
**12.1 A distribution schedule of the above shares is given below:**

Name of shareholders	% of Holding	No. of shares		Amount in Taka		
		30.06.2018	30.06.2017	30.06.2018	30.06.2017	
Asian Entech Power Corporation Ltd.	69.56%	73,459,994	69,054,540	734,599,940	690,545,400	
OPG Energy Pvt. Ltd.	0.07%	72,006	65,460	720,060	654,600	
Ms. Parveen Alam	2.38%	2,508,000	2,280,000	25,080,000	22,800,000	
Ms. Anjabeen Alam Siddique	0.61%	649,189	590,172	6,491,892	5,901,720	
Mr. Md. Ali Akbar	0.0034%	3,604	3,276	36,036	32,760	
Ms. Hamida Matin	0.0034%	3,604	3,276	36,036	32,760	
Ms. Afza Hasnat	0.0034%	3,604	3,276	36,036	32,760	
General Investors	27.37%	28,900,000	24,000,000	289,000,000	240,000,000	
		<b>100%</b>	<b>105,600,000</b>	<b>96,000,000</b>	<b>1,056,000,000</b>	<b>960,000,000</b>

The shares are listed with the Dhaka & Chittagong Stock Exchanges and quoted at Taka 99.30 and Taka 99.00 respectively on closing date.







12.2 A distribution schedule of the shares at the reporting date is given below following the requirement of listing regulation:

Share holding range	% of holding	% of holding	30.06.2018	30.06.2017
	2018	2017	No of shares	No of shares
Up to 499	0.60%	0.49%	631,871	468,302
500-5,000	4.83%	2.72%	5,104,299	2,611,098
5,001-10,000	2.30%	1.60%	2,430,807	1,537,126
10,001-20,000	2.66%	1.62%	2,806,327	1,555,293
20,001-30,000	1.55%	0.88%	1,637,064	841,892
30,001-40,000	0.78%	0.74%	824,890	707,340
40,001-50,000	0.98%	0.60%	1,031,783	571,464
50,001-100,000	1.95%	1.97%	2,063,161	1,892,751
100,001-1,000,000	8.41%	8.06%	8,876,336	7,742,158
Above 1,000,000	75.94%	81.33%	80,193,462	78,072,576
	<b>100%</b>	<b>100%</b>	<b>105,600,000</b>	<b>96,000,000</b>

**13. Share Premium**

Share Premium 20,000,000 shares issued @ Tk 19 premium in 2015-16  
Less: IPO Expenses

	30.06.2018	30.06.2017
	Taka	Taka
Share Premium 20,000,000 shares issued @ Tk 19 premium in 2015-16	380,000,000	380,000,000
Less: IPO Expenses	18,150,111	18,150,111
	<b>361,849,889</b>	<b>361,849,889</b>

**14. Retained earnings**

Opening Balance  
Net Profit for the Year  
Add: Revaluation surplus realized (Note:14.1)  
Less: Stock dividend paid for the year (10% & 20%)  
Cash dividend paid for the year (10% & 10%)

Opening Balance	1,101,753,091	1,030,760,598
Net Profit for the Year	223,585,338	221,684,920
Add: Revaluation surplus realized (Note:14.1)	29,307,573	29,307,573
Less: Stock dividend paid for the year (10% & 20%)	(96,000,000)	(160,000,000)
Cash dividend paid for the year (10% & 10%)	(24,000,000)	(20,000,000)
	<b>1,234,646,001</b>	<b>1,101,753,091</b>

**14(a) Consolidated retained earnings**

Opening Balance  
Adjustment for change in holding percentage of Non-Controlling Interest  
Add: Net Profit for the period  
Revaluation surplus realized (Note:14.1)  
Less: Stock dividend paid for the year (10% & 20%)  
Cash dividend paid for the year (10% & 10%)

Opening Balance	1,387,213,958	812,005,353
Adjustment for change in holding percentage of Non-Controlling Interest	3,245,689	(730,140)
	1,390,459,648	811,275,213
Add: Net Profit for the period	829,275,457	726,631,172
Revaluation surplus realized (Note:14.1)	29,307,573	29,307,573
Less: Stock dividend paid for the year (10% & 20%)	(96,000,000)	(160,000,000)
Cash dividend paid for the year (10% & 10%)	(24,000,000)	(20,000,000)
	<b>2,129,042,678</b>	<b>1,387,213,958</b>

14.1 Revaluation surplus amounting to Tk.29,307,573 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost as per the requirement of IAS-16. " Property, Plant and Equipment"

**15. Revaluation surplus**

Opening Balance  
Less: Transfer to depreciation of revalued asset  
Adjustment for deferred tax against Revaluation of Land

Opening Balance	742,809,406	773,195,849
Less: Transfer to depreciation of revalued asset	(29,307,573)	(29,307,573)
Adjustment for deferred tax against Revaluation of Land	-	(1,078,870)
	<b>713,501,833</b>	<b>742,809,406</b>

**16. Non- Controlling Interest**

Dhaka Southern Power Generations Limited (Note: 16.1)  
Dhaka Northern Power Generations Limited (Note: 16.2)  
Chandpur Power Generations Limited (Note: 16.3)

Dhaka Southern Power Generations Limited (Note: 16.1)	9,491,833	10,322,737
Dhaka Northern Power Generations Limited (Note: 16.2)	8,801,633	6,817,672
Chandpur Power Generations Limited (Note: 16.3)	37,935,219	3,914,905
	<b>56,228,686</b>	<b>21,055,314</b>



**16.1 Dhaka Southern Power Generation Limited**

 Paid up capital  
 Retained earnings  
**Total net assets**

30.06.2018 Taka	30.06.2017 Taka
793,500,000	183,330,000
316,548,404	137,650,196
<b>1,110,048,404</b>	<b>320,980,196</b>

Non-controlling interest @ 0.8551% &amp; 3.22%

<b>9,491,833</b>	<b>10,322,737</b>
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**16.2 Dhaka Northern Power Generation Limited**

 Paid up capital  
 Retained earnings  
**Total net assets**

983,000,000	983,000,000
483,938,911	153,278,722
<b>1,466,938,911</b>	<b>1,136,278,722</b>

Non-controlling interest @ 0.60%

<b>8,801,633</b>	<b>6,817,672</b>
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**16.3 Chandpur Power Generation Limited**

 Paid up capital  
 Retained loss  
**Total net assets**

100,000,000	10,000,000
(5,161,953)	(212,738)
<b>94,838,047</b>	<b>9,787,262</b>

Non-controlling interest @ 40%

<b>37,935,219</b>	<b>3,914,905</b>
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**17. Long term bank loan net off current maturity**

 TCBL term loan A/C # 919823203001  
 TCBL term loan A/C # 919823203002  
 TCBL term loan A/C # 919823203003

338,099,272	429,481,962
611,809,419	777,672,523
41,722,219	54,829,078
991,630,910	1,261,983,563
263,883,768	263,883,768
<b>727,747,142</b>	<b>998,099,795</b>

Less: Current portion of long term loan

(Note: 19)

The above loan facilities from The City Bank Limited under the following terms and conditions:

Particulars	Sanctioned Limit	Tenor	Nature	Purpose
TCBL term loan- A/C 9191823203001	48 Crore	5 Years	Term loan	To take over existing term loan of NCCB
TCBL term loan A/C 9191823203002	80 Crore	5 Years	Term loan	To takeover existing HPSM(Ijhara Bond with IBBL
TCBL term loan A/C 9191823203003	60.125 Crore	5 Years	Term loan	To retire the documents/pay accepted liabilities under C1 & C3 to import all necessary items to execute the Gen set overhauling of three power plant situated at Tangail, Narsingdi and Feni.

**Rates of interest on above loans were as follows:**

Rate of interest on term loan is 12.00% per annum with effect from 15 April 2018 (earlier it was 10.00% from 19.02.2018 to 14.04.2018 and before that it was 9.50% p. a.)

**Security details**

The loans are secured by:

- 1) Registered Mortgage of Project Land measuring 131.64 decimal(approx.) in Feni Plant.
- 2) Registered Mortgage of Project Land measuring 241 decimal(approx.) in Tangail Plant.
- 3) First ranking charge with RJSC over fixed and floating assets of the company covering total limits.
- 4) Personal guarantee from all the Directors.
- 5) Corporate guarantee from sister concerns;
- 6) Post dated cheques.
- 7) Lien on Shares, CBL FDR.



**17(a) Consolidated long term bank loan -net off current maturity**

	30.06.2018 Taka	30.06.2017 Taka
Doreen Power Generations and Systems Limited (Note: 17)	727,747,142	998,099,795
Dhaka Northern Power Generations Limited	2,327,981,748	2,593,553,736
Dhaka Southern Power Generations Limited	2,381,996,103	2,503,705,502
	<b>5,437,724,993</b>	<b>6,095,359,033</b>

**18. Deferred Tax Liability**
**Deferred tax relating to Profit and Loss Account components**

The company is exempted from tax for a period of fifteen (15) years from the start of its commercial production. So there is considerable uncertainty with regard to the taxation of such companies after expiry of the tax exemption period and management feels it is not possible to make a reasonable estimate of deferred tax assets/liabilities at this stage.

**Deferred tax relating to component of other comprehensive income**

Revaluation reserve on Building & Premises and Power Plant are related to exempted business of the company and are realized through usage of these assets with the passes of time. So, no deferred tax is recognized on these components as there is reasonable uncertainties about future taxation of the company. But management has decided to recognize deferred tax on revaluation reserve of Land and Land Development as it should pay advance income tax @ 3.00% (final settlement of tax), if it wishes to realize the gain through sale.

Deferred tax relating to component of other comprehensive income	<b>1,078,870</b>	<b>1,078,870</b>
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**Deferred tax calculation details:**

	Carrying amount Taka	Tax base Taka	Taxable temporary difference Taka
<b>As at 30 June 2018</b>			
Revaluation reserve of Land	35,962,317	-	35,962,317
Applicable tax rate			3.00%
<b>Deferred tax liability</b>			<b>1,078,870</b>
			<hr/> <hr/>
	Carrying amount Taka	Tax base Taka	Taxable temporary difference Taka
<b>As at 30 June 2017</b>			
Revaluation reserve of Land & Land Development	35,962,317	-	35,962,317
Applicable tax rate			3.00%
<b>Deferred tax liability</b>			<b>1,078,870</b>
			<hr/> <hr/>

Deferred tax (asset)/liability has been recognized and measured as per IAS 12 'Income taxes' and as per Rule 17II clause C of Income Tax Rule 1984 and accordingly capital gain tax has been charged on the Revaluation Reserve of Land & Land Development @ 3.00%.

**19. Trade payables**

Gas bill payable to Titas Gas Transmission Limited	99,661,485	86,426,118
Gas bill payable to Bakhrabad Gas Systems Limited	56,896,540	52,899,642
Lubricant bill payable to MJL Bangladesh Limited	1,178,930	1,179,466
Rangs Petroleum Limited	10,678,240	20,021,700
	<b>168,415,195</b>	<b>160,526,926</b>

Aging of the above payables is given below:

Past due 0-30 days	32,552,740	30,184,057
Past due 31-90 days	77,339,065	103,339,989
Past due over 91 days	58,523,390	27,002,880
	<b>168,415,195</b>	<b>160,526,926</b>

All the trade payables are regular in payments.

**19(a) Consolidated trade payables**

Doreen Power Generations and Systems Limited (Note: 19)	168,415,195	160,526,926
Dhaka Northern Power Generations Limited	10,638,637	5,419,826
Dhaka Southern Power Generations Limited	10,801,454	5,415,204
	<b>189,855,286</b>	<b>171,461,956</b>

**20. Current portion of long term loan**

TCBL term loan A/C # 919823203001  
 TCBL term loan A/C # 919823203002  
 TCBL term loan A/C # 919823203003

30.06.2018 Taka	30.06.2017 Taka
91,564,128	91,564,128
159,999,996	159,999,996
12,319,644	12,319,644
<b>263,883,768</b>	<b>263,883,768</b>

**20(a) Consolidated current portion of long term loan**

Doreen Power Generations and Systems Limited  
 Dhaka Northern Power Generations Limited  
 Dhaka Southern Power Generations Limited

(Note: 20)

263,883,768	263,883,768
275,540,414	275,010,001
157,790,875	337,450,811
<b>697,215,057</b>	<b>876,344,580</b>

**21. WPPF and WF Payable**

Opening balance  
 Add: Addition during the year  
 Less: Paid during the year

16,569,348	9,300,468
-	7,718,880
16,569,348	17,019,348
7,290,000	450,000
<b>9,279,348</b>	<b>16,569,348</b>

**22. Short term bank loan**

Liabilities against LCs  
 The City Bank Limited -SOD-9201823203001  
 The City Bank Limited- STL-9171823203001  
 The City Bank Limited- STL-9171823203002  
 The City Bank Limited- STL-6881823203001  
 The City Bank Limited- STL-9171823203003  
 The City Bank Limited- STL-6881823203002  
 The City Bank Limited- STL-6881823203002  
 The City Bank Limited- STL-6881823203002  
 NCC Bank Limited -A/C 0210014963  
 Loan from IPDC  
 Commercial Papers

(Note# 22.1)

25,799,196	34,484,370
61,801,030	61,293,792
2,011,044	-
16,604,952	-
395,388	-
143,995,396	-
1,484,383	-
1,266,885	-
3,875,604	-
50,000,000	-
-	91,998,398
<b>307,233,878</b>	<b>187,776,560</b>

The above loan facilities are from The City Bank Limited and IPDC Finance Limited under the following terms and conditions:

Bank	Sanctioned Limit	Tenor	Nature	Interest rate	Status
The City Bank Ltd. SOD-9201823203001	6.00 crore	1 year	Secured Over Draft (SOD)	9.5% p. a. upto 19.02.2018, then 10% upto	Revolving
The City Bank Ltd. - STL	14.25 Crore	1 year	Short Term Loan (STL)	14.03.2018 and 12% thereafter	
IPDC Finance Ltd.	5.00 Crore	1 year	Short Term	15.00% from 01.03.2018 before that it was 11.80%	One-off

Security details:

(i) The assignment of Bills/sales proceeds to be received or receivable from BPDB (for Feni & Tangail)/REB (for Narsingdi), (ii) Personal guarantee of all directors and (iii) Usual charge documents

Note: Commercial Papers were paid off during the period on their maturity including interest accrued.





**22.1 Details of Liabilities against LCs**

UPAS LC A/C

075118020006  
075118020113  
075118020245  
075118020293  
075118020374  
075118020375  
075118020246  
075117020051  
075117020096  
075117020133  
075117020218  
160616020065

30.06.2018 Taka	30.06.2017 Taka
1,302,571	-
6,111,367	-
914,006	-
5,281,088	-
5,885,180	-
4,851,185	-
1,453,799	-
-	17,043,956
-	2,259,776
-	5,723,031
-	5,936,952
-	3,520,655
<b>25,799,196</b>	<b>34,484,370</b>

**22(a) Consolidated short term bank loan**

Doreen Power Generations and Systems Limited  
Dhaka Northern Power Generations Limited  
Dhaka Southern Power Generations Limited

(Note: 22)

307,233,878	187,776,560
1,280,910,699	409,513,848
1,268,359,950	1,081,346,675
<b>2,856,504,527</b>	<b>1,678,637,083</b>

**23. Liabilities for expenses and others**

Salary and allowances payable  
Land lease rent payable to REB  
Security bill payable to Falcon Security  
Printing Bill payable  
Payable against Turbocharger Kit to Gas Gen & Equipment Ltd.  
Withholding Tax & VAT payable  
Service bill payable to Clark Energy & Energypac  
Telephone bill payable  
Utility bills payable  
Audit fee payable  
Internet bill payable  
Maxi guard bill payable to SS Trade Link  
Carrying Expenses payable to Bhai Bhai Enterprize  
Plant House rent payable  
Environment expenses payable  
Service Bill Payable to Khaja Ajmeri  
Car Maintenance Bill  
Credit rating fee payable  
C & F bill payable  
Coolant bills payable  
Spare Parts Bill payable to Active Energy  
Payable to Reverie Power against Machine Service  
Payable to Feather Line & Process Automation  
Trustee Fee payable to BGIC  
Consultancy Fee Payable to Miah/Adroit  
Dividend payable  
Office Rent Payable  
Service bill payable to Atlas Energy Limited  
Service Bill payable to Jackson International  
Payable to Delcott, Nordroy & Iconic Engineering  
Payable to Salina Metal & Safety Fire Protection

6,485,421	6,010,387
1,875,000	1,125,000
67,596	809,886
3,482	7,262
139,300	139,300
1,835,365	2,004,427
4,582,626	2,889,600
4,993	2,542
123,125	256,164
460,000	460,000
61,745	117,084
361,397	362,750
15,000	170,000
80,500	49,500
-	77,400
1,627,500	1,283,000
70,000	70,000
50,000	50,000
115,750	732,333
544,175	751,275
115,300	67,800
200,000	219,800
6,231	7,017
578,839	550,000
147,000	120,000
561,101	231,970
1,246,013	675,187
60,000	160,000
-	73,600
326,706	-
600	144,600
<b>21,744,765</b>	<b>19,617,884</b>

- a) All accrued expenses are paid on regular basis; and  
b) Salary and Allowances for the month of June 2018 has been paid in subsequent month.  
c) Office rent payable was separated from Other utilities bill during the year, previously it was included with Other utilities bills payable but it was netted off due to prepayment of the office rent in the last year.  
d) Dividend payable is the balance of the dividend refunded/unclaimed during the year.



		<b>30.06.2018</b>	<b>30.06.2017</b>
		<b>Taka</b>	<b>Taka</b>
<b>23(a)</b>	<b>Consolidated liabilities for expenses</b>		
	Doreen Power Generations and Systems Limited (Note: 23)	21,744,765	19,617,884
	Dhaka Northern Power Generations Limited	31,404,641	32,818,697
	Dhaka Southern Power Generations Limited	48,080,004	51,160,217
	Chandpur Power Generations Limited	69,000	34,500
		<b>101,298,410</b>	<b>103,631,297</b>
<b>24.</b>	<b>Provision for income tax</b>		
	Opening balance	2,262,295	4,829,128
	Provision made during the year (Note: 30)	321,668	3,897,606
		2,583,963	8,726,734
	Less: Settlement during the year (Assessment year 2017-2018)	1,764,410	6,464,439
		<b>819,553</b>	<b>2,262,295</b>
<b>24(a)</b>	<b>Consolidated provision for income tax</b>		
	Doreen Power Generations and Systems Limited (Note: 24)	819,553	2,262,295
	Dhaka Northern Power Generations Limited	355,870	130,128
	Dhaka Southern Power Generations Limited	27,674	19,250
		<b>1,203,096</b>	<b>2,411,673</b>



**25. Revenue**

 Bangladesh Power Development Board (BPDB)  
 Rural Electrification Board (REB)

2017-2018 Taka	2016-2017 Taka
768,068,511	733,254,952
367,717,437	357,766,923
<b>1,135,785,948</b>	<b>1,091,021,875</b>

**Plant wise details:**

 Tangail Plant  
 Narsingdi Plant  
 Feni Plant

380,434,897	360,568,697
367,717,437	357,766,923
387,633,614	372,686,255
<b>1,135,785,948</b>	<b>1,091,021,875</b>

Quantity wise schedule of sales relating to the financial statements for the year ended 30 June 2018 as required under Schedule XI, Part-II of the Companies Act 1994 is given:

Particulars	From 01.07.17 to 30.06.18		From 01.07.16 to 30.06.17	
	Kilowatt	Amount (Tk.)	Kilowatt	Amount (Tk.)
Bangladesh Power Development Board	300,958,557	768,068,511	292,082,830	733,254,952
Rural Electrification Board	134,458,848	367,717,437	125,032,068	357,766,923
<b>Total</b>	<b>435,417,405</b>	<b>1,135,785,948</b>	<b>417,114,898</b>	<b>1,091,021,875</b>

**25(a) Consolidated Revenue**

 Doreen Power Generations and Systems Ltd.  
 Dhaka Northern Power Generations Limited  
 Dhaka Southern Power Generations Limited

(Note: 25)

1,135,785,948	1,091,021,875
2,850,707,472	1,834,065,206
2,674,001,770	2,225,661,198
<b>6,660,495,190</b>	<b>5,150,748,279</b>

**26 Cost of sale**

 Gas consumption  
 Direct expenses

(Note: 26.1)

(Note: 26.2)

398,306,400	354,912,698
342,603,908	321,538,602
<b>740,910,308</b>	<b>676,451,300</b>

**26.1 Plant wise details of Gas consumption**

 Tangail Plant  
 Narsingdi Plant  
 Feni Plant

136,732,055	116,900,057
119,989,602	113,280,706
141,584,743	124,731,935
<b>398,306,400</b>	<b>354,912,698</b>

Disclosure as per requirement of Schedule XI, Part II, Para 8 of the Companies Act 1994:

Consumption during the year	From 01.07.17 to 30.06.18		From 01.07.16 to 30.06.17	
	Cubic feet	Amount	Cubic feet	Amount
Tangail Power Plant	43,269,638	136,732,055	40,476,443	116,900,057
Narsingdi Power Plant	37,971,393	119,989,602	40,117,439	113,280,706
Feni Power Plant	44,805,364	141,584,743	43,176,821	124,731,935
	<b>126,046,395</b>	<b>398,306,400</b>	<b>123,770,703</b>	<b>354,912,698</b>



**26.2 Direct Expenses**

	2017-2018 Taka	2016-2017 Taka
Lubricants Expenses	37,333,783	39,952,744
Direct labor charge	500	14,650
Spare parts	86,735,292	82,820,253
Salary & Wages	37,784,790	30,321,518
Operational & maintenance expense	21,855,644	22,851,812
Land lease rent to REB	1,500,000	1,500,000
Depreciation	157,393,899	144,077,625
	<b>342,603,908</b>	<b>321,538,602</b>

**26(a) Consolidated Cost of sale**

	(Note: 26)	
Doreen Power Generations and Systems Ltd.	740,910,308	676,451,300
Dhaka Northern Power Generations Limited	2,315,153,089	1,407,112,238
Dhaka Southern Power Generations Limited	2,190,470,971	1,706,333,193
	<b>5,246,534,368</b>	<b>3,789,896,730</b>

**27. General administrative expenses**

Salaries & allowances	12,245,321	12,462,120
Director's remuneration	3,960,000	3,960,000
Audit fee	460,000	460,000
Other utility bills	368,530	365,180
Office maintenance	837,192	858,060
Office rent	1,452,000	1,308,000
Fooding expense	2,039,428	1,051,265
Environment compliance cost	811,860	638,919
Surcharge	6,985,294	6,211,725
Rent, rates & taxes	181,605	592,485
Fuel expenses (car)	1,098,150	1,090,542
Carrying expenses	892,900	561,500
Travelling and conveyance allowance	541,014	1,307,625
Medical expense	12,450	2,183
Car maintenance expense	326,450	974,087
Telephone & mobile bill	626,302	581,342
Entertainment expenses	176,299	134,056
Internet bill	322,514	296,300
Printing expense	164,410	252,500
Overtime	78,870	43,302
Postage	63,244	69,260
Security service bill	752,100	2,787,600
AGM Expenses	1,092,555	1,011,000
Group insurance premium	-	29,435
Legal and professional fee	238,046	449,050
Common stock for official use	52,204	458,329
Credit Rating fee	80,500	80,500
Repair & maintenance	75,600	76,756
BERC license Fee	165,600	388,000
Licenses and other fees	1,018,960	165,870
Listing fee with DSE and CSE	1,503,716	1,644,384
Annual Membership fee for BIPPA	250,000	200,000







Uniform expenses  
Insurance premium  
Software expense  
Corporate social responsibility  
Advertisement expense  
Survey Expenses  
Gardening Expense  
Books and periodicals  
Depreciation

2017-2018 Taka	2016-2017 Taka
267,120	17,200
6,539,297	6,539,304
70,000	50,000
600,000	-
753,382	1,056,334
7,500	27,000
10,280	-
22,070	-
847,842	204,856
<b>47,990,605</b>	<b>48,406,069</b>

**27(a) Consolidated General & Administrative Expenses**

Doreen Power Generations and Systems Ltd. (Note: 27)  
Dhaka Northern Power Generations Limited  
Dhaka Southern Power Generations Limited  
Chandpur Power Generations Limited

47,990,605	48,406,069
35,585,751	44,191,388
38,069,846	39,743,413
920,692	212,738
<b>122,566,894</b>	<b>132,553,608</b>

**28. Finance expenses**

Interest on overdraft loan account  
Bank guarantee Commission  
Interest on Commercial Paper  
Bank charge  
Interest on long term and short term loan  
Foreign Exchange (Gain)/loss

5,881,349	4,218,239
2,332,310	3,199,108
6,999,757	1,998,398
332,165	858,945
108,500,524	127,379,706
(334,292)	(3,016,293)
<b>123,711,813</b>	<b>134,638,103</b>

**28(a) Consolidated Finance Expenses**

Doreen Power Generations and Systems Ltd. (Note: 28)  
Dhaka Northern Power Generations Limited  
Dhaka Southern Power Generations Limited  
Chandpur Power Generations Limited

123,711,813	134,638,103
169,945,292	147,992,041
163,066,168	198,842,968
4,028,523	-
<b>460,751,796</b>	<b>481,473,112</b>

**29. Finance income**

Interest income from bank deposit

<b>733,783</b>	<b>1,775,002</b>
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**29(a) Consolidated Finance Income**

Doreen Power Generations and Systems Ltd. (Note: 29)  
Dhaka Northern Power Generations Limited  
Dhaka Southern Power Generations Limited

733,783	1,775,002
1,016,770	-
78,497	-
<b>1,829,050</b>	<b>1,775,002</b>

**30. Income Tax Expense**

Interest income  
**Total interest income and other income**  
Provision for Income Tax @ 25%  
Shortfall in provision of the last year

733,783	1,775,002
<b>733,783</b>	<b>1,775,002</b>
183,446	443,751
138,222	3,453,855
<b>321,668</b>	<b>3,897,606</b>



	2017-2018 Taka	2016-2017 Taka
<b>30(a) Consolidated Provision for Income Tax</b>		
Doreen Power Generations and Systems Ltd. (Note: 30)	321,668	3,897,606
Dhaka Northern Power Generations Limited	379,922	-
Dhaka Southern Power Generations Limited	75,074	-
	<u>776,663</u>	<u>3,897,606</u>
<b>31. Earning per share</b>		
Net Profit attributable to the ordinary shareholders (Tk.)	223,585,338	221,684,920
Weighted average number of shares (Nos.) (Note: 31.1)	105,600,000	105,600,000
Basic Earning per share (EPS)/Restated EPS (Tk.)	<u>2.12</u>	<u>2.10</u>
<b>31.1 Weighted average number of shares outstanding</b>		
Number of shares before bonus share issued in 2017-18	96,000,000	96,000,000
Bonus shares issued in 2017-18	9,600,000	9,600,000
Weighted average number of shares outstanding (Restated)	<u>105,600,000</u>	<u>105,600,000</u>
* Weighted average number of shares outstanding has been restated/adjusted (as per Para-64 of IAS-33) by the number of Stock Dividend 9,600,000 issued during 2017-18 for income year 2016-17.		
<b>31.2 Diluted Earnings per share</b>		
No diluted earnings per share is required to be calculated for the periods presented as the has no dilutive potential ordinary shares.		
<b>31(a) Consolidated Earning per share</b>		
Net Profit attributable to the ordinary shareholders (Tk.)	829,275,457	726,631,172
Weighted average number of shares (Nos.) (Note: 31.1)	105,600,000	105,600,000
Basic Earning per share (EPS)/Restated EPS (Tk.)	<u>7.85</u>	<u>6.88</u>
<b>32. Net operating cash flow per share (NOCFPS)</b>		
Net operating cash flows	348,015,151	353,099,589
Weighted average number of ordinary shares (Note: 31.1)	105,600,000	105,600,000
	<u>3.30</u>	<u>3.34</u>
<b>32(a) Consolidated Net operating cash flow per share (CNOCFPS)</b>		
Net operating cash flows	1,144,775,649	275,578,621
Weighted average number of ordinary shares (Note: 31.1)	105,600,000	105,600,000
	<u>10.84</u>	<u>2.61</u>
*** Consolidated NOCFPS for 2016-17 reduced due to rearrangement of UPAS liabilities from trade payable to short term loan by subsidiaries in their financial statements.		
<b>33. Net Asset Value (NAV) Per Share</b>		
Net Assets (Total Assets- Liabilities)	3,365,997,723	3,166,412,385
Number of ordinary shares outstanding (Denominator)	105,600,000	105,600,000
	<u>31.87</u>	<u>29.98</u>
<b>33(a) Consolidated Net Asset Value (CNAV) Per Share</b>		
Net Assets (Total Assets- Liabilities)	4,260,394,400	3,451,873,254
Number of ordinary shares outstanding (Denominator)	105,600,000	105,600,000
	<u>40.34</u>	<u>32.69</u>

**34. Financial risk management**

International Financial Reporting Standard (IFRS 7): Financial Instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the companies policies for controlling risks and exposures. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the company.

**34.1 Credit risk**

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

**Exposure to credit risk**

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

	<b>30.06.2018</b> Taka	<b>30.06.2017</b> Taka
Trade and other receivables	290,901,971	260,600,534
Advance, deposit & prepayments	38,389,420	39,578,256
Short term loans	116,087,942	162,500,007
Cash and bank balance	1,314,795	5,444,690
	<b>446,694,128</b>	<b>468,123,487</b>

**(a) Aging of trade and other receivables**

Past due 0-30 days	119,854,154	89,569,292
Past due 31-90 days	161,740,537	155,723,962
Past due more than 90 days	9,307,280	15,307,280
	<b>290,901,971</b>	<b>260,600,534</b>

**(b) Credit exposure by credit rating**

	<b>As at 30 June 2018</b>	
	<b>Amount</b>	<b>(%)</b>
Trade receivables	290,901,971	65.12%
Advance, deposit & prepayments	38,389,420	8.59%
Short term loans	116,087,942	25.99%
Cash and bank balance		
Cash on hand	28,536	0.01%
Cash at bank	1,286,259	0.29%
Bank Asia Limited	11,593	0.0026%
BRAC Bank Limited	21,128	0.0047%
Dhaka Bank Limited	146,976	0.0329%
Islami Bank Bangladesh Limited	9,325	0.0021%
NCC Bank Limited	6,903	0.0015%
The City Bank Limited	817,741	0.1831%
Prime Bank Limited	272,593	0.0610%



### 34.2 Liquidity risk

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

The following are the contractual maturities of financial liabilities as at 30 June 2018

Particulars	Carrying Amount	Maturity period	Nominal interest rate	Within 6 months or less	Within 6 -12 months	More than 1 year
	Taka	Taka	%	Taka	Taka	Taka
Long term loan	727,747,142	-	12.00	-	-	727,747,142
Deferred tax liability	1,078,870	-	-	-	-	1,078,870
Trade payable	168,415,195	Oct-18	-	168,415,195	-	-
Current portion of long term loan	263,883,768	Jun-19	12.00	131,941,884	131,941,884	-
Short term bank loan	307,233,878	Mar-19	12-15	195,432,848	111,801,030	-
WPP & welfare fund	9,279,348	Jun-19	-	9,279,348	-	-
Current account with sister concern	20,219,332	N/A	-	13,597,429	6,621,903	-
Liabilities for expenses	21,744,765	Dec-18	-	21,744,765	-	-
Provision for Income Tax	819,553	Jan-19	-	819,553	-	-
	<b>1,520,421,850</b>			<b>541,231,021</b>	<b>250,364,817</b>	<b>728,826,012</b>

### 34.3 Market risk

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

### 34.4 Currency risk

The Company is exposed to currency risk on purchases of spare parts of plant and machinery that are denominated in a currency other than the functional currency primarily Euro and U. S. Dollars. The effects of foreign purchase are insignificant to the Company. The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 June 2018. There are no foreign currency monetary assets and liabilities as at 30 June 2018 resulting net exposure to foreign currency risk is nil.

### 34.5 Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local currency loans are however not significantly affected by fluctuations in interest rates as the rate is below from market rate. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.





	30.06.2018 Taka	30.06.2017 Taka
<b>35 Contingent liabilities/ Off balance sheet items</b>		
<b>35.1 Commitments</b>		
<b>Letter of credit</b>		
The City Bank Limited	65,580,000	142,860,000
NCC Bank Limited	-	-
	<b>65,580,000</b>	<b>142,860,000</b>
<b>35.2 Contingent liabilities</b>		
<b>Bank guarantee</b>		
The City Bank Limited	91,736,342	132,841,517
Islami Bank Bangladesh Limited	55,890,000	55,890,000
Dhaka Bank Limited	-	53,820,000
NCC Bank Limited	88,509,380	88,974,542
	<b>236,135,722</b>	<b>331,526,059</b>

**36 i) Related party transactions**

During the year, the company carried out a number of transactions with related parties the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.

Name of Parties	Relationship	Nature of transaction	Net transaction during the period	Outstanding as on 30.06.2018	Outstanding as on 30.06.2017
Doreen Power House & Technologies Ltd.	Sister Concern	Temporary Loan	(151,273,602)	(97,749,314)	53,524,288
Dhaka Northern Power Generations Limited	Subsidiary Company	Temporary Loan	(198,843,910)	(82,249,291)	116,594,619
Dhaka Southern Power Generations Limited	Subsidiary Company	Temporary Loan	309,624,747	296,005,847	(13,618,900)
Banco Energy Generation Ltd.		Temporary Loan	(9,248,000)	(9,248,000)	-
Eastern Cement Industries Ltd.	Common Directors	Temporary Loan	(4,700,000)	-	4,700,000
Chandpur Power Generations Limited	Subsidiary Company	Temporary Loan	(1,994,300)	(1,994,300)	-
		Investment	54,000,000	60,000,000	6,000,000
Asian-Entech Power Corp. Ltd.	Parent Company	Temporary Loan	-	1,300,000	1,300,000
Bhairob Power Ltd.	Common Directors	Temporary Loan	4,113,000	4,113,000	-
Manikgonj Power Generations Limited	Sister Concern	Temporary Loan	4,060,000	4,060,000	-
Doreen Garments Ltd.	Common Directors	Temporary Loan	1,800,000	1,800,000	-
Rupali Engineers & Traders Limited	Sister Concern	Temporary Loan	50,000	50,000	-
Directors' remuneration	Managing Director	Salary and Allowances	3,960,000	-	-
<b>Total</b>			<b>11,547,935</b>	<b>176,087,942</b>	<b>168,500,007</b>





## ii) Particulars of Directors of Doreen Power Generations and Systems Limited as at 30 June 2018:

Name of Directors	BOD of Doreen Power Generations and Systems Ltd.	Entities where they have interests
Tahzeeb Alam Siddique	Managing Director	Doreen Fashions Ltd. Doreen Washing Plant Ltd. Doreen Apparels Ltd. Nurun Nahar Textile Ltd. Eastern Cement Industries Ltd. Doreen Power House & Tech. Ltd. Doreen Garments Limited Asian Entech Power Corp. Ltd. Saiham Power Plant Ltd. Dhaka Northern Power Generations Limited Dhaka Southern Power Generations Limited Banco Energy Generations Ltd. Bhairob Power Limited Chandpur Power Generations Ltd. Manikgonj Power Generations Ltd.
Tanzeer Alam Siddique	Director	Doreen Washing Plant Ltd. Doreen Hotel and Resorts Ltd. Nurun Nahar Textiles Limited Eastern Cement Industries Ltd. Doreen Developments Ltd. Doreen Power House & Tech. Ltd. Asian Entech Power Corp. Ltd. Chandpur Power Generations Ltd. Banco Energy Generations Ltd. Bhairob Power Limited Saiham Power Ltd.
Parveen Alam	Chairman	Doreen Fashions Ltd. Doreen Washing Plant Ltd. Doreen Apparels Ltd. Nurun Nahar Textile Ltd. Eastern Cement Industries Ltd. SOB Apparels Limited Doreen Power House & Tech. Ltd. Doreen Garments Limited Doreen Developments Ltd. Asian Entech Power Corp. Ltd. Banco Energy Generations Ltd. Chandpur Power Generations Ltd. Saiham Power Ltd.
Anjabeen Alam Siddique	Director	Doreen Power House & Tech. Ltd. Asian Entech Power Corp. Ltd. Saiham Power Plant Ltd. Dhaka Northern Power Generations Limited Dhaka Southern Power Generations Limited Banco Energy Generations Ltd. Bhairob Power Limited Chandpur Power Generations Ltd. Manikgonj Power Generations Ltd.





**37 Disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994:**

The company had 166 permanent employees as at 30 June 2018 and 141 permanent employees and 2 contractual employees as at 30 June 2017 and a varying number of seasonal and temporary workers as required. All permanent employees receive remuneration in excess of Tk. 36,000 per annum each.

	30.06.2018	30.06.2017
	Number of Staff	Number of Staff
<b>Number of Employee:</b>		
Head Office Staff	25	27
Plant Staff	141	116
	<u>166</u>	<u>143</u>

**38 Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act 1994:**

Managing Director remuneration and benefit	<u>3,960,000</u>	<u>3,960,000</u>
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No Board Meeting attendance fees have been provided to the director of the company.

**39 Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act 1994:**

Name of Plant	Capacity (Kwh)	Actual Production (Kwh)		Capacity Utilization	
		2017-2018	2016-2017	2017-2018	2016-2017
Tangail Plant	192,720	149,069	139,612	77%	72%
Narsingdi Plant	192,720	134,459	124,966	70%	65%
Feni Plant	192,720	151,889	152,371	79%	79%

**40 Events after the reporting period**

The financial statements (both consolidated and separate financial statements) were authorized by Board of Directors on 20 September 2018 for publication. The Board of Directors recommended 10% stock dividend (to all shareholders) and 15% cash dividend (for all shareholders excluding the sponsors/ Directors) for the year ended on 30 June 2018 on their board meeting held on 20 September 2018. Therefore, the amount of cash dividend to be payable to the general shareholders is Tk. 43.35 million.

**41 Comparative information**

Comparative information in the following major area has been rearranged to conform to current year's presentation:

**41.1 Short term loan to subsidiaries & sister concerns**

Short term loan to subsidiaries & sister concerns and Current A/c with subsidiaries & sister concerns are presented under single head as Current A/c with subsidiaries and sister concerns (note # 10) which were presented separately in 2016-17 (note # 10 & 24)

**41.2 Depreciation**

Depreciation on building and premises has been charged as direct expense along with depreciation of Power Plant and Machine overhauling since plant building and premises is directly associated with revenue generation. But it was charged as administrative expense upto 2016-17.


**41.3 Withholding tax payable on salary and allowances**

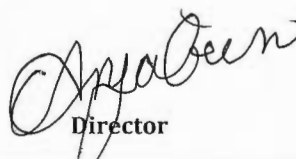
Withholding tax payable on salary and allowances is merged with withholding tax and VAT payable amount in 2017-2018 accounts which was shown separately in 2016-2017 under the head Liabilities for Expenses (in Note # 24)

**41.4 Charge Creation Expenses**

Charge creation expenses is included in bank charge expense under financial expenses head which was presented separately in the financial statements for 2016-2017.

Dhaka,  
20 September 2018

  
Company Secretary

  
Director

  
Managing Director



DOREEN POWER GENERATIONS AND SYSTEMS LIMITED  
Schedule of Property, plant and Equipment  
As at 30 June 2018

Annexure-4

(Amount in Taka)

Category of assets	Cost			Balance as at 30 June 2018	Rate (%)	Depreciation				Written Down Value as at 30 June 2018
	Balance as at 01 July 2017	Addition during the year	Disposal/ adjustment			Balance as on 01 July 2017	Addition during the year	Disposal/ adjustment	Balance as on 30 June 2018	
<b>a. Freehold Assets</b>										
Land & land development	80,419,571	-	-	80,419,571	-	-	-	-	-	80,419,571
Building & premises	145,465,124	-	-	145,465,124	5%	36,256,238	7,273,256	-	43,529,494	101,935,630
Office decoration & renovation	8,654,799	-	-	8,654,799	20%	8,654,798	-	-	8,654,798	1
Power plant	1,863,276,859	134,353,162	-	1,997,630,021	3.33%	269,159,994	72,123,607	-	341,283,601	1,656,346,420
Machine overhauling	232,757,252	21,380,128	-	254,137,380	20%	154,182,360	48,689,463	-	202,871,824	51,265,556
Furniture & fixture	1,942,260	-	-	1,942,260	20%	1,895,912	46,347	-	1,942,259	1
Office equipment	6,562,853	125,770	-	6,688,623	20%	5,773,935	801,495	-	6,575,430	113,193
Office car/vehicle	15,413,583	-	-	15,413,583	20%	15,413,572	-	-	15,413,572	11
<b>Sub Total</b>	<b>2,354,492,301</b>	<b>155,859,060</b>	<b>-</b>	<b>2,510,351,361</b>		<b>491,336,810</b>	<b>128,934,167</b>	<b>-</b>	<b>620,270,978</b>	<b>1,890,080,383</b>
<b>b. Revalued Assets</b>										
Land & land development	35,962,317	-	-	35,962,317	-	-	-	-	-	35,962,317
Building & premises	29,623,482	-	-	29,623,482	5%	7,405,870	1,481,174	-	8,887,044	20,736,438
Power plant	835,627,599	-	-	835,627,599	3.33%	149,919,252	27,826,399	-	177,745,651	657,881,948
<b>Sub Total</b>	<b>901,213,398</b>	<b>-</b>	<b>-</b>	<b>901,213,398</b>		<b>157,325,122</b>	<b>29,307,573</b>	<b>-</b>	<b>186,632,695</b>	<b>714,580,703</b>
<b>Grand Total as of 30 June 2018</b>	<b>3,255,705,699</b>	<b>155,859,060</b>	<b>-</b>	<b>3,411,564,759</b>	<b>-</b>	<b>648,661,933</b>	<b>158,241,741</b>	<b>-</b>	<b>806,903,673</b>	<b>2,604,661,086</b>
<b>Grand Total as of 30 June 2017</b>	<b>3,170,195,505</b>	<b>85,510,194</b>	<b>-</b>	<b>3,255,705,699</b>		<b>504,379,450</b>	<b>144,282,482</b>	<b>-</b>	<b>648,661,933</b>	<b>2,607,043,766</b>

a) Depreciation of Building & premises, Power plant and Machine overhauling have been charged as direct expenses  
b) Other depreciation has been charged as administrative expenses

157,393,899  
847,842  
158,241,741

**Note:** Land and land development, building & premises and power plant have been revalued at 01 July 2012 by an independent valuer

i) **Name of Valuer:** Rahman Mostafa Alam & Co., Chartered Accountants

ii) **Valuation method:** Market value approach for land and land development replacement cost approach for building & premises and power plant

iii) **Date of Capitalization:** Revaluation surplus capitalized on 1 July 2012





**Doreen Power Generations and Systems Limited**  
**Statement of Land**

**Annexure-B**

Sl. No.	Deed No.	Date of Registration	Land Area (Decimals)	Deed Value of Land (Taka)	Registration	Mutation (Area)	
						Applied for	Completed
1	10324	31.12.07	16.00	600,000	√	16.00	16.00
2	333	13.01.08	17.00	340,000	√	17.00	17.00
3	306	15.01.08	17.00	340,000	√	17.00	17.00
4	1799	25.02.08	15.00	1,950,000	√	15.00	15.00
5	1798	25.02.08	11.00	1,320,000	√	11.00	11.00
6	3397	07.04.08	15.00	450,000	√	15.00	15.00
7	2693	29.04.08	164.57	2,000,000	√	164.57	164.57
8	3511	05.06.08	55.00	800,000	√	55.00	55.00
9	7325	13.10.11	21.43	1,500,000	√	21.43	21.43
10	9196	01.11.09	8.00	760,000	√	8.00	8.00
11	9575	19.11.09	10.00	360,000	√	10.00	10.00
12	9574	19.11.09	16.00	1,520,000	√	16.00	16.00
13	10726	30.12.12	6.64	1,460,000	√	6.64	6.64
14	5756	14.08.16	13.00	3,560,000	√	13.00	Applied for
<b>Sub Total</b>			<b>385.64</b>	<b>16,960,000</b>	-	<b>385.64</b>	<b>372.64</b>
Add: Registration, development and other cost				67,357,771			
<b>Total</b>				<b>84,317,771</b>			

All the lands are subject to mortgage against loans in favor to The City Bank Limited.



**Doreen Power Generations and Systems Limited**  
**List of Bank Guarantee**

Annexure C

SL. No.	Bank Guarantee No.	Date	Expiry Date	In favor of	Guarantee Issuing Bank	Purpose	Name of Plant	BG Amount (TK.)	Cash Margin (TK.)
1	291/2008	08.10.2008	07.10.2015	Titas Gas Transmission & Distribution Company Limited	NCC Bank Ltd.	As "security deposit" to gas supplying authority for taking gas connection to Power Plant	Tangail Plant	16,449,160	822,458
2	349/2008	03.11.2008	02.11.2015	Titas Gas Transmission & Distribution Company Limited	NCC Bank Ltd.	As "security deposit" to gas supplying authority for taking gas connection to Power Plant	Narsingdi Plant	16,449,160	822,458
3	24/2009	21.01.2009	20.01.2016	Bakhrabad Gas Systems Limited	NCC Bank Ltd.	As "security deposit" to gas supplying authority for taking gas connection to Power Plant	Feni Plant	16,449,160	822,458
4	241/2009	20.07.2009	20.07.2010	Rural Electrification Board	NCC Bank Ltd.	As "Operational Bond"	Narsingdi Plant	36,677,920	1,833,546
5	67/2015	27.05.2015	26.11.2015	The Chief Controller of Import & Export	NCC Bank Ltd.	For repairing faulty Cylinder Head	Head Office	62,480	62,480
6	112/2015	23.09.2015	22.03.2016	The Chief Controller of Import & Export	NCC Bank Ltd.	For repairing of one unserviceable faulty Short Block	Head Office	391,000	39,100
7	139/2015	23.11.2015	22.05.2016	The Chief Controller of Import & Export	NCC Bank Ltd.	For repairing of one failed Short Block	Head Office	400,500	400,500
8	53/2016	02.05.2016	01.11.2016	The Chief Controller of Import & Export	NCC Bank Ltd.	Goods for repairing of Alternator Stator and alternator Rotor	Head Office	463,500	463,500
9	182/2016	19.12.2016	17.09.2017	The Chief Controller of Import & Export	NCC Bank Ltd.	Export & re-import of repaired Alternator Rotor	Narsingdi Plant	470,000	470,000



10	192/2016	26.12.2016	25.06.2017	The Chief Controller of Import & Export	NCC Bank Ltd.	For repairing of two faulty Short Block	Head Office	696,500	696,500
11	IBBLHOC/DOREEN / BID/16/03	04.08.2016	07.11.2017	Secretary, Bangladesh Power Development Board	Islami Bank Bangladesh Ltd.	To participate in tender for development of 01. no of HFO based 100+/- 15% MW Power Plant	Bagerhat	55,890,000	5% in FD Form
12	186SD0000217	22.01.2017	21.07.2017	The Commissioner of Customs, Customs House, Ctg.	The City Bank Ltd.	Goods for repair work of two faulty Short Block	Narsingdi Plant	693,166	693,166
13	186SD0000617	19.02.2017	25.01.2019	The Manager, NCCBL, Motijheel main Branch	The City Bank Ltd.	Extending the Bank Guarantees in favour of various bodies (Titas Gas, Bakhrabad Gas )	Head Office	49,348,000	2,467,400
14	186SD0000717	19.02.2017	25.07.2017	The Manager, NCCBL, Motijheel main Branch	The City Bank Ltd.	Extending the Bank Guarantees in favour of various bodies (REB, Customs Benapole, The Chief controller of IMP-Exp )	Head Office	38,303,000	1,915,150
15	186SD0004017	29.11.2017	28.05.2018	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	871,395	43,570
16	186SD0004117	29.11.2017	28.05.2018	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	414,960	20,748
17	186SD0004517	11.12.2017	10.06.2018	The Commissioner of Customs, Customs House, Ctg.	The City Bank Ltd.	Export & re-import of repaired Shortblock	Head Office	862,911	862,911
18	186SD0000218	08.01.2018	07.07.2018	The Commissioner of Customs, Customs House, Ctg.	The City Bank Ltd.	Export & re-import of repaired Shortblock	Head Office	410,910	20,546
19	186SD0000418	18.01.2018	07.07.2018	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Shortblock	Head Office	416,000	20,800
20	186SD0000918	14.02.2018	13.08.2018	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	416,000	20,800
<b>TOTAL</b>								<b>236,135,722</b>	<b>12,497,503</b>

