

Doreen Power Generations and Systems Limited

Report and financial statements as at and
for the year ended 30 June 2019

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Doreen Power Generations and Systems Limited Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Doreen Power Generations and Systems Limited and its subsidiaries (the "Group") as well as the separate financial statements of Doreen Power Generations and Systems Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at 30 June 2019, and the 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 notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the accompanying note-3.8 to the financial statements where the management describes that Workers' Profit Participation Fund (WPPF) provision is not required according to the Bangladesh Labour Act 2006 (amended in 2013) on the ground that Bangladesh Independent Power Producers Association (BIPPA) has made an application to the Ministry of Labour and Employment ("the Ministry") for exemption from the implementation of the required provision of WPPF on 13 March 2017. Hence, the management has decided not to provide any provision for WPPF since 31 March 2017. This is also supported by opinion obtained by the management from external legal counsel. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the audit of financial statements are as under:

Risk	Our respond to the risk
Carrying value (CV) of Property, plant and equipment (PPE) and its impairment	
<p>PPE includes the Group's and the Company's long term assets, which flow economic benefits to the entities more than one year. PPE is 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. PPE comprises major portion of total assets of the Company, which is amounting to Tk. 2,598,461,277 for Doreen Power Generations and Systems Limited and Tk. 9,551,358,171 for the Group at the reporting date. PPE represents 53.55% and 67% of total assets of the Company and the Group respectively.</p> <p>Apparently, the carrying value of PPE represents significant portion of the Company's and the Group's assets which is a function of depreciation charges that involved estimation. Therefore, it has been considered as a significant area of auditor's judgment and requires special attention. There is also a risk that the impairment charges may not have been recognized.</p>	<p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of PPE:</p> <ul style="list-style-type: none"> • Reviewing basis of recognition, measurement and valuation of assets; • Observing procedures of assets acquisition, depreciation and disposal; • Checking ownership of the major assets; • Checking the Capital-Work-in-Progress (CWIP) and its transfer to PPE as well as capital expenditure commitment; • Performing due physical asset verification at the year-end; • We critically challenged the Group's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our testing did not identify any issues with regard to CV of PPE and any indicators that would trigger impairment.</p>
Refer to the note no. 4 and 4(a) to the financial statements	
Current A/C with subsidiaries and sister concerns	
Current Accounts with subsidiaries and sister	We assessed the processes and controls put in place

concerns represent the account, which are maintained for the transactions between parent and subsidiaries & sister concerns. Positive balances denote receivable balances from subsidiaries and sister concerns and negative balances signify payable balances to subsidiaries and sister concerns. At the reporting date, the balances of Current Account were Tk. 77,297,065 and Tk. 912,993,994, which were approximately 17% and 23% of total current assets for the Company and the Group respectively.

Significant transactions between Group entities are considered as a key risk area of audit. There is also a risk that the impairment charges haven't been recognized and therefore, Current Account balance could be misstated.

by the Group over the Current Accounts with subsidiaries and sister concerns. Our substantive procedures in relation to the Current Accounts comprise the following:

- Understanding and analyzing the nature and reasons for Current Accounts;
- Studying board minutes for the approval of loan to the subsidiaries and sister concerns;
- Independently reviewed the financial capabilities of subsidiaries and sister concerns to meet the obligations;
- Independently reviewed the financial statements of subsidiaries and sister concerns;
- Checked the transactions between the Group entities on sample basis;
- Performing impairment test on the receivable and payable balances of parent and subsidiaries & sister concerns;
- Confirming major balances with the Group entities;
- Recalculating interest portion on the balances of current accounts and recording thereof; and
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Based on the evidence obtained, we did not identify any indications that Current Account balances have not been presented fairly or there is any indication of impairment.

Refer to the note no. 10 and 10(a) to the financial statements

Long term Loans

At reporting date, the position of long term loans remains amounting to Tk. 636,660,863 for Doreen Power Generations and Systems Limited and Tk. 4,754,827,033 for the Group as a whole, which represents around 48% and 52% of total liabilities for the Company and the Group respectively. Evidently, the Company and the Group are highly dependent on long term liabilities to operate the business. Therefore, long term loan has been

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the long term loans. Our audit procedures included, among others, the followings:

- Understood and reviewed the nature or types of loans;
- Reviewed the board minutes for arrangements of the loans;

considered as key audit area.	<ul style="list-style-type: none">• Obtained the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans;• Recalculated the interest related to loans;• Checked the adjustments or repayments of loans through bank statements as per repayment schedule;• Reviewed the segregation between current and non-current portion of loans;• Observed whether there is any overdue payment relevant to loans; and• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards. <p>The procedures above did not identify any issues with regard to the long term loans.</p>
Refer to the note no. 17 and 17(a) to the financial statements	

Other Matter

The Group comprises the parent, Doreen Power Generations and Systems Limited, and its three subsidiaries namely Dhaka Northern Power Generations Limited, Dhaka Southern Power Generations Limited and Chandpur Power Generations Limited. The financial statements of two subsidiaries namely, Dhaka Northern Power Generations Limited and Dhaka Southern Power Generations Limited have been audited by ACNABIN, Chartered Accountants and another subsidiary, Chandpur Power Generations Limited, has been audited by MABS & J Partners, Chartered Accountants. The auditors of subsidiaries have expressed an unmodified opinion on those financial statements on 30 June 2019.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with 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 and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

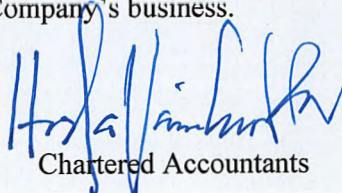
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- c) the consolidated and the separate statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 41 dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Group's and the Company's business.

Dhaka, 31 August 2019

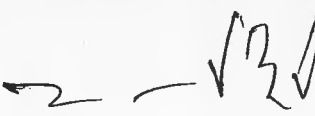

Chartered Accountants

Doreen Power Generations and Systems Limited
Consolidated Statement of Financial Position
As at 30 June 2019

	Notes	2019 Taka	2018 Taka
ASSETS			
Non-Current Assets		10,319,120,396	10,682,153,400
Property, plant and equipment	4(a)	9,551,358,171	9,887,893,590
Capital work in progress	5(a)	3,109,270	42,448,899
Investments	6(a)	764,652,955	751,810,911
Current Assets		3,904,987,995	2,929,096,322
Inventories	7(a)	1,070,347,178	478,512,664
Trade and other receivables	8(a)	1,505,416,904	1,433,924,835
Advance, deposit and prepayments	9(a)	395,175,172	367,512,972
Current A/C with subsidiaries and sister concerns	10(a)	912,993,994	568,291,168
Cash and bank balance	11(a)	21,054,745	80,854,684
TOTAL ASSETS		14,224,108,391	13,611,249,722
EQUITY AND LIABILITIES			
EQUITY		5,133,257,046	4,260,394,400
Share capital	12	1,161,600,000	1,056,000,000
Share premium	13	361,849,889	361,849,889
Retained earnings	14(a)	2,925,612,897	2,129,042,678
Revaluation surplus	15	684,194,260	713,501,833
Non-controlling interest	16	23,700,163	56,228,686
Total Equity		5,156,957,209	4,316,623,086
LIABILITIES			
Non-Current Liabilities		4,755,905,903	5,553,844,412
Long term loan net off current maturity	17(a)	4,754,827,033	5,552,765,541
Deferred tax liability	18	1,078,870	1,078,870
Current Liabilities		4,311,245,279	3,740,782,224
Trade payables	19(a)	183,002,397	189,855,286
Current portion of long term loan	20(a)	834,671,596	744,785,901
WPPF and WF payable	21	9,279,348	9,279,348
Short term loan	22(a)	3,150,889,774	2,693,893,135
Liabilities for expenses and others	23(a)	132,014,556	101,765,460
Provision for income tax	24(a)	1,387,608	1,203,096
TOTAL LIABILITIES		9,067,151,182	9,294,626,636
TOTAL EQUITY AND LIABILITIES		14,224,108,391	13,611,249,722
Consolidated Net Assets Value (CNAV) per share	25(a)	44.19	36.68

The annexed notes from 01 to 41 form an integral part of these Consolidated Financial Statements.


Company Secretary


Managing Director


Chairman

As per our annexed report of same date

Dhaka
31 August 2019


Chartered Accountants

Doreen Power Generations and Systems Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Notes	2019 Taka	2018 Taka
Revenue	26(a)	7,021,677,166	6,660,495,190
Less: Cost of sales	27(a)	5,516,266,139	5,250,534,560
Gross profit		1,505,411,027	1,409,960,630
Less: operating expenses			
General and administrative expenses	28(a)	116,947,738	118,566,702
Gross operating profit for the year		1,388,463,289	1,291,393,928
Less: financial expense	29(a)	464,649,986	460,751,796
Net operating profit for the year		923,813,303	830,642,132
Add: non-operating income			
Finance income	30(a)	1,158,728	1,829,050
Net profit before income tax		924,972,030	832,471,182
Less: current tax expense	31(ii)	1,387,904	776,663
Net profit after income tax		923,584,126	831,694,519
Other comprehensive income		-	-
Total comprehensive income		923,584,126	831,694,519
Attributable to:			
Shareholders of the Company		918,272,268	829,275,457
Non-controlling interest		5,311,858	2,419,062
		923,584,126	831,694,519
Consolidated Earning Per Share (CEPS)/Restated CEPS	32(a)	7.91	7.14

The annexed notes from 01 to 41 form an integral part of these Consolidated Financial Statements.

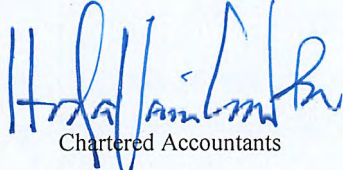

Company Secretary


Managing Director


Chairman

As per our annexed report of same date

Dhaka
31 August 2019


Chartered Accountants

Doreen Power Generations and Systems Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

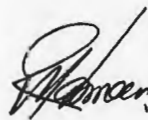
(Amount in Taka)

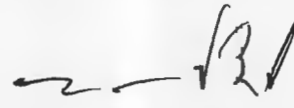
Particulars	Share capital	Share premium	Revaluation surplus	Retained earnings	Sub-total	Non-controlling interest	Total equity
Balance as at 01 July 2018	1,056,000,000	361,849,889	713,501,833	2,129,042,678	4,260,394,400	56,228,686	4,316,623,086
Adjustment for change in holding percentage of non-controlling interest	-	-	-	(2,059,619)	(2,059,619)	(37,840,381)	(39,900,000)
Net profit for the period	-	-	-	918,272,258	918,272,268	5,311,858	923,584,126
Stock dividend for the year 2017-2018	105,600,000	-	-	(105,600,000)	-	-	-
Cash dividend for the year 2017-2018	-	-	-	(43,350,003)	(43,350,003)	-	(43,350,003)
Revaluation surplus realized (depreciation on increased value of assets due to revaluation)	-	-	(29,307,573)	29,307,573	-	-	-
Balance as at 30 June 2019	1,161,600,000	361,849,889	684,194,260	2,925,612,897	5,133,257,046	23,700,163	5,156,957,209

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
Balance as at 30 June 2018	1,056,000,000	361,849,889	713,501,833	2,129,042,678	4,260,394,400	56,228,686	4,316,623,086

The annexed notes from 01 to 41 form an integral part of these Consolidated Financial Statements.

Dhaka
31 August 2019


Company Secretary


Managing Director


Chairman

**Hoda Vasi
Chowdhury & Co**


**Doreen Power Generations and Systems Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2019**

	2019 Taka	2018 Taka
A. Cash flows from operating activities		
Received from customers	6,942,501,000	6,469,761,093
Payment to suppliers and others	(5,544,607,530)	(4,734,379,767)
Payment for direct expenses and administrative expenses	(92,316,583)	(127,868,641)
Cash generated from operating activities	1,305,576,888	1,607,512,685
Financial expenses paid	(462,273,296)	(460,751,796)
Income tax paid	(1,203,392)	(1,985,240)
Net cash flow from operating activities	842,100,199	1,144,775,649
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(179,008,717)	(167,930,796)
Capital work in progress	(234,270)	(33,448,899)
Investment in FDR	(12,842,044)	(2,760,911)
Interest received	990,536	1,918,101
Paid to subsidiaries and sister concerns	(344,702,826)	(446,903,146)
Investment in subordinated loan	-	(746,300,000)
Insurance claim received	7,852,288	6,000,000
Investment in Chandpur Power Generations Ltd.	(39,900,000)	-
Advance payment for land and land development	(40,130,918)	(36,803,307)
Net cash used in investing activities	(607,975,951)	(1,446,230,958)
C. Cash flows from financing activities		
Received from/(Repayment of) short term loan	456,996,639	1,015,256,052
Proceeds from share money deposit	-	36,000,000
Repayment of long term loan	(708,052,813)	(674,152,171)
Dividend paid	(42,868,012)	(23,670,869)
Net cash flows from financing activities	(293,924,186)	353,433,013
D. Net increase/(decrease) in cash and bank balance (A+B+C)	(59,799,938)	51,977,704
E. Unrealized foreign exchange gain/ (loss)	-	-
F. Cash and bank balances at beginning of the period	80,854,684	28,876,980
G. Cash and bank balances at the end of the period	21,054,745	80,854,684
Consolidated Net Operating Cash Flow Per Share (CNOCFPS) [Note: 33(a)]	7.25	9.86

The annexed notes from 01 to 41 form an integral part of these Consolidated Financial Statements.

Dhaka
31 August 2019


Company Secretary


Managing Director


Chairman


Doreen Power Generations and Systems Limited

Statement of Financial Position

As at 30 June 2019

	Notes	2019 Taka	2018 Taka
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	4,397,883,407	4,370,945,896
Capital work in progress	5	2,598,461,277	2,604,661,086
Investments	6	-	39,573,899
		1,799,422,130	1,726,710,911
Current Assets			
Inventories	7	454,469,161	495,254,345
Trade and other receivables	8	55,843,847	48,560,217
Advance, deposit and prepayments	9	285,456,718	290,901,971
Current A/C with subsidiaries and sister concerns	10	27,105,197	38,389,420
Cash and bank balances	11	77,297,065	116,087,942
		8,766,334	1,314,795
TOTAL ASSETS		4,852,352,568	4,866,200,241
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	12	3,512,033,592	3,365,997,723
Share premium	13	1,161,600,000	1,056,000,000
Retained earnings	14	361,849,889	361,849,889
Revaluation surplus	15	1,304,389,444	1,234,646,001
		684,194,260	713,501,833
Non-Current Liabilities			
Long term loan net of current maturity	17	637,739,733	843,866,560
Deferred tax liability	18	636,660,863	842,787,690
		1,078,870	1,078,870
Current Liabilities			
Trade payable	19	702,579,243	656,335,958
Current portion of long term loan	20	167,030,846	168,415,195
WPPF and WF payable	21	367,112,857	311,454,612
Short term loan	22	9,279,348	9,279,348
Liabilities for expenses and others	23	129,665,822	144,622,486
Provision for income tax	24	28,674,043	21,744,765
		816,327	819,553
TOTAL LIABILITIES		1,340,318,976	1,500,202,518
TOTAL EQUITY AND LIABILITIES		4,852,352,568	4,866,200,241
Net Assets Value (NAV) per share	25	30.23	28.98

The annexed notes from 01 to 41 form an integral part of these Financial Statements.

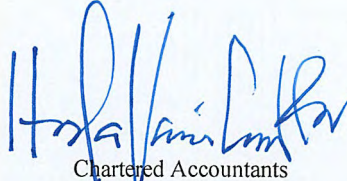

Company Secretary


Managing Director


Chairman

As per our annexed report of same date

Dhaka
31 August 2019


Chartered Accountants

Doreen Power Generations and Systems Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Notes	2019 Taka	2018 Taka
Revenue	26	1,123,366,840	1,135,785,948
Less: Cost of sales	27	748,755,347	744,170,308
Gross profit		374,611,493	391,615,640
Less: Operating expenses			
General and administrative expenses	28	45,130,734	44,730,605
Gross operating profit for the year		329,480,759	346,885,035
Less: financial expense	29	140,303,025	123,711,813
Net operating profit for the year		189,177,735	223,173,222
Add: non-operating income			
Finance income	30	622,334	733,783
Profit before income tax		189,800,068	223,907,005
Less: Income tax expense	31	414,196	321,668
Net profit after income tax		189,385,872	223,585,338
Other comprehensive income		-	-
Total comprehensive income		189,385,872	223,585,338
Earning Per Share (EPS)/Restated EPS	32	1.63	1.92

The annexed notes from 01 to 41 form an integral part of these Financial Statements.

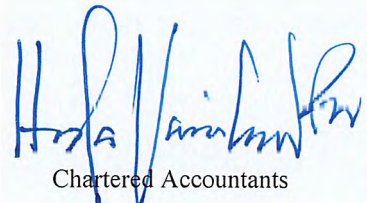

Company Secretary


Managing Director


Chairman

As per our annexed report of same date

Dhaka
31 August 2019


Chartered Accountants

Doreen Power Generations and Systems Limited

Statement of Changes in Equity


For the year ended 30 June 2019

(Amount in Taka)

Particulars	Share capital	Share premium	Revaluation surplus	Retained earnings	Total equity
Balance as at 01 July 2018	1,056,000,000	361,849,889	713,501,833	1,234,646,001	3,365,997,723
Net profit for the period	-	-	-	189,385,872	189,385,872
Stock dividend for the year 2017-2018	105,600,000	-	-	(105,600,000)	-
Cash dividend for the year 2017-2018	-	-	-	(43,350,003)	(43,350,003)
Revaluation surplus realized (depreciation on increased value of assets due to revaluation)	-	-	(29,307,573)	29,307,573	-
Balance as at 30 June 2019	1,161,600,000	361,849,889	684,194,250	1,304,385,444	3,512,033,592
Balance as at 01 July 2017	960,000,000	361,849,889	742,809,406	1,101,755,090	3,166,412,385
Net profit for the period	-	-	-	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	-
Balance as at 30 June 2018	1,056,000,000	361,849,889	713,501,833	1,234,646,001	3,365,997,723

The annexed notes from 01 to 4; form an integral part of these Financial Statements.

Dhaka
31 August 2019


Company Secretary


Managing Director


Chairman

**Hoda Vasi
Chowdhury & Co**

**Doreen Power Generations and Systems Limited
Statement of Cash Flows
For the year ended 30 June 2019**

	2019 Taka	2018 Taka
A. Cash flows from operating activities		
Received from customers	1,121,127,997	1,099,395,460
Payment to suppliers and others	(547,295,672)	(576,529,073)
Payment for general and administrative expenses	(38,612,013)	(49,375,013)
Cash generated from operating activities	535,220,313	473,491,374
Financial expenses paid	(140,303,025)	(123,711,813)
Income tax paid	(417,422)	(1,764,410)
Net cash flow from operating activities	394,499,866	348,015,151
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(153,141,157)	(134,478,932)
Capital work in progress	-	(39,573,899)
Interest received	454,142	822,834
Insurance claim received	7,852,288	6,000,000
Received from subsidiaries and sister concerns	38,790,877	46,412,065
Investment in FDRs	(2,811,219)	(2,760,911)
Investment in Chandpur Power Generations Ltd.	(69,900,000)	(54,000,000)
Net cash used in investing activities	(178,755,069)	(177,578,843)
C. Cash flows from financing activities		
Received from/(Repayment of) short term loan	(14,956,664)	(43,154,074)
Repayment of long term loan	(150,468,582)	(107,741,261)
Dividend paid	(42,868,012)	(23,670,869)
Net cash used in financing activities	(208,293,258)	(174,566,204)
D. Net decrease in cash and bank balances (A+B+C)	7,451,539	(4,129,896)
E. Unrealized foreign exchange gain/ (loss)	-	-
F. Cash and bank balances at beginning of the period	1,314,795	5,444,690
G. Cash and bank balances at the end of the period	8,766,334	1,314,795
Net Operating Cash Flow Per Share (NOCFPS)	3.40	3.00

(Note: 33)

The annexed notes from 01 to 41 form an integral part of these Financial Statements.

Dhaka
31 August 2019

Company Secretary

Managing Director

Chairman

Doreen Power Generations and Systems Limited
Notes to the Consolidated & Separate Financial Statements
As at and for the year ended 30 June 2019

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 29 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 won 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 the Government of Bangladesh "Supply, Installation and Putting in Commercial Operation of 22 MW Gas Fired Power Plant at Feni, Tangail and Narsingdi each on Build Own and Operate (BOO) basis for a term of 15 years". The Project was approved by the Bangladesh Power Development Board and the 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, 21, Kazi Nazrul Islam Avenue, Dhaka-1000 and the operational Headquarter is located at House # 192/A, Road # 01, Mohakhali DOHS, Dhaka -1206. The Company has been listed with Dhaka Stock Exchange (DSE) and Chottagram Stock Exchanges (CSE) since 30 March 2016.

1.2 Subsidiaries of the Company

The Company has three subsidiaries, namely Dhaka Northern Power Generations Limited (DNPGL), Dhaka Southern Power Generations Limited (DSPGL) and Chandpur Power Generations Limited (CPGL). DNPGL and DSPGL are in operation whereas 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 the Registrar of Joint Stock and Firms (RJSC&F). 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 commercial operation on 17 August 2016. Doreen Power Generations and Systems Limited owns 99.40% shares of the Company.

b) Dhaka Southern Power Generations Limited (DSPGL)

DSPGL was incorporated on 25 June 2012 as a private Company limited by shares with RJSC&F. 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 commercial operation on 17 June 2016. Doreen Power Generations and Systems Limited owns 99.145% shares of the Company.

c) Chandpur Power Generations Limited (CPGL)

CPGL was incorporated on 18 June 2017 as a private Company limited by shares with RJSC&F. 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 on going and management hopes to start commercial operation by 16 June 2020. Doreen Power Generations and Systems Limited owns 99.90% shares of the Company.

Information regarding statutory auditors and accounting period of these subsidiary Companies is given below:

SL no.	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	
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
Narshingdi	23,216	22	23,216 (100%)	22	21 December 2008
Total	69,648	66	69,648	66	

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. According to the agreements, the Company has built the facilities on its own cost and other responsibilities in accordance with the provisions of the agreements and within the technical limits are being followed.

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 out of which two agreements are with Titas Gas Transmission and Distribution Company Limited (TGTDC) for Tangail and Narsingdi plant and one agreement with Bakhrabad Gas Systems Limited (BGSL) for Feni 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 thereof 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, The Securities and Exchange Rules, 1987, The 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 Labour Act (Amendment 2013), 2006;
- The Bangladesh Labour Rules, 2015; and
- The Banking Companies Act, 1991.

2.3 Authorization for issue

These financial statements were authorized for issue by the Board of Directors on 31 August 2019.

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 on going concern basis. The management does not foresee any significant uncertainties regarding going concern issue within the next twelve months from the date when the financial statements are authorized for issue.

2.6 Components of Financial Statements:

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

- Consolidated & Separate Statement of Financial Position;
- Consolidated & Separate Statement of Profit or Loss and Other Comprehensive Income;
- Consolidated & Separate Statement of Changes in Equity;
- Consolidated & Separate 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: 18 Deferred tax liability
- Note: 24 Provision for income tax

2.9 Reporting Period

These financial period of the Company covers twelve months from 01 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:

IASs	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
IFRSs	Title	Remarks
3	Business Combinations	N/A
7	Financial Instruments: Disclosures	Complied
9	Financial Instruments	Complied
10	Consolidated Financial Statements	Complied
12	Disclosure of Interest in Other Entities	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customers	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 Company.

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 (99.90%) are subsidiaries of Doreen Power Generations and Systems Ltd.

(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 Standards 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 are consumed over 5 years, the cost of such items are recognized separately in the carrying amount of respective power plant in accordance with IAS 16: Property, Plant and Equipment.

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, the management of Doreen Power Generations and Systems Limited decided to determine fair market value of the assets and liabilities through revaluation. The Company revalued 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 when the assets are ready for use. 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 and Premises	5%
Office Decoration and Renovation	20%
Power Plant	3.33%
Machine Overhauling	20%
Furniture and Fixture	20%
Office and Electrical 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 comprise of spare parts, lube oil, grease, collent, multipurpose cleaners, bullab etc. These are used for the operation and maintenance of power plants.

3.4.2 Valuation of the inventories

Inventories are stated at the lower of cost and net realizable value in accordance with IAS 2 "Inventories" after making due allowances for any obsolete or slow moving items, if any. Cost is calculated on Weighted Average method.

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Until 30 June 2018, the Company was following IAS-39: 'Financial Instruments: Recognition and Measurement' and IAS-32: 'Financial Instruments: Presentation' for recognition and presentation of financial instruments. However, the management has completed its assessment of IFRS-9: 'Financial Instruments', effective from 01 July 2018 for the Company and concluded that adoption and application of this new standard does not have any material impact on recognition and presentation of the Company's financial instruments. The management has assessed that no restatement is required in year of initial adoption. As a result, the comparative information provided will, continue to be accounted for in accordance with the Company's previous accounting policy.

3.5.1 Financial assets

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

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

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

a) Trade and other receivables

Trade and other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less any expected credit loss.

b) 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.

3.5.2 Financial liabilities

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

a) Trade and other payables

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

b) 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.

c) 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.

3.6 Impairment

3.6.1 Financial assets

Expected Credit Loss (ECL) has been calculated applying the simplified approach permitted by IFRS-9, which requires the use of lifetime expected loss provision for all receivables. There is no material change to the bad debt provisioning of the receivables.

On other financial assets, the Company recognizes a loss allowance for expected credit losses where there have been a Significant Increase in Credit Risk (SICR) considering all reasonable and supportable information including that which is forward-looking.

3.6.2 Non financial assets

The recoverable amount of an asset is the greater of its value in use and its fair value cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the assets in the CGU on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.7 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.

3.8 Workers' profit participation fund and welfare fund

The Company made a provision for Workers' Profit Participation and Welfare Funds (WPPF) @ 5% of net profit before tax till 31 March 2017 as per the Bangladesh Labour 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 Labour and Employment to exempt the Power Producers in private sector from implementation of WPPF as per Labour 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 Labour 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 not to provide further provision for WPPF from 01 April 2017 until the decision of the Ministry of Labour & Employment is made out. This is supported by opinion obtained by the Company from external legal counsel.

3.9 Revenue

Until 30 June 2018, the Company was following IAS-18: 'Revenue' for recognizing its sales revenue, interest income and others. However, the management has completed its assessment of IFRS-15: 'Revenue from contracts with customers', effective from 01 July 2018 for the Company and concluded that adoption and application of this new standard does not have any impact on the timing of revenue recognition based on the Company's current revenue streams. Hence, no restatement in this respect is required in the year of initial adoption. As a result, the comparative information provided will continue to be accounted for in accordance with the Company's previous accounting policy.

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.

3.10 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-ATN/AIKOR/2009 dated 01 July 2009 of NBR.

3.11 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.

3.12 Non-controlling interest

Non-controlling interest is that portion of the profit or loss and net assets of the subsidiaries namely 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.

3.13 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.

3.14 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.

3.15 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 (2018-2019)

The Bonus Shares issued during 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.

3.16 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 either require adjustments or disclosure in these financial statements.

3.17 Standards issued but not yet effective for the Company

IFRS-16: Leases has been effective from the period beginning on or after 01 January 2019 requires leasees to recognize a lease liability reflecting future lease payments and a right-of-use asset for lease contracts, subject to limited exceptions for short-term leases and leases of low value assets. The quantitative impact of IFRS-16 on the Company's net assets and results is in the process of being assessed, and the management has collated its initial data set to determine the impact on the Company. IFRS-16 will have insignificant impact on the balance sheet and immaterial impact on key components within the income statement. IFRS-16 will not have any impact on the underlying commercial performance of the Company, nor the cash flows generated in the year.

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 are given under note 41.

	2019 Taka	2018 Taka
4. Property, plant and equipment		
A. Cost/revaluation		
Opening Balance	3,411,564,759	3,255,705,699
Add: Addition during the year	192,715,056	155,859,060
	3,604,279,815	3,411,564,759
Less: Disposal during the year	17,159,911	-
	<u>3,587,119,904</u>	<u>3,411,564,759</u>
(B) Accumulated depreciation		
Opening Balance	806,903,673	648,661,933
Add: Charged during the year	198,914,865	158,241,741
	1,005,818,538	806,903,673
Less: Adjustment for disposal	17,159,911	-
	<u>988,658,627</u>	<u>806,903,673</u>
(C) Written down value (A-B)	<u>2,598,461,277</u>	<u>2,604,661,086</u>
(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) 2,598,461,277	2,604,661,086
Dhaka Northern Power Generations Limited	3,542,611,705	3,715,743,179
Dhaka Southern Power Generations Limited	3,410,285,189	3,567,489,325
	<u>9,551,358,171</u>	<u>9,887,893,590</u>
5. Capital Work In Progress		
Opening balance	39,573,899	21,380,128
Add: Addition during the year	-	39,573,899
	39,573,899	60,954,027
Less: Transferred to property, plant and equipment	39,573,899	21,380,128
	<u>-</u>	<u>39,573,899</u>
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
Chandpur Power Generations Limited	3,109,270	2,875,000
	<u>3,109,270</u>	<u>42,448,899</u>
6. Investments		
Investment in Rupali Engineers and Traders Ltd.	26,000	26,000
Investment in Subsidiaries	(Note: 6.1) 1,791,100,000	1,721,200,000
Investment in FDR	8,296,130	5,484,911
	<u>1,799,422,130</u>	<u>1,726,710,911</u>
6.1 Investments in subsidiaries		
Dhaka Northern Power Generations Limited	(Note: 6.1.1) 977,100,000	977,100,000
Dhaka Southern Power Generations Limited	(Note: 6.1.2) 684,100,000	684,100,000
Chandpur Power Generations Limited	(Note: 6.1.3) 129,900,000	60,000,000
	<u>1,791,100,000</u>	<u>1,721,200,000</u>
Doreen Power Generations and Systems Limited has acquired 399,000 shares of Chandpur Power Generations Limited (CPGL) from Doreen Power House and Technologies Limited on 11 April 2019 at price of Tk.100 per share. During the year Company has also invested Tk.30,000,000 as share money deposit to CPGL.		
6(a) Consolidated investments		
Doreen Power Generations and Systems Limited	(Note: 6) 1,799,422,130	1,726,710,911
Dhaka Northern Power Generations Limited	314,300,000	314,300,000
Dhaka Southern Power Generations Limited	442,030,825	432,000,000
	<u>2,555,752,955</u>	<u>2,473,010,911</u>
Less: Investment in subsidiaries	(Note: 6.1) 1,791,100,000	1,721,200,000
	<u>764,652,955</u>	<u>751,810,911</u>

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7. Inventories of the Company

Spare parts (Maintenance)
Lube oil
Grease
Bulab, Multi-purpose Cleaner

	2019 Taka	2018 Taka
	49,032,444	45,159,911
	6,811,403	3,153,186
	-	89,500
	-	157,620
	55,843,847	48,560,217

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

Movement of Inventory items is given below:

Inventory	Balance as at 01 July 2018	Purchase during the year	Consumption during the year	Balance as at 30 June 2019
Spare parts	45,159,911	71,179,395	67,306,862	49,032,444
Lube Oil	3,153,186	36,228,060	32,569,843	6,811,403
Grease	89,500	478,408	567,908	-
Bulab, Multi-purpose Cleaner	157,620	1,117,100	1,274,720	-
	48,560,217	109,002,963	101,719,333	55,843,847

As the Company deals in large number of items which vary in units, item-wise quantity statement of inventories could not be given.

7 (a) Consolidated inventories

Doreen Power Generations and Systems Limited	(Note: 7)	55,843,847	48,560,217
Dhaka Northern Power Generations Limited	(Note: 7.1)	544,929,748	39,990,982
Dhaka Southern Power Generations Limited	(Note: 7.1)	469,573,583	389,961,464
		1,070,347,178	478,512,664

8. Trade and other receivables

Bangladesh Power Development Board (BPDB)	219,349,354	214,868,187
Rural Electrification Board (REB)	64,435,763	66,678,087
Insurance claim receivables	1,454,992	9,307,280
Interest income receivables	216,609	48,417
	285,456,718	290,901,971

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 2019.

The aging of above trade and other receivables as at the statement of financial position date was:

Past due 0-30 days	125,354,205	119,854,154
Past due 31-90 days	158,647,521	161,740,537
Past due more than 90 days	1,454,992	9,307,280
	285,456,718	290,901,971

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		2019 Taka	2018 Taka
8 (a) Consolidated trade and other receivables			
Doreen Power Generations and Systems Limited	(Note: 8)	285,456,718	290,901,971
Dhaka Northern Power Generations Limited		616,905,468	606,890,759
Dhaka Southern Power Generations Limited		603,054,718	536,132,105
		1,505,416,904	1,433,924,835
9. Advance, deposits and prepayments of the Company			
Advance	(Note: 9.1)	9,970,123	19,291,337
Deposits	(Note: 9.2)	13,182,762	13,198,221
Prepayments	(Note: 9.3)	3,952,312	5,899,862
		27,105,197	38,389,420
a) All the advances & deposits are considered as good and recoverable.			
b) There is no amount due from directors of the Company.			
9.1 Advance			
Advances to staff and others		810,674	1,512,174
Advance income tax		979,999	606,271
Advance against land purchase		-	3,898,200
Advance against LC for spare parts		526,350	12,101,573
LC margin for spare parts		7,653,100	1,173,119
		9,970,123	19,291,337
*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		12,482,044	12,497,503
Security deposit to Central Depository Bangladesh Limited (CDBL)		500,000	500,000
		13,182,762	13,198,221
9.3 Prepayments			
BERC license fee		27,600	27,600
Commission on bank guarantee		2,134,272	882,108
Prepayments for C&F and EIA expenses		26,670	3,551,396
Advance to Adex Power		325,000	-
Insurance premium		1,438,770	1,438,758
		3,952,312	5,899,862
9(a) Consolidated advance, deposits and prepayments			
Doreen Power Generations and Systems Limited	(Note: 9)	27,105,197	38,389,420
Dhaka Northern Power Generations Limited		250,034,306	246,907,491
Dhaka Southern Power Generations Limited		25,787,796	28,874,754
Chandpur Power Generations Limited		92,247,873	53,341,307
		395,175,172	367,512,972
The aging of Advances, Deposits & Prepayments as at the statement of financial position date was as follows:			
Past due 0-30 days		837,344	5,063,570
Past due 31-90 days		9,618,220	14,711,490
Past due 91-180 days		3,114,271	1,488,379
Past due more than 180 days		13,535,362	17,124,021
		27,105,197	38,389,420

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2019 Taka	2018 Taka
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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	13,535,362	17,124,021
Advance, Deposit and Prepayments not exceeding 6 months	13,569,835	21,265,399
Other Advance, Deposits & Prepayments less provision	17,135,074	19,098,083
Advance, Deposits and Prepayments considered Good and Secured	26,294,523	36,877,246
Advance, Deposits and Prepayments considered Good without Security	810,674	1,512,174
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)	66,000	66,000
Advance, Deposits and Prepayments due from Companies under same mgt	-	-
Maximum Advance, Deposits & Prepayments due by Directors	-	-

10. Current A/C with subsidiaries and sister concerns

Asian Entech Power Corporations Ltd.	1,383,101	1,300,000
Banco Energy Generation Limited	(36,218,000)	(9,248,000)
Bhairob Power Limited	-	4,113,000
Chandpur Power Generations Limited	(1,260,451)	(1,994,300)
Dhaka Northern Power Generations Limited (Note: 10.1)	(160,470,830)	(82,249,291)
Dhaka Southern Power Generations Limited	181,235,432	296,005,847
Doreen Garments Ltd.	4,200,000	1,800,000
Doreen Power House and Technologies Ltd.	48,017,813	(97,749,314)
Manikgonj Power Generations Limited	40,360,000	4,060,000
Rupali Engineers and Traders Ltd.	50,000	50,000
	77,297,065	116,087,942

10.1 The Board of Directors presenting in the meeting of Doreen Power Generations and Systems Limited held on 12 July 2018 decided to give or take temporary loan up to Tk. 20 crore through current account maintained with its subsidiaries and sister concerns namely Dhaka Northern Power Generations Limited, Dhaka Southern Power Generations Limited and Chandpur Power Generations Limited, Banco Energy Generation Limited, Doreen Power House and Technologies Limited, Doreen Garments Limited, Manikgonj Power Generations Limited, Doreen Garments Limited, Rupali Engineers Limited and Asian Entech Power Corporations Limited for emergency business need and charged/paid interest on outstanding balance

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

10(a) Consolidated current A/C with subsidiaries and sister concerns

Doreen Power Generations and Systems Limited (Note: 10)	77,297,065	116,087,942
Dhaka Northern Power Generations Limited	479,539,725	392,855,230
Chandpur Power Generations Ltd.	25,979,554	38,026,060
Dhaka Southern Power Generations Limited	330,177,650	21,321,936
	912,993,994	568,291,168
Less: Inter-Company Transaction	-	-
	912,993,994	568,291,168

11. Cash and bank balance

Cash in hand	314,730	28,536
Cash at bank (Note: 11.1)	8,451,604	1,286,259
	8,766,334	1,314,795

11.1 Cash at bank

Name of the Bank	Branch Name	Account Name		
Bank Asia Limited	Corporate	CD A/C 000233011084	6,143	7,293
Bank Asst Limited	Shantinagar	STD A/C 03533000260	2,000	4,300
BRAC Bank Limited	Gulshan	CD # 1101202101190001	21,313	21,128
Dhaka Bank Limited	Baridhara	CD A/C 218-100-2671	49,826	146,976
Islami Bank BD Ltd.	HOCB	AWCA # 205021301001818	8,175	9,325
NCC Bank Limited	Mojjheel	CD A/C 0210014963	322,436	-
NCC Bank Limited	Mojjheel	STD A/C 0002-0325000902	5,881	6,903
Prime Bank Limited	Mohakhali	CD # 11011080011964	180,417	272,593
The City Bank Ltd.	Gulshan-2	CA # 1101823203002 (Dividend)	229,016	229,856
The City Bank Ltd.	Gulshan-2	CA # 1101823203003 (Dividend)	271,849	331,246
The City Bank Ltd.	Gulshan-2	CA # 1101823203004 (Dividend)	531,683	-
The City Bank Ltd.	Gulshan	CA # 1101823203001	6,760,104	169,676
The City Bank Ltd.	Gulshan	SND# 3101823203001	62,559	86,963
			8,451,604	1,286,259

11(a) Consolidated cash and bank balance

Doreen Power Generations and Systems Limited (Note: 11)
Dhaka Northern Power Generations Limited
Dhaka Southern Power Generations Limited
Chandpur Power Generations Limited

	2019 Taka	2018 Taka
	8,766,334	1,314,795
	1,167,263	77,550,328
	10,939,832	1,324,881
	181,317	664,680
	21,054,745	80,854,684

12. Share capital

Authorized capital

200,000,000 ordinary shares of Taka 10 each

	2,000,000,000	2,000,000,000
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Issued, subscribed and paid up capital

60,000,000 ordinary shares issued for cash
20,000,000 ordinary shares issued through IPO
16,000,000 ordinary shares issued as Stock dividend for year 2015-16
9,600,000 ordinary shares issued as Stock dividend for year 2016-17
10,560,000 ordinary shares issued as Stock dividend for year 2017-18

	600,000,000	600,000,000
	200,000,000	200,000,000
	160,000,000	160,000,000
	96,000,000	96,000,000
	105,600,000	-
	1,161,600,000	1,056,000,000

12.1 A distribution schedule of the above shares is given below:

Name of shareholders	% of Holding	No. of shares		Amount in Taka	
		30.06.2019	30.06.2018	30.06.2019	30.06.2018
Asian Entech Power Corporation Ltd.	63.338%	73,803,993	73,439,994	738,039,930	734,399,940
OPG Energy Pvt. Ltd.	0.068%	79,206	72,006	792,060	720,060
Ms. Parveen Alam Siddique	0.258%	300,000	2,508,000	3,000,000	25,080,000
Mr. Tahzeeb Alam Siddique	2.117%	2,458,800	-	24,588,000	-
Ms. Anjabeen Alam Siddique	0.615%	714,107	649,189	7,141,070	6,491,890
Mr. Md. Ali Akbar	0.003%	3,963	3,603	39,630	36,030
Ms. Hamida Matin	0.003%	3,963	3,603	39,630	36,030
Ms. Afza Hasnat	0.003%	3,963	3,603	39,630	36,030
General Investors	33.394%	38,790,005	28,900,002	387,900,050	289,000,020
	100%	116,160,000	105,600,000	1,161,600,000	1,056,000,000

The shares are listed with the Dhaka & Chittagong Stock Exchanges and quoted at Taka 78.20 and Taka 79.40 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	30.06.2019	30.06.2018
	2019	2018	No of shares	No of shares
Up to 499	0.52%	0.60%	608,609	631,871
500-5,000	4.11%	4.83%	4,771,614	5,104,299
5,001-10,000	2.01%	2.30%	2,337,356	2,430,807
10,001-20,000	2.41%	2.66%	2,804,070	2,806,327
20,001-30,000	1.59%	1.55%	1,846,597	1,637,064
30,001-40,000	0.86%	0.78%	1,004,771	824,890
40,001-50,000	0.72%	0.98%	838,044	1,031,783
50,001-100,000	2.34%	1.95%	2,719,698	2,063,161
100,001-1,000,000	7.79%	8.41%	9,044,917	8,876,336
Above 1,000,000	77.64%	75.94%	90,184,324	80,193,462
	100%	100%	116,160,000	105,600,000

13. Share premium

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

	380,000,000	380,000,000
	18,150,111	18,150,111
	361,849,889	361,849,889

		2019	2018
		Taka	Taka
14. Retained earnings			
Opening Balance		1,234,646,001	1,101,753,091
Net Profit for the year		189,385,872	223,585,338
Add: Revaluation surplus realized	(Note:15)	29,307,573	29,307,573
Less: Stock dividend declared for the year (10%)		(105,600,000)	(96,000,000)
Cash dividend declared for the year (15%)		(43,350,003)	(24,000,000)
		1,304,389,444	1,234,646,001
14(a) Consolidated retained earnings			
Opening Balance		2,129,042,678	1,387,213,958
Adjustment for change in holding percentage of Non-Controlling Interest		(2,059,619)	3,245,689
		2,126,983,058	1,390,459,648
Add: Net Profit for the period		918,272,268	829,275,457
Revaluation surplus realized	(Note:15)	29,307,573	29,307,573
Less: Stock dividend declared for the year (10%)		(105,600,000)	(96,000,000)
Cash dividend declared for the year (15%)		(43,350,003)	(24,000,000)
		2,925,612,897	2,129,042,678
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			
	Land and land development, building & premises and power plant was revalued at 01 July 2012 by an independent valuer named Rahman Mostafa Alam and Co., Chartered Accountants. Market value approach of valuation was used for land and land development and replacement cost approach of valuation was used for building & premises and power plant. Since then there was no significant change in the fair value of assets and hence, no revaluation or impairment was required.		
Opening Balance		713,501,833	742,809,406
Transfer to retained earnings for depreciation on revalued value of assets		(29,307,573)	(29,307,573)
		684,194,260	713,501,833
16. Non-controlling interest			
Dhaka Southern Power Generations Limited	(Note: 16.1)	12,474,530	9,491,833
Dhaka Northern Power Generations Limited	(Note: 16.2)	11,134,165	8,801,633
Chandpur Power Generations Limited	(Note: 16.3)	91,469	37,935,219
		23,700,163	56,228,686
16.1 Dhaka Southern Power Generations Limited			
Paid up capital		793,500,000	793,500,000
Retained earnings		665,361,003	316,548,404
Total net assets		1,458,861,003	1,110,048,404
Non-controlling interest @ 0.8551%		12,474,530	9,491,833
16.2 Dhaka Northern Power Generations Limited			
Paid up capital		983,000,000	983,000,000
Retained earnings		872,694,099	483,938,911
Total net assets		1,855,694,099	1,466,938,911
Non-controlling interest @ 0.60%		11,134,165	8,801,633
16.3 Chandpur Power Generations Limited			
Paid up capital		100,000,000	100,000,000
Retained loss		(8,531,486)	(5,161,953)
Total net assets		91,468,514	94,838,047
Non-controlling interest @ 0.10% and 40%		91,469	37,935,219

On 11 April 2019 Doreen Power Generations and Systems Limited acquired 399,000 shares of Chandpur Power Generations Limited from Doreen Power House and Technologies Limited at price of Tk.100 per share and the new shareholding stood at 99.90% at the reporting date. As a result, non-controlling interest decreased to 0.10% from 40%.

17. Long term loan net off current maturity

TCBL TL A/C # 9191823203001
TCBL TL A/C # 9171823203001
TCBL TL A/C # 9171823203002
TCBL TL A/C # 9171823203003
TCBL TL A/C # 9191823203003
TCBL TL A/C # 9191823203002
TCBL TL A/C # 9171823203004
TCBL TL A/C # 9171823203005
TCBL TL A/C # 9171823203006
TCBL TL A/C # 9171823203007
Loan from IPDC

	2019 Taka	2018 Taka
	236,538,146	338,099,272
	1,567,028	2,011,044
	12,842,907	16,604,952
	116,505,747	143,995,396
	27,926,418	41,722,219
	426,656,894	611,809,419
	9,421,946	-
	5,358,991	-
	46,539,040	-
	45,061,342	-
	75,355,261	-
	1,003,773,720	1,154,242,302
	367,112,857	311,454,612
	636,660,863	842,787,690

Less: Current portion of long term loan

(Note: 20)

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	29 Crore	5 Years	Term loan	To take over existing term loan of NCCB
TCBL term loan A/C 9191823203002	52.02 Crore	5 Years	Term loan	To takeover existing HPSM (Ijhara Bond with IBBL
TCBL term loan A/C 9191823203003	55.95 Crore	5 Years	Term loan	To pay the accepted liabilities against import all necessary items to execute the Gen Set overhauling power plants
IPDC Finance Ltd.	10.00 Crore	3 year	Term loan	To procure Spare Parts and support overhauling works

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

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

(Note: 17)

	636,660,863	842,787,690
	2,015,996,127	2,327,981,748
	2,102,170,043	2,381,996,103
	4,754,827,033	5,552,765,541

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, the 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

1,078,870

1,078,870

Deferred tax calculation details:

	Carrying amount	Tax base	Taxable temporary difference
	Taka	Taka	Taka
As at 30 June 2019			
Revaluation reserve of Land	35,962,317	-	35,962,317
Applicable tax rate			3.00%
Deferred tax liability			1,078,870

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	2019 Taka	2018 Taka	
	Carrying amount	Tax base	Taxable temporary difference
	Taka	Taka	Taka
As at 30 June 2018			
Revaluation reserve of Land & Land Development	35,962,317	-	35,962,317
Applicable tax rate			3.00%
Deferred tax liability			1,078,870

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 and Land Development @ 3.00%.

19. Trade payables of the Company

Gas bill payable to Titas Gas Transmission Limited	87,402,076	99,661,485
Gas bill payable to Bakhrabad Gas Systems Limited	63,767,260	56,896,540
Lubricant bill payable to MJL Bangladesh Limited	1,178,930	1,178,930
Rangs Petroleum Limited	14,682,580	10,678,240
	167,030,846	168,415,195

Aging of the above payables is given below:

Past due 0-30 days	35,748,235	32,552,740
Past due 31-90 days	64,213,722	77,339,065
Past due over 91 days	67,068,889	58,523,390
	167,030,846	168,415,195

All the trade payables are regular in payments.

19(a) Consolidated trade payables

Doreen Power Generations and Systems Limited	(Note: 19)	167,030,846	168,415,195
Dhaka Northern Power Generations Limited		5,331,014	10,638,637
Dhaka Southern Power Generations Limited		10,640,537	10,801,454
		183,002,397	189,855,286

20. Current portion of long term loan of the Company

TCBL TL A/C # 9191823203001	91,564,128	91,564,128
TCBL TL A/C # 9171823203001	520,165	637,212
TCBL TL A/C # 9171823203002	4,342,544	5,365,188
TCBL TL A/C # 9171823203003	34,249,695	41,568,444
TCBL TL A/C # 9191823203003	12,320,844	12,319,644
TCBL TL A/C # 9191823203002	159,999,996	159,999,996
TCBL TL A/C # 9171823203004	3,024,420	-
TCBL TL A/C # 9171823203005	1,650,456	-
TCBL TL A/C # 9171823203006	14,465,100	-
TCBL TL A/C # 9171823203007	13,023,000	-
Loan from IPDC	31,952,509	-
	367,112,857	311,454,612

20(a) Consolidated current portion of long term loan

Doreen Power Generations and Systems Limited	(Note: 20)	367,112,857	311,454,612
Dhaka Northern Power Generations Limited		309,786,822	275,540,414
Dhaka Southern Power Generations Limited		157,771,917	157,790,875
		834,671,596	744,785,901

21. WPPF and WF Payable

Opening balance	9,279,348	16,569,348
Less: Paid during the year	-	7,290,000
	9,279,348	9,279,348

2019 Taka	2018 Taka
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22. Short term loan

Liabilities against UPAS L/Cs		61,252,642	25,799,196
TCBL- SOD-9201823203001	(Note# 21.01)	61,774,011	61,801,030
TCBL- STL-6881823203008		4,784,751	-
TCBL- STL-6881823203009		1,854,418	-
TCBL- STL-6881823203001		-	395,388
TCBL- STL-6881823203002		-	1,484,383
TCBL- STL-6881823203003		-	1,266,885
NCC Bank Limited -A/C 0210014963		-	3,875,604
Loan from IPDC		-	50,000,000
		129,665,822	144,622,486

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	Status
The City Bank Ltd.	6.00 crore	1 year	Secured Over Draft (SOD)	Revolving
	14.25 Crore	1 year	Short Term Loan	
IPDC Finance Ltd.	5.00 Crore	1 year	Short Term	One-off

??(a) Consolidated short term bank loan

Doreen Power Generations and Systems Limited	(Note. 22)	129,665,822	144,622,486
Dhaka Northern Power Generations Limited		1,519,751,004	1,280,910,699
Dhaka Southern Power Generations Limited		1,501,472,948	1,268,359,950
		3,150,889,774	2,693,893,135

23. Liabilities for expenses and others

Salary and allowances payable	7,648,692	6,485,421
Land lease rent payable to REB	1,875,000	1,875,000
Security bill payable to Falcon Security	67,596	67,596
Printing Bill payable	3,482	3,482
Payable to Gas Gen & Equipment Ltd.	139,300	139,300
Withholding Tax & VAT payable	1,843,183	1,835,365
Service bill payable to Clark Energy, Energypac & MAN Energy	2,986,489	4,582,626
Utility bills payable	52,186	123,125
Audit fee payable	460,000	460,000
Internet and Telephone bill payable	79,119	66,738
Maxi guard bill payable to SS Trade Link	362,750	361,397
Payable to Bhai Bhai & Nahan Enterprise	815,000	15,000
Dormitory expense payable	168,500	80,500
Spare parts bill payable to Khaja Ajmeri	3,734,400	1,627,500
Car Maintenance Bill	70,000	70,000
Credit rating fee payable	113,000	50,000
C & F bill payable	2,124,724	115,750
Coolant bills payable to Aquacare, JTZ & Pacific	685,075	544,175
Spare Parts Bill payable to Active Energy	115,300	115,300
Payable to Revorio Power against Machine Service	198,645	200,000
Payable to Feather Line & Process Automation	65,341	6,231
Payable to BGIC & Green Delta Insurance	896,459	578,839
Consultancy Fee Payable to Miah/Adroit	-	147,000
Dividend payable	1,043,092	561,101
Office Rent Payable	2,418,013	1,246,013
Service bill payable to Atlas Energy Limited	60,000	60,000
Payable to ICCL & Kamal Trading	203,233	-
Payable to TULONA & HANIPRA	711,114	141,111
Payable to Salina Metal & Safety Fire Protection	149,650	600
	28,674,043	21,744,765

a) All accrued expenses are paid on regular basis; and

b) Salary and Allowances for the month of June 2019 has been paid in subsequent month.

c) DIVIDEND PAYABLE IS THE BALANCE OF THE DIVIDEND REFUNDED/UNCLAIMED DURING THE YEAR.

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		2019 Taka	2018 Taka
23(a) Consolidated liabilities for expenses			
Doreen Power Generations and Systems Limited	(Note: 23)	28,674,043	21,744,765
Dhaka Northern Power Generations Limited		42,398,560	31,871,691
Dhaka Southern Power Generations Limited		60,892,453	48,080,004
Chandpur Power Generations Limited		49,500	69,000
		132,014,556	101,765,460
24. Provision for income tax			
Opening balance		819,553	2,262,295
Provision made during the year	(Note: 31)	155,583	321,668
		975,136	2,583,963
Less: Settlement during the year		158,809	1,764,410
		816,327	819,553
24(a) Consolidated provision for income tax			
Doreen Power Generations and Systems Limited	(Note: 24)	816,327	819,553
Dhaka Northern Power Generations Limited		530,589	355,870
Dhaka Southern Power Generations Limited		40,693	27,674
		1,387,608	1,203,096
25 Net Asset Value (NAV) Per Share			
Net Assets (Total Assets- Liabilities)		3,512,033,592	3,365,997,723
Number of ordinary shares outstanding (Denominator)	(Note: 32.1)	116,160,000	116,160,000
		30.23	28.98
25(a) Consolidated Net Asset Value (CNAV) Per Share			
Net Assets (Total Assets- Liabilities)		5,133,257,046	4,260,394,400
Number of ordinary shares outstanding (Denominator)	(Note: 32.1)	116,160,000	116,160,000
		44.19	36.68

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26 Revenue

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

2019 Taka	2018 Taka
767,594,227	768,068,511
355,772,613	367,717,437
1,123,366,840	1,135,785,948

Plant wise details:

Tangail Plant
Narsingdi Plant
Feni Plant

377,857,780	380,434,897
355,772,613	367,717,437
389,736,447	387,633,614
1,123,366,840	1,135,785,948

Unit/Quantity wise schedule of sales relating to the financial statements for the year ended 30 June 2019 as required under Schedule XI, Part-II of the Companies Act 1994 is given:

Particulars	From 01.07.18 to 30.06.19		From 01.07.17 to 30.06.18	
	Kilowatt	Amount (Tk.)	Kilowatt	Amount (Tk.)
Bangladesh Power Development Board	296,215,396	767,594,227	300,958,557	768,068,511
Rural Electrification Board	119,770,429	355,772,613	134,458,848	367,717,437
Total	415,985,826	1,123,366,840	435,417,405	1,135,785,948

26(a) Consolidated revenue

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

(Note: 26)

1,123,366,840	1,135,785,948
3,011,473,575	2,850,707,472
2,886,836,751	2,674,001,770
7,021,677,166	6,660,495,190

27. Cost of sales

Gas consumption
Direct expenses

(Note: 27.1)

382,615,516	398,306,400
366,139,831	345,863,908
748,755,347	744,170,308

Plant wise details of gas consumption

Tangail Plant
Narsingdi Plant
Feni Plant

135,940,305	136,732,055
106,246,528	119,989,602
140,428,683	141,584,743
382,615,516	398,306,400

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

Consumption during the year	From 01.07.18 to 30.06.19		From 01.07.17 to 30.06.18	
	Cubic Meter	Amount	Cubic Meter	Amount
Tangail Power Plant	43,019,120	135,940,305	43,269,638	136,732,055
Narsingdi Power Plant	33,622,320	106,246,528	37,971,393	119,989,602
Feni Power Plant	44,439,457	140,428,683	44,805,364	141,584,743
	121,080,897	382,615,516	126,046,395	398,306,400

27.1 Direct Expenses

Lubricants Expenses
Direct labor charge
Spare parts
Salaries and allowances
Operational and maintenance expense
Land lease rent to REB
Depreciation

32,569,843	37,333,783
764,320	300,500
67,306,862	86,735,292
46,306,121	40,744,790
18,849,255	21,855,644
1,500,000	1,500,000
198,843,430	157,393,899
366,139,831	345,863,908

*** Spare parts consumption and operational and maintenance expense decreased significantly compared to last year since a major overhauling was done using major spare parts this year. On the other hand, depreciation expense has increased due to charging depreciation on newly capitalized major overhauling expenditure.

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	2019 Taka	2018 Taka
27(a) Consolidated cost of sales		
Doreen Power Generations and Systems Ltd.	748,755,347	744,170,308
Dhaka Northern Power Generations Limited	2,428,081,150	2,315,513,281
Dhaka Southern Power Generations Limited	2,339,429,642	2,190,850,971
	5,516,266,139	5,250,534,560
28. General and administrative expenses		
Salaries & allowances	9,203,050	9,285,321
Director's remuneration	3,960,000	3,960,000
Audit fee	460,000	460,000
Utility bills	389,419	368,530
Advertisement expense	1,374,188	753,382
AGM Expenses	1,031,665	1,092,555
Membership fee of BIPPA	-	250,000
BERC license Fee	165,600	165,600
Books and periodicals	380	22,070
Car fuel expenses	1,371,741	1,098,150
Car maintenance expense	245,630	326,450
Carrying expenses	628,400	592,900
Common stock for official use	286,817	52,204
Corporate social responsibility	25,000	600,000
Credit Rating fee	74,900	80,500
Electric pole expense	420,000	-
Entertainment expenses	75,115	176,299
Environment compliance cost	281,879	811,860
Fooding expense	2,558,583	2,039,428
Gardening expense	-	10,280
Incuranoo promium	6,539,297	6,539,297
Internet bill	326,922	322,514
Legal and professional fee	57,500	238,046
Licenses and other fees	421,490	1,018,960
DSE, CSE and CDBL annual fee	1,896,425	1,503,716
Medical expense	17,432	12,450
Mobile and telephone bill	579,405	626,302
Office maintenance	830,550	837,192
Office rent	1,380,000	1,452,000
Overtime	57,730	78,870
Postage	25,916	63,244
Printing expense	130,255	164,410
Rent, rates and taxes	73,429	181,605
Repair and maintenance	122,900	75,600
Security service bill	-	752,100
Software expense	25,500	70,000
Surcharge on gas bill	8,923,586	6,985,294
Survey expenses	-	7,500
Human resource development expense	28,400	-
Travelling and conveyance allowance	650,030	541,014
Uniform expenses	420,165	267,120
Depreciation	71,435	847,842
	45,130,734	44,730,605
28(a) Consolidated general and administrative expenses		
Doreen Power Generations and Systems Ltd.	45,130,734	44,730,605
Dhaka Northern Power Generations Limited	33,596,661	35,225,559
Dhaka Southern Power Generations Limited	37,259,300	37,689,846
Chandpur Power Generations Limited	961,043	920,692
	116,947,738	118,566,702

(Note: 27)

(Note: 28)

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		2019 Taka	2018 Taka
29. Finance expenses			
Interest on overdraft loan account		7,104,070	5,881,349
Bank guarantee Commission		878,968	2,332,310
Bank charge		1,698,520	332,165
Interest on long term and short term loan		130,621,467	108,500,524
Interest on commercial paper		-	6,999,757
Foreign exchange (gain)/loss		-	(334,292)
		140,303,025	123,711,813
29(a) Consolidated finance expenses			
Doreen Power Generations and Systems Ltd.	(Note: 29)	140,303,025	123,711,813
Dhaka Northern Power Generations Limited		161,236,933	169,945,292
Dhaka Southern Power Generations Limited		160,701,539	163,066,168
Chandpur Power Generations Limited		2,408,490	4,028,523
		464,649,986	460,751,796
30. Finance income			
Interest income from term deposit with bank		622,334	733,783
30(a) Consolidated finance income			
Doreen Power Generations and Systems Ltd.	(Note: 30)	622,334	733,783
Dhaka Northern Power Generations Limited		499,198	1,016,770
Dhaka Southern Power Generations Limited		37,196	78,497
		1,158,728	1,829,050
31 Income tax expense			
Provision for current period		155,583	183,446
Shortfall in provision for last year		258,613	138,222
		414,196	321,668
31(a) Consolidated income tax expense			
Doreen Power Generations and Systems Ltd.	(Note: 31)	414,196	321,668
Dhaka Northern Power Generations Limited		302,840	379,922
Dhaka Southern Power Generations Limited		670,868	75,074
		1,387,904	776,663
32. Earning per share			
Net Profit attributable to the ordinary shareholders (Tk.)		189,385,872	223,585,338
Weighted average number of shares (Nos.)	(Note: 32.1)	116,160,000	116,160,000
Basic Earning per share (EPS)/Restated EPS (Tk.)		1.63	1.92
32.1 Weighted average number of shares outstanding			
Number of shares before bonus share issued in 2018-19		105,600,000	105,600,000
Bonus shares issued in 2018-19		10,560,000	10,560,000
Weighted average number of shares outstanding(Restated)		116,160,000	116,160,000

* Weighted average number of shares outstanding has been restated/adjusted (as per Para-64 of IAS-33) by the number of Stock Dividend 10,560,000 issued during 2018-19 for income year 2017-18.

32.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the periods presented as the has no dilutive potential ordinary shares.

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	2019 Taka	2018 Taka
32(a) Consolidated earnings per share		
Net Profit attributable to the ordinary shareholders (Tk.)	918,272,268	829,275,457
Weighted average number of shares (Nos.) (Note: 32.1)	116,160,000	116,160,000
Basic Earning Per Share (EPS)/Restated EPS (Tk.)	<u>7.91</u>	<u>7.14</u>
33 Net Operating Cash Flow Per Share (NOCFPS)		
Net operating cash flows	394,499,866	348,015,151
Weighted average number of ordinary shares (Note: 32.1)	116,160,000	116,160,000
Basic Earning Per Share (EPS)/Restated EPS (Tk.)	<u>3.40</u>	<u>3.00</u>
33(a) Consolidated Net Operating Cash Flow Per Share (CNOCFPS)		
Net operating cash flows	842,100,199	1,144,775,649
Weighted average number of ordinary shares (Note: 32.1)	116,160,000	116,160,000
	<u>7.25</u>	<u>9.86</u>

*** Consolidated NOCFPS for 2018-2019 reduced due to significant increase in inventory (HFO) of two subsidiaries of the Company in their separate financial statements.

34 Reconciliation of net profit with cash flow from operating activities

Net profit after income tax	189,385,872	223,585,338
Adjustment for:		
Depreciation	198,914,865	158,241,741
Interest income from bank deposits	(454,142)	(822,834)
Insurance claim received	(7,852,288)	(6,000,000)
Changes in:		
Inventories	(7,283,630)	1,170,232
Trade and other receivables	5,445,253	(30,301,437)
Advance, deposit and prepayments	11,284,224	1,188,836
Trade payable	(1,384,348)	7,888,269
Liabilities for expenses and others	6,447,287	1,797,750
Provision for income tax	(3,226)	(1,442,742)
Net cash flow from operating activities	<u>394,499,866</u>	<u>348,015,151</u>

34(a) Consolidated reconciliation of net profit with cash flow from operating activities

Net profit after income tax	923,584,126	831,694,519
Adjustment for:		
Depreciation	555,118,035	512,082,088
Interest income from bank deposits	(990,536)	(1,918,101)
Insurance claim received	(7,852,288)	(6,000,000)
Changes in:		
Inventories	(591,834,515)	(10,714,529)
Trade and other receivables	(71,492,070)	(184,645,047)
Advance, deposit and prepayments	12,468,719	(3,423,066)
Trade payable	(6,852,888)	18,393,330
Liabilities for expenses and others	29,767,105	(2,194,968)
Provision for income tax	184,512	(1,208,577)
Net cash flow from operating activities	<u>842,100,199</u>	<u>1,144,775,649</u>

35. Financial risk management

International Financial Reporting Standards (IFRSs-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.

35.1 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:

	2019 Taka	2018 Taka
Trade and other receivables	285,456,718	290,901,971
Advance, deposit & prepayments	27,105,197	38,389,420
Current A/C with Subsidiaries & Sister Concerns	77,297,065	116,087,942
Cash and bank balance	8,766,334	1,314,795
	398,625,314	446,694,128

(a) Aging of trade and other receivables

	2019	2018
Past due 0-30 days	125,354,205	119,854,154
Past due 31-90 days	158,647,521	161,740,537
Past due more than 90 days	1,454,992	9,307,280
	285,456,718	290,901,971

(b) Credit exposure by credit rating

	As at 30 June 2019	
	Amount	(%)
Trade receivables	285,456,718	71.61%
Advance, deposit & prepayments	27,105,197	6.80%
Current A/C with Subsidiaries & Sister Concerns	77,297,065	19.39%
Cash and bank balance :		
Cash on hand	314,730	0.08%
Cash at bank	8,451,604	2.12%
Bank Asia Limited	8,143	0.0020%
BRAC Bank Limited	21,515	0.0054%
Dhaka Bank Limited	49,826	0.0125%
Islami Bank Bangladesh Limited	8,175	0.0021%
NCC Bank Limited	328,317	0.0824%
The City Bank Limited	7,855,211	1.9706%
PRIME BANK LIMITED	180,417	0.0453%

35.2 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 2019:

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	636,660,863	-	12.00	-	-	636,660,863
Deferred tax liability	1,078,870	-	-	-	-	1,078,870
Trade payable	167,030,846	Oct-19	-	167,030,846	-	-
Current portion of long term loan	367,112,857	Jun-20	12.00	131,941,884	235,170,973	-
Short term loan	129,665,822	Mar-20	12-15	67,891,811	61,774,011	-
WPP & welfare fund	9,279,348	Jun-20	-	-	9,279,348	-
Liabilities for expenses	28,674,043	Dec-19	-	28,674,043	-	-
Provision for Income Tax	816,327	Jan-20	-	816,327	-	-
	1,340,318,975			396,354,911	306,224,332	637,739,733

35.3 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 optimizing the return.

35.4 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 2019. There are no foreign currency monetary assets and liabilities as at 30 June 2019 resulting net exposure to foreign currency risk is nil.

35.5 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.

2019 Taka	2018 Taka
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36 Contingent liabilities/ Off balance sheet items

36.1 Commitments

Letter of credit -The City Bank Limited

81,224,530

65,580,000

36.2 Contingent liabilities

Bank guarantee

The City Bank Limited

127,725,259

91,736,342

Iolami Bank Bangladesh Limited

55,890,000

55,890,000

NCC Bank Limited

55,611,080

88,509,380

239,226,339

236,135,722

(See Annexure-C for details)

37 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.

a) Transactions with key management personnel

Loans to directors

During the period/year, no loan was given to the directors of the Company.

Key management personnel compensation

Key management personnel compensation comprised the following:

Remuneration (Short-term benefit)

3,960,000

3,960,000

Key management personnel includes the Company's directors. Compensation includes salaries and other non- cash benefits.

b) Other related party transactions of the Company:

Name of Parties	Relationship	Nature of transaction	Net transaction during the period	Outstanding as on 30.06.2019	Outstanding as on 30.06.2018
Doreen Power House & Technologies Ltd.	Sister Concern	Temporary Loan	145,767,127	48,017,813	(97,749,314)
Dhaka Northern Power Generations Limited	Subsidiary Company	Temporary Loan	(78,221,539)	(160,470,830)	(82,249,291)
Dhaka Southern Power Generations Limited	Subsidiary Company	Temporary Loan	(114,770,415)	181,235,432	296,005,847
Banco Energy Generation Ltd.	Common Directors	Temporary Loan	(26,970,000)	(36,218,000)	(9,248,000)
Chandpur Power Generations Limited	Subsidiary Company	Temporary Loan	733,849	(1,260,451)	(1,994,300)
		Investment	69,900,000	129,900,000	60,000,000
Asian-Entech Power Corp. Ltd.	Parent Company	Temporary Loan	83,101	1,383,101	1,300,000
Bhairob Power Ltd.	Common Directors	Temporary Loan	(4,113,000)	-	4,113,000
Manikgonj Power Generations Limited	Sister Concern	Temporary Loan	36,300,000	40,360,000	4,060,000
Doreen Garments Ltd.	Common Directors	Temporary Loan	2,400,000	4,200,000	1,800,000
Rupali Engineers & Traders Limited	Sister Concern	Temporary Loan	-	50,000	50,000
Total			31,109,123	207,197,065	176,087,942

ii) Particulars of Directors of Doreen Power Generations and Systems Limited as at 30 June 2019:

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 Hotel and Resorts Ltd.
		Doreen Power House & Tech. Ltd.
		Doreen Garments Limited
		Asian Entech Power Corp. Ltd.
		Dhaka Northern Power Generations Limited
		Dhaka Southern Power Generations Limited
		Banco Energy Generation Ltd.
		Bhairob Power Limited
Anjabeen Alam Siddique	Chairman	Chandpur Power Generations Ltd.
		Manikgonj Power Generations Ltd.
		Doreen Power House & Tech. Ltd.
		Asian Entech Power Corp. Ltd.
		Saiham Power Plant Ltd.
		Dhaka Northern Power Generations Limited
		Dhaka Southern Power Generations Limited
Mahtab Bin Ahmed	Independent Director	Banco Energy Generation Ltd.
		Bhairob Power Limited
		Chandpur Power Generations Ltd.
		Manikgonj Power Generations Ltd.
		Pilcrow Packaging and Trading
		Parlen Technologies
		Stalemate
		Arvin Maintenance and Mgt. Services Limited
		Bay Real Estate & Bay Footwear Ltd.

Md. Ali Akbar	Director	Dhaka Northern Power Generations Limited
		Dhaka Southern Power Generations Limited
		Chandpur Power Generations Ltd.
Md. Abul Hasnat	Director	Dhaka Northern Power Generations Limited
		Dhaka Southern Power Generations Limited
		Doreen Power House & Tech. Ltd.
		Banco Energy Generation Ltd.
		Chandpur Power Generations Ltd.

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

The company had 176 permanent employees as at 30 June 2019 and 166 permanent employees and as at 30 June 2018 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.

	2019 No.	2018 No.
Number of Employee:		
Head Office Staff	26	25
Plant Staff	150	141
	176	166

39 (i) Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act, 1994:

Managing Director remuneration and benefit

	2019	2018
	3,960,000	3,960,000
	3,960,000	3,960,000

No Board Meeting attendance fees have been provided to the director of the company.

(ii) Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act, 1994:

Name of Plant	Capacity (Kwh)	Actual Production (Kwh)		Capacity Utilization	
		2018-2019	2017-2018	2018-2019	2017-2018
Tangail Plant	192,720	141,895	149,069	74%	77%
Narsingdi Plant	192,720	119,770	134,459	62%	70%
Feni Plant	192,720	154,320	151,889	80%	79%

40 Events after the reporting period

The financial statements (both consolidated and separate financial statements) were authorized by Board of Directors on 31 August 2019 for publication. The Board of Directors recommended 13% stock dividend (to all shareholders) and 17% cash dividend (for all shareholders excluding the sponsors/Directors) for the year ended on 30 June 2019 on their board meeting held on 31 August 2019. Therefore, the amount of cash dividend to be payable to the general shareholders is 'Tk. 65.94 million.


41 Comparative information

41.1 No significant rearrangement is made in the comparative information of separate financial statements of the Company to conform to current year's presentation.

41.2 Operational insurance premium payable Tk.467,050 is presented under "Liabilities for expenses" (note # 17) in the financial statements of Dhaka Northern Power Generations Limited (DNPGL) in the current year which was presented under "Advance, deposit and prepayments" as negative figure in last year (note # 9). Due to the rearrangement of operational insurance premium payable, comparatives of DNPGL has been changed and consequently, comparatives of the consolidated financial statements of Doreen Power Generations and Systems Limited has been rearranged with the corresponding impact on the value of consolidated advance, deposit and pre-payments and liabilities for expenses as well as the value of total assets and total equity and liabilities. Note that this rearrangement does not have any impact on the comparative Net Asset Value (NAV) of the Group reported on 30 June 2018.

Dhaka
31 August 2019


Company Secretary


Managing Director


Chairman

Doreen Power Generations and Systems Limited
Schedule of Property, plant and equipment
As at 30 June 2019

(Amount in Taka)

Categories of assets	Cost				Rate (%)	Depreciation				Written down value as at 30 June 2019
	Balance as at 01 July 2013	Addition during the year	Disposal/ adjustment	Balance as at 30 June 2019		Balance as on 01 July 2018	Addition during the year	Disposal/ adjustment	Balance as at 30 June 2019	
a. Freehold Assets										
Land & land development	89,419,571	3,898,200	-	84,317,771	-	-	-	-	-	84,317,771
Building and premises	145,465,124	-	-	145,465,124	5%	43,529,494	7,273,256	-	50,802,751	94,662,373
Office decoration & renovation	8,654,799	-	8,654,799	-	20%	8,654,798	1	8,654,799	-	-
Power plant	1,778,189,055	-	-	1,778,189,065	3.33%	326,642,041	59,213,696	-	385,855,737	1,392,333,328
Machine overhauling	472,578,336	188,585,456	-	662,163,792	20%	217,513,384	103,048,905	-	320,562,288	341,601,504
Furniture and fixture	1,942,250	-	1,942,259	1	20%	1,942,259	-	1,942,259	-	1
Office and electrical equipment	6,688,623	231,400	6,562,853	357,170	20%	6,575,430	71,434	6,562,853	84,011	273,159
Office car/vehicle	15,413,583	-	-	15,413,583	20%	15,413,572	-	-	15,413,572	11
Sub Total	2,510,351,361	192,715,056	17,159,911	2,685,906,506		620,270,978	169,607,292	17,159,911	772,718,359	1,913,188,147
b. Revalued Assets										
Land and land development	35,962,317	-	-	35,962,317	-	-	-	-	-	35,962,317
Building and premises	29,623,482	-	-	29,623,482	5%	8,887,044	1,481,174	-	10,368,218	19,255,264
Power plant	835,627,599	-	-	835,627,599	3.33%	177,745,651	27,826,399	-	205,572,050	630,055,549
Sub Total	901,213,398	-	-	901,213,398		186,632,695	29,307,573	-	215,940,268	685,273,130
Grand Total as of 30 June 2019	3,411,564,759	192,715,056	17,159,911	3,587,115,904	-	806,903,673	198,914,865	17,159,911	988,658,627	2,598,461,277
Grand Total as of 30 June 2018	3,255,705,099	155,859,060	-	3,411,564,759		648,661,933	158,241,741	-	806,903,673	2,604,661,086

⊞ Depreciation of Building & premises, Power plant and Machine overhauling have been charged as direct expenses

198,843,430

⊞ Other depreciation has been charged as administrative expenses

71,435

198,914,865

**Doreen Power Generations and Systems Limited
Statement of Land and land development
As at 30 June 2019**

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

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

Doreen Power Generations and Systems Limited

List of Outstanding Bank Guarantee

As at 30 June 2019

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	186SD0007318	20.11.2013	19.11.2023	Titas Gas Transmission & Distribution Company Limited	The City Bank Ltd.	As "security deposit" to gas supplying authority for taking gas connection to Power Plant	Tangail Plant	16,449,160	822,458
2	186SD0008318	18.12.2013	17.12.2023	Titas Gas Transmission & Distribution Company Limited	The City 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	20.01.2019	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	62,500	62,500
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.	Tender security for a HFO based 100+/- 15% MW Power Plant	Bagerhat	55,890,000	5% in FDR Form

SL. No.	Bank Guarantee No.	Date	Expiry Date	In favor of	Guarantee Issuing Bank	Purpose	Name of Plant	BG Amount (TK.)	Cash Margin (TK.)
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 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.	Counter Guarantees against BG given to REB, Customs Benapole, The Chief controller of IMP-Exp	Head Office	38,303,000	1,915,150
15	186SD00004117	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
16	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
17	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
18	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
19	186SD00005518	13.09.2018	12.03.2019	The Commissioner of Customs, Customs House, Ctg.	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	732,812	36,641
20	186SD00005818	03.10.2018	02.04.2019	The Commissioner of Customs, Customs House, Ctg.	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	732,812	36,641
21	186SD00008018	17.12.18	17.12.2023	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	732,812	36,641
22	186SD0000219	10.01.19	09.07.2019	The Commissioner of Customs, Customs House, Ctg.	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	734,562	36,728
23	186SD0000319	13.01.19	12.07.2019	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	370,000	18,500
24	186SD0000719	29.01.19	12.07.2019	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	388,269	388,269
25	186SD00001919	16.04.19	15.10.2019	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	294,805	14,740
26	186SD00003219	28.05.19	Continuous	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	294,831	294,831
27	186SD00003419	13.06.19	12.12.2019	The Chief Controller of Import & Export	The City Bank Ltd.	Export & re-import of repaired Alternator & Stator	Head Office	544,000	27,200
TOTAL								239,226,339	12,482,044