

LARGEST
GAS FIRED
FLEXICYCLE™
ENERGY
EFFICIENT
POWER PLANT
IN ASIA



ANNUAL REPORT 2015-16

UNITED ASHUGANJ ENERGY LTD.



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ABOUT UAEL

Corporate Ethos

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CORPORATE ETHOS

VISION

Be the most efficient and environment friendly Power Generation Company of Bangladesh

MISSION

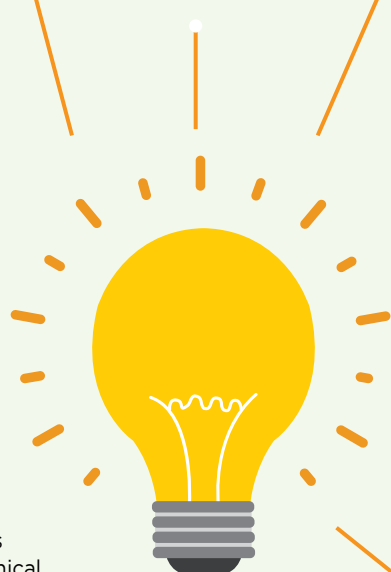
- Sustainable growth by ensuring quality, availability and efficiency in power generation
- Achieve excellence in project execution, quality, reliability, safety and operational efficiency in the power sector
- Become the most reputed and state-of-the-art power generation company of Bangladesh
- To promote a work culture that fosters learning, individual growth, team spirit and creativity to overcome challenges and attain goals

OBJECTIVE

- To increase the power generation capacity in the country and help fulfill GoB's Vision 2021 in a safe, economical and rapid manner and keeping with the growth of electricity demand in the country.
- To establish a culture of safe operation that maintain zero casualty at all times.
- To enhance electricity generation capacity in the near future.
- To earn the confidence and trust of all stakeholders by performing well above their expectations.
- Utilize capital, machinery, material and human resources efficiently.

CORE VALUES

- TO OUR CUSTOMER: Provide uninterrupted, quality power
- TO OUR EMPLOYEES: Promote well-being, world-class working environment and encourage innovation and talent.
- TO OUR SHAREHOLDERS: Ensure fair return on their investment through generating stable profit
- TO OUR COMMUNITY: Assume the responsibility of a socially corporate entity and improve the well-being of the local community.



COMPANY INFORMATION

Company Name	United Ashuganj Energy Ltd.
Year of Incorporation	30 January 2013
Registration No.	C-107069
Shareholding Structure (as per the Share Purchase Agreement)	Ashuganj Power Station Co. Ltd. – 29%
	United Enterprises & Co. Ltd. – 71%
Registered Office	Gulshan Centre Point, Plot No. 23-26, Road No. 90, Gulshan – 2, Dhaka – 1212, Bangladesh
Project Location	Ashuganj Power Station Complex, Ashuganj, Brahmanbaria – 3402, Bangladesh
Legal Advisor	Tanjib-UI Alam & Associates, BSEC Bhaban, 102 Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka 1215, Bangladesh
Main Bankers	Standard Chartered Bank, Dhaka, Bangladesh
	Dutch-Bangla Bank Ltd., Dhaka, Bangladesh
Auditors	Messrs. Hoda Vasi Chowdhury & Co., BTMC Bhaban, 7-9 Kazi Nazrul Islam Avenue, Dhaka 1217, Bangladesh
Land Area	6.48 Acres
Project Type	Combined Cycle, Modular Reciprocating Engine Based
Fuel	Natural Gas
Installed Capacity	210.7 MW
Term	15 years
Project Cost	US\$ 170 million
Commercial Operation Date	8 May 2015
EPC Contractor	Neptune Commercial Ltd.
O&M Contractor	United Engineering & Power Services Ltd.
Status	Private Limited Company
Authorized Capital	BDT 5,000,000,000
Paid-up Capital	BDT 1,000,000,000
E-mail	uael200mw@gmail.com; uael@united.com.bd
Company Website	www.united.com.bd/#energy



THE PROJECT

United Ashuganj Energy Ltd. is a 195 MW Combined Cycle Modular Power Plant at Ashuganj, Brahmanbaria commissioned on 8 May 2015. This Independent Power Plant (IPP) constructed on a Build, Own and Operate basis has an installed capacity of 210.7 MW with a term of 15 years.

The project, first-of-its-kind in Bangladesh, is a joint-venture between the Government of Bangladesh and a private entrepreneur. United Enterprises & Co. Ltd. (UECL) participated in a two envelope tender titled “Ashuganj 200 MW ± 10% Modular Power Plant Project on Build, Own & Operate Basis” floated by Ashuganj Power Station Company Ltd. (APSCL), a state-owned company. The Letter of Intent (LoI) was awarded to UECL on 12 January 2013. Subsequently the project company, United Ashuganj Energy Ltd. (UAEL) was formed with joint equity share of UECL and APSCL and incorporated on 30 January 2013 and UAEL entered into the following agreements that served as security packages on behalf of the government.

NAME OF THE AGREEMENT	GUARANTEEING PARTY	DATE
Power Purchase Agreement	Bangladesh Power Development Board	27 October 2013
Implementation Agreement	Government of Bangladesh	27 October 2013
Land Lease Agreement	Ashuganj Power Station Co. Ltd	27 October 2013
Share Purchase Agreement	Ashuganj Power Station Co. Ltd.	27 October 2013
Gas Supply Agreement	Bakhrabad Gas Distribution Co. Ltd	19 February 2014

The largest gas fired flexicycle™ in Asia, UAEL, has been constructed on 6.48 acres of land inside Ashuganj Power Station Complex by Neptune Commercial Ltd. (NCL), the Engineering, Procurement & Construction (EPC) Contractors of the Project. The fuel, natural gas, is supplied by Bakhrabad Gas Distribution Company Ltd. (BGDCL). A dedicated 1 km long, 10” dia line was constructed to transport gas at 1000 psi from the nearest valve station to UAEL’s RMS.

The plant is of a modular configuration, comprising of 20 nos. of Wärtsilä 20V34SG gas engines of rated capacity of 9.73 MW each and 20 nos. of M. E. Energy’s Waste Heat Recovery Boilers (WHRB) of capacity of 4.12 tones per hour each, allowing it to provide a greater flexibility in operation as well as maintaining uniform efficiency at variable load. The average efficiency achievable is also comparatively higher. The Wärtsilä engines also allow quick start and loading facility as they can come online in 20 seconds and reach full output in only 2 minutes. The exhaust of the engines is fed to waste heat recovery boilers (WHRB). The steam produced by the WHRBs turns the steam turbine which produces the additional 16.1 MW over the combined output of the engines by the alternator coupled to it. This combined cycle arrangement with modular configuration, in addition to making the plant environment friendly, introduces the following advantages:

- I. Constant Base Load Management: Combined cycle systems allow optimum solution for constant base load demand management
- II. Peak Load Management: Modular power systems offer higher operating efficiency and flexibility and offer most effective management. It can also supplement base load requirements
- III. Variable Load Management: A combination of combined cycle and modular power systems offer best operating efficiency and flexibility

The turbine has an open cycle condenser cooling arrangement. A barge mounted floating pump-house has been placed at a location upstream beside Meghna River about 500 m away. The intake and discharge pipes are of Fiberglass Reinforced Plastic (FRP) and have a diameter of 1.2 m. The water fed to the boilers is treated by a separate Water Treatment Plant. Power generated at 11 kV is evacuated to the national grid at 230 kV through a HV substation comprising of 4 Nos. of 11/230 kV, 70/80 MVA power transformers. Sandwich panels have been installed for sound attenuation. Automated fire safety and protection arrangements have been made. VRS air conditioning system with energy recovery system has been installed. The project effective date was 19 February 2014 and the required commissioning date (RCOD), as per PPA, was 15 months from the effective date, i.e. 19 May 2015. The plant was successfully commissioned on 8 May 2015, ahead of schedule.

THE SHAREHOLDERS

Ashuganj Power Station Company Ltd. (APSCL)

Ashuganj Power Station Company Limited is a Government owned public limited company and the largest power station in Bangladesh. At present the total installed capacity of its ten (10) units is 1580 MW and de-rated capacity is 1427 MW. As a part of the Power Sector Development and Reform Program of the Government of Bangladesh (GoB), Ashuganj Power Station Company Limited (APSCL) was incorporated under the Companies Act 1994 on 28 June 2000. All activities APSCL formally began on 1 June 2003. APSCL's registered office is situated in Ashuganj, Brahmanbaria and liaison office in Bijoy Nagar Dhaka. According to the Memorandum and Articles of Association of the company 99.99% of total shares are held by BPDB and the remaining shares are distributed among Ministry of Finance, Ministry of Planning, Power Division and Energy Division, MPEMR.

Electricity generated at APSCL is supplied to the national grid and thereby distributed to the consumers throughout the whole country. This power station plays a significant role in the national economic development by generating about 16% of the total generation of the electricity in the country. Natural gas from Bakhrabad Gas Distribution Company Limited is used as primary fuel. Water from Meghna River is used through in-take channels for steam generation and cooling of generated steam and a portion of the used water is discharged into the Meghna River through discharge channels. A large volume of water from the discharge channels are used for irrigation in the dry season. About 36,000 acres of land of Ashuganj are irrigated by this water.

The following are the present list of operational projects of APSCL:

Name of the Unit	Year of Commissioning	Installed Capacity (MW)	Present Capacity (MW)
Unit-1	1970	64	50
Unit-2	1970	64	52
Unit-3,4&5	1986-88	450	430
CCPP (GT-1,ST)	1982-84	90	Retired
GT-2	1986	56	40
50 MW	2011	53	51
225 MW CCPP	2015	225	223
200 MW Modular	2015	195	195
Ashuganj CCPP (South)	2016	383	386
Total		1580	1427

APSCL's Ongoing Projects are:

- Ashuganj 450 MW Combined Cycle Power Plant (North) Project

APSCL's Upcoming Projects are:

- Ashuganj 400MW CCPP(East) Project
- 2x660 MW Patuakhali Super Thermal Power Plant
- 2x600 MW Uttarbango Super Thermal Power Plant
- 80MW Solar Grid Tied Power Plant

APSCL is relentlessly working to narrow down the increasing gap between demand and supply of electricity of the country by optimized utilization of natural resources and replacing old machines operating at de-rated capacity and low efficiency.

United Enterprises & Co. Ltd. (UECL)

United Enterprises & Co. Ltd. was formed by the Founding Directors who envisioned a firm with a core set of values including innovative thinking, commitments to its stakeholders, and being ethical in all its practices. Today, after over three and a half decades of pioneering business, it is now well known as United Group: one of the most recognized business houses of Bangladesh.

The core values have been tremendously beneficial for the Group over the years. Its unique understanding of economic and industrial priorities and dedication towards excellent client service has helped the Group branch out in a number of commercial ventures. Power Generation, Healthcare, Real Estate & Construction, Manufacturing, Yarn Spinning, Higher Education, Land Port & Maritime and Specialized Services are but a few of the areas United Group is directly involved in. As a result, the Group has a present valuation of approximately TK. 200,000 million (US\$ 2.548 Billion), a very honorable achievement in the space of over thirty-eight years.

1978 was the year when it all began. Three friends, having decided to go into business together, acquired a small company for a meager sum, forming a partnership based institution. They worked as contractors for the Trading Corporation of Bangladesh and, in late 1979, registered the firm as a limited liability company. Thus, United Group, as we know it today, was born.

One can only describe the journey since then, till present, to have been a pioneering one with strong international exposure from the very beginning. In the early 80s, the Group was involved in trading with Bulgarian firms bartering radio transmitters and allied equipment in exchange for turnkey solutions for Radio Bangladesh. In fact, this helped establish some of the major radio stations of the country during that time. In 1983, a deal was signed with Koppers Inc. USA by the Group to become the former's Exclusive Representative in Bangladesh for their wood treating chemicals as well as Wooden poles for the Rural Electrification Board (REB). This import and export business geared the Group for its venture into marine based enterprises.

During the late 80s, the Group acquired oil tankers for transportation of furnace oil and molasses between Chittagong and Khulna. In case of the latter, the scenario was almost monopolistic, as United Group was responsible for almost all inland waterway transport for molasses being exported out of Bangladesh. During that same period, the Group also got engaged with several government projects for the Water Development Board (WDB) for river training and coastal embankment protection of rivers that were vulnerable to erosion.

Since the early 90s, the Group decided to branch out into several new directions. It delved into the market for quality real estate projects, still in its early years during that time, under the banner of Dream Builders Ltd. This company went on to develop some excellent projects over the years in the premium areas of Dhaka, including Gulshan and Baridhara. Then in 1992, the Group acquired Summit United Tank Terminals Ltd. from foreign owners. This simultaneously United Group the first private sector firm in the country to operate such terminals as well as making them one of the few companies in the country to acquire foreign owned establishments. The latter was something they carried on, with their next acquisition being the Van Omeron Tank Terminals Ltd. during the latter half of the 90s. By 1996 the Group entered the yarn manufacturing market investing in Comilla Spinning Mills Ltd. which, to date, is one of the finest product of mixed yarns in the market.

In 1997, United Group set up the first independent power company in Bangladesh, being one of the co-owners of Khulna Power Company Ltd. This actually established the ground work for United Group in the power sector of the country and on which they continued investment in the power sector, having set up several small power plants for REB thereafter.

Since 2000, United Group has seen a number of new doors open up to further possibilities in the commercial world including timely addition of Neptune Land Development Ltd. in 2003 with the mega real estate project "United City". 2004 alone saw the formation of United Hospital Ltd, United Rotospin Ltd., Novo Healthcare & Pharma Ltd. and United International University. Finally, with the addition of United Land Port Teknaf Ltd. a "Build Operate and Transfer" protocol project with the Government in 2006, the company had enough opportunities to pursue well into the next decade, having solidly entrenched itself into some of the most profitable yet technologically advanced sectors in Bangladesh.

By this time, the Group's experience in the Power Sector eventually led to the formation of United Power Generation & Distribution Company Ltd (previously known as Malancha Holdings Ltd) in 2007, a truly pioneering company of its kind, which developed commercial power plants in the country, the first of its kind.

Subsequently, 2011 saw launching of United Ashuganj

Power Ltd (constructed in a record time frame of 120 days), Khulna Power Company Unit II Ltd. and Khan Jahan Ali Power Company Ltd.

2013 was another year of significant growth for the Group. United Power Generation & Distribution Company Ltd expanded its already significant presence in the power sector of Bangladesh. It expanded both its power plants at Dhaka EPZ & Chittagong EPZ up to 100 MW, almost a 100% increase in generation capacity, and presently has a market capitalization of BDT 54,477 Million (as of September 29, 2016).

In the same year, Shajahanullah Power Generation Company Ltd, another Commercial Power Plant was successfully commissioned in Sylhet.

Beside power sector, a new company Gunze United Limited, a joint venture with Japan's famous Gunze Limited was inaugurated in 2013 to produce Gunze brand sewing thread. Unimart, a mega shopping mall was also inaugurated at Gulshan Centre Point in the same year

In 2015, the Group oversaw completion of United Ashuganj Energy Ltd, a 195 MW Combined Cycle Modular IPP Power Plant. It was a Public-Private Venture in the power sector of Bangladesh, the 1st power plant of its kind.

Most recently, United Enterprises & Co. Ltd has been awarded the letter of intent for establishing a 300 MW HFO fired combined cycle modular independent power plant (IPP) by the Government of Bangladesh. The plant is expected to come online by 2019.

With each passing year United Group strives to go from strength to strength, achieving new milestones along the way. With the second generation of entrepreneurs being mentored by those who came before them, we can safely say that this decades old organization will move into the future years with renewed strength, vigor, dedication and passion.



PERFORMANCE IN BRIEF

Financial Highlights

Operational Highlights

FINANCIAL HIGHLIGHTS

2015-16 (18 months)

OPERATING DATA (BDT IN MILLION)

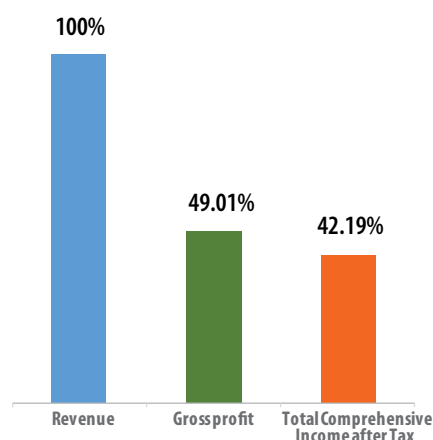
Revenue	4,096.07
Operating expenses	2,088.72
Gross profit	2,007.35
Other Operating Income	25.68
Administrative expense	130.68
Operating profit	1,902.18
Financial expenses	165.01
Total Comprehensive Income before Tax	1,737.17
Total Comprehensive Income after Tax	1,728.17

BALANCE SHEET DATA (BDT IN MILLION)

Paid-up Capital	100.00
Shareholders' Equity	3,904.51
Total Debt	4,739.72
Current Assets	4,561.43
Current Liabilities	1,649.99
Total Asset	14,153.84
Total Liabilities	14,153.84

FINANCIAL RATIOS

Current Ratio	0.36
Debt to Equity Ratio	1.92
Debt to Asset Ratio	0.66
Return on Asset (%)	19.98
Return on Equity (%)	35.61
Gross Margin Ratio (%)	49.01
Net Income Ratio (%)	42.19



Revenue

BDT 4,096 Million

Gross Profit

BDT 2,007 Million

Total Comprehensive Income After Tax

BDT 1,728 Million



OPERATIONAL HIGHLIGHTS

PRODUCTION

1,489,917 MWh

SALES

1,457,892 MWh

GAS CONSUMPTION

333,675,978 m³

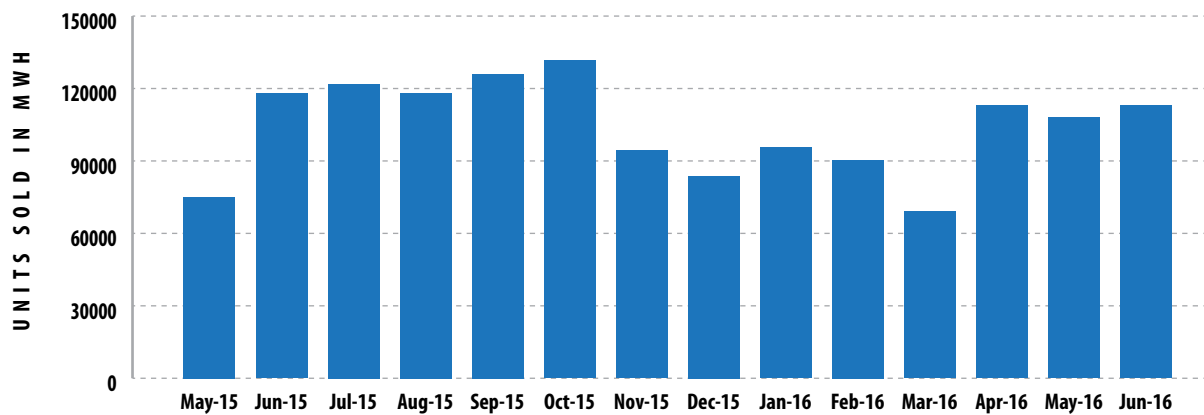
AUXILIARY CONSUMPTION

33,321 MWh

LUBE OIL CONSUMPTION

1,489,917 MWh

SALES



*Note: The power plant went into commercial operations on 8 May 2015.



FROM THE BOARD

The Board

Directors' Profile

Notice of Annual General Meeting

Message from the Chairman

Message from the Managing Director

Directors' Report

THE BOARD

CHAIRMAN

Dr. Ahmad Kaikaus, Ph.D

DIRECTORS

Engr. Khaled Mahmood
Engr. AMM Sazzadur Rahman
Mr. Faridur Rahman Khan
Mr. Md. Ebadat Hossain Bhuiyan, FCA
Mr. Sheikh Ashraf Hossain

MANAGING DIRECTOR

Mr. Moinuddin Hasan Rashid



DIRECTORS' PROFILE



DR. AHMAD KAIKAUS, Ph.D. – CHAIRMAN

Secretary-in-Charge

*Bangladesh Energy and Power Research Council,
Government of the People's Republic of Bangladesh*

Dr. Ahmad Kaikaus joined as the first Chairman of newly created Bangladesh Energy and Power Research Council on July, 2016. Prior to his joining to this position, he has worked as the Additional Secretary at the Power Division of the Ministry of Power, Energy and Mineral Resources, Dr. Ahmad worked for 3 years as the Deputy Chief of Party of the Policy Research and Strategy Support Program (PRSSP) at the International Food Policy Research Institute (IFPRI), which was funded by the United States Agency for International Development (USAID). He has an unusual combination of civil service experience in a developing country and high academic accomplishments with solid empirical research involvement. His civil service career provided him a unique opportunity to working in diverse places encompassing both rural and urban areas, regulatory and development agencies, and local government as well as ministerial positions. His academic and research background, on the other hand, made him well conversant of the development policy perspectives.

Dr. Kaikaus received his Master of Arts degree in Development Economics from the Center for Development Economics, Williams College, Massachusetts, USA, and PhD in Public Policy and Political Economy from the University of Texas at Dallas, Texas, USA. His research focus covers interdisciplinary subjects such as governance, poverty, development, labor market, migration, etc. Dr. Ahmad has published research papers and survey reports for IFPRI. His one of the significant journal articles was in the World Development Journal on the structural transformation in Bangladesh economy. He has expertise on developing questionnaires and sampling frames for surveys. Along with his current government responsibilities, he is also researching on cluster-based economic transformation, fish value chain, rural nonfarm economy, and public expenditure for economic development.

Dr. Ahmad Kaikaus joined the Bangladesh Civil Service (Administration) cadre on 21 January 1986. He has worked different levels of field administration such as Assistant Commissioner, Upazila Magistrate, and Upazila Nirbahi Officer. He also worked on deputation in several organizations that include Directorate of Accommodation, Department of Narcotics Control and Bangladesh Services Limited. At the Ministerial level, Dr. Ahmad worked for the Ministry of Public Administration, Ministry of Post and Telecommunications, and Economic Relations Division. Kaikaus also worked as part-time faculty at Collin County Community College in Texas, USA and at the American International University, Bangladesh. He regularly attends as guest speaker at the Public Administration Training Centre, Bangladesh Civil Service Academy, and the Dhaka University.

DIRECTORS' PROFILE



ENGR. KHALED MAHMOOD - DIRECTOR

*Chairman,
Bangladesh Power Development Board*

Engineer Khaled Mahmood was born in Mymensingh on 23 December 1958. He took over the charge as Chairman of Bangladesh Power Development Board (BPDB) on 17 August 2016. He is the 34th Chairman of BPDB. Before joining as Chairman Mr. Khaled was the Member (Generation) of BPDB. He obtained BSc. Engineering Degree from Bangladesh University of Engineering and Technology (BUET) in Electrical Engineering in 1981.

He joined the Directorate of Programme of Bangladesh Power BPDB as an Assistant Engineer in 1981. In his long career, Engineer Khaled Mahmood discharged his duties in various positions in BPDB. He worked as Divisional Engineer in Design & Inspection Directorate, Deputy Director (XEN) Programme, Design & Inspection-1, Assistant Chief Engineer of office of the Chief Engineer Generation, Director of Design & Inspection-1 and Chief Engineer Generation. In his illustrious career Mr. Khaled discharged his duties as an expert specially in international bid document preparation, design & drawing preparation and approval, international negotiation of various power sector activities.

He obtained foreign training on design, manufacturing, operation and maintenance of power transformer, control and relay panel, GIS & 132kv SF6 GCB, training on power measuring & testing equipment. He also obtained foreign and local training on administration, HRD, organization & method and various technical subjects.

A renowned sportsman and organizer Mr. Khaled Mahmood visited India, China, South Korea, Japan, France, USA, Czech Republic, Italy, Australia, Germany, Turkey, Spain, Thailand and Singapore for training & professional purposes.

Currently he is the Member of Board of Directors of Ashuganj Power Station Company Ltd. (APSC), United Ashuganj Energy Ltd, Electricity Generation Company Bangladesh (EGCB), North West Power Generation Company Ltd, Power grid Company of Bangladesh Ltd, Coal power Generation Company Bangladesh Ltd, Nuclear power Plant Company Bangladesh Ltd, BIFPCL, Bangladesh- China Power Company (Pvt.) Ltd and Titas Gas Transmission & Distribution Company Ltd. At present, he is an elected central council Member of Institution of Engineers Bangladesh (IEB).



ENGR. AMM. SAZZADUR RAHMAN - DIRECTOR

*Managing Director,
Ashuganj Power Station Company Ltd.*

Engr. AMM. Sazzadur Rahman, an old-timer of Ashuganj Power Station Company Ltd., was promoted to Managing Director of APSCL on 22.02.2016. Prior to this assignment, Mr. Rahman served as Executive Director (Engineering), DGM (Electrical Maintenance) & PD (450MW CCPP) for about one year. His dazzling career commenced as Assistant Engineer (Trainer) at Power Distribution Training Center of BPDB in 1983 following the completion of his graduation from BUET. Mr. Rahman, a Fellow of the IEB, then moved to erstwhile Power Plant Training Center of Ashuganj Power Plant Complex in 1988. The following years saw his sparks of excellence in the field of Procurement, Auto Control, Generator and Switch Gear & Protection and so on. In his thirty years of widespread and multifaceted career Mr. Rahman, a student of Electrical & Electronic Engineering, was responsible for overseeing the overall electrical maintenance and protection, electrical system studies & relay coordination, troubleshooting of substation, boiler & turbine control system, generator control system, process control system and so on. He was an integral part of the team who repair self-auxiliary transformer for Unit-2 and install & commission the 200MVA, 230/15.75 kV step-up transformers for Unit-3. Mr. Rahman actively participate in post overhauling testing, commissioning & performance acceptance activities of Unit-3 & 5 and in overhauling testing & commissioning of Unit-4. He played a vital role in the inception period of APSCL large Combined Cycle Power Plant projects. He worked as Project Director of those three projects during Feasibility Study, Bid Document Preparation, Bid Evaluation and Contract Signing stage. Born in 1960, Mr Rahman, authored of article "Turbo-Generator Protection" attended various training, inspection, factory testing, seminars & symposiums in home and abroad with a view to sharpening his professional wisdom.



FARIDUR RAHMAN KHAN - DIRECTOR

*Managing Director
United Hospital Ltd.*

Mr. Faridur Rahman Khan, one of the Founding Directors of United Group, was born in 1955. After completion of his Bachelor degree in Science, he engaged himself in Business. He is, at the moment, Managing Director of one of the most vibrant concerns of the Group: United Hospital Ltd. Under his entrepreneurship and foresight, United Hospital developed its Medicare system at par with any international standard hospitals. Now, it's a health care asset of the country. He is also the Vice-Chairman of the Board of Trustees, United International University and the Chairman of United College of Nursing as he takes keen interest in the education matters.

Mr. Faridur Rahman Khan hails from Louhajang, Munshigonj. He started his career in shipping and went on to lead one of the most reputed construction company of the country, Neptune Commercial Limited. Under his dynamic leadership the country saw the implementation of its first Independent Power Plant, Khulna Power Company Limited and the first Commercial IPP, UPGD. He was also responsible for the successful completion of several coastal embankment projects, namely Chandpur, Ekhlaspur, Patenga and Anwara to name a few.

Being one of the honored Trustees of the United Trust, the CSR wing of the Group, he spontaneously patronizes and contributes substantially in social activities in his home village and surrounding areas. Notably, he set up and is currently the Chairman of "Younus Khan-Mahmuda Khanam Memorial Complex" in his village home which provides free treatment to the local people including free cataract Eye Surgery.

DIRECTORS' PROFILE



MOINUDDIN HASAN RASHID - MANAGING DIRECTOR

*Managing Director
United Enterprises & Co. Ltd.*

Mr. Moinuddin Hasan Rashid was born in 1982 in Dhaka. Upon completion of his B.Sc. in Electrical and Electronics Engineering from University College London he joined United Group in 2005 as a second generation Director. As a young and energetic entrepreneur, he marked his future through dedication, dynamism and foresight in shaping the Power Sector, one of the major enterprises of United Group. On 12 July 2011 he was appointed as Managing Director of United Enterprises & Co. Ltd, and simultaneously holds the position of the Managing Director for United Power Generation and Distribution Co. Ltd. and many more sister concerns. Mr. Rashid is an Active Trustee of the United Trust, a CSR organization of the Group and United International University Foundation. In 2011 he oversaw commissioning of 208 MW Power Generation under three projects (KPCL II, KJAPCL & UAPL). United Ashuganj Power Ltd. (UAPL) is a quick rental power plant that was constructed and commissioned in a record time of 120 days under the tireless and bold leadership of Mr. Rashid. He also established United Maritime Academy in 2011, one of the finest academic institutions in Bangladesh, United Property Solutions Ltd. one of the leading real estate developers of the country and oversaw the development of United Land Port Teknaf Ltd, Bangladesh's only land port with Myanmar. Along with responsibilities mentioned above, he looks after Group Investment and Business Development. Mr. Moinuddin Hasan Rashid supervised Power Plant expansion projects of UPGD DEPZ and UPGD CEPZ by 75 MW, oversaw commissioning of Shajahanullah Power Generation Co Ltd, a 28 MW Power Plant, and spearheaded the Joint-Venture of Gunze United Limited in 2013. Mr. Rashid also established United Shipping and Logistics Services Ltd. in 2015.

Currently, Mr. Rashid is the Managing Director of United Power Generation & Distribution Co. Ltd. (UPGD) and United Property Solutions Ltd. (UPSL) and is in the Board of Directors of United Hospital Ltd. (UHL), Khulna Power Company Ltd. (KPCL) and United Landport Teknaf Ltd. (ULPTL). He is also an active member of the Board of Trustees of United International University (UIU).



SHEIKH ASHRAF HOSSAIN - DIRECTOR

Chief Operating Officer

United Enterprises & Co. Ltd. - Power Division

Mr. Sheikh Ashraf Hossain, Chief Operating Officer, of the Power Division, United Enterprises & Co. Ltd. passed BSc Engineering in Electrical & Electronics in First Class from Bangladesh University of Engineering & Technology (BUET) in 1987 and joined Bangladesh Power Development Board (BPDB) in 1988 in Khulna Power Station. He worked in different offices in BPDB including the office of the General Manager, Commercial Operation, BPDB, Dhaka and Independent Power Producer (IPP) cell, Dhaka. During service in BPDB he completed Post Graduate Diploma in Electric Power System from Norwegian University of Science and Technology, Trondheim, Norway in 1996. He left BPDB and joined emerging private power sector in Bangladesh in 2004 in Lahmeyar International Pally Power Services, the company responsible for Operation & Maintenance of 140 MW gas turbine power plant of Rural Power Company Ltd. He joined United Enterprises & Co. Ltd in 2006. In 2006 he also completed MBA degree in Finance from Dhaka University. He actively participated in growing power division of United Group in implementing power plants in Dhaka EPZ, Chittagong EPZ, Ashuganj, Sylhet, Khulna, and Jessore. During the period from October 2013 to April 2015 he served Digital Power Associates Ltd., a concern of Orion Group, as Director, Technical and successfully implemented 102 MW HFO based power plant in Narayanganj. He again joined Power Division of United Enterprises & Co. Ltd. in April 2015 as Chief Operating Officer. He played an active role in the development of 195 MW(net) gas based Combined Cycle Modular Power Plant in Ashuganj in the name of United Ashuganj Energy Ltd.(UAEL), and is also working as a Director nominated by United Enterprises & Co. Ltd. in the Board of Directors of UAEL. As a Director he oversees the performance and management of the Company.



MD. EBADAT HOSSAIN BHUIYAN, FCA - DIRECTOR

Group Chief Financial Officer

United Enterprises & Co. Ltd.

Mr. Mohammad Ebadat Hossain Bhuiyan is a Fellow Chartered Accountant of the Institute of Chartered Accountants of Bangladesh (ICAB). Previously he is worked as Executive Director and Group Chief Financial Officer in Abdul Monem Group. He did his article ship in 2006 from Hoda Vasi Chowdhury & Co, a renowned Chartered Accountancy Firm affiliated with the globally reputed Chartered Accountancy Firm named Deloitte Touche Tohmatsu and qualified as Chartered Accountant in year 2007.

He did his Masters of Business Administration (MBA) and Bachelor of Business Administration (BBA) major in Accounting and Information Systems from the University of Dhaka. He is a seasoned professional who has worked in companies such as Abul Khair Group, M & J Group, Abdul Monem Group and United Group.

DIRECTORS' PROFILE



MD. MAHFUZUL HAQUE, FCMA - COMPANY SECRETARY

Executive Director (Finance)

United Enterprises & Co. Ltd.

Md. Mahfuzul Haque, a Fellow Member of the Institutes of Cost & Management Accountants of Bangladesh, joined United Group as Executive Director (Finance) of Power Division in 2014. Prior to joining to United Group he also served in Ashuganj Power Station Company Ltd. (APSCL) as Executive Director (Finance) and Company Secretary. He also served erstwhile Burmah Eastern Limited (Presently known as Padma Oil Limited) for more than three decades in various significant positions. Born in 1954, Mr. Haque, a Management student, completed his graduation and post-graduation with excellent results from Chittagong University and then started his career as Executive of the Burmah Eastern Limited (currently known as Padma Oil Company Limited) in 1979. Subsequently he performed the role of Accounts Executive (Corporate Affairs), Manager (Fund Management), Manager (Accounts), Deputy General Manager (Finance & Accounts), General Manager (Finance & Accounts) & Company Secretary and General Manager (Marketing) of the same concern. During his tenure as Executive Director (Finance) in APSCL Mr. Haque supervised and monitored the whole accounting process which includes preparation of annual report and financial statement, annual budget, and various policies and strategies and implemented those accordingly. Mr. Haque was also actively engaged in negotiating and concluding loan agreements with various like HSBC, Standard Chartered Bank, ADB, IDB etc for APSCL's projects of 225 MW CCPP, 450 MW CCPP (South) and 450 MW CCPP (North). He, who was two times General Secretary & Chairman of ICMAB Chittagong Branch, attended various training, workshop, seminar and symposiums in home and abroad on professional trips.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 3rd Annual General Meeting of the Shareholders of United Ashuganj Energy Ltd. will be held on 15 November 2016 at 7:00 p.m. at MALLIKA HALL, RADISSON BLU DHAKA WATER GARDEN, Dhaka to transact the following business:

AGENDA:

1. Consideration and adoption of the Directors' Report and the audited financial statements for the period of 18 months ended 30 June 2016 together with Auditor's report thereon;
2. Declaration of Dividend for the period of 18 months ended 30 June 2016 as recommended by the Board of Directors;
3. Appointment of Auditor for the year 2016-17 and fix their remuneration
4. Any other business.

By order of the Board of Directors



Md. Mahfuzul Haque, FCMA
Company Secretary

Dhaka, 30 October 2016

NOTES:

A member invited to attend and vote the Annual General Meeting may appoint any person as a proxy to attend and vote instead of him. The proxy form, duly completed and stamped, must be deposited not later than 48 hours before the meeting.

MESSAGE FROM THE CHAIRMAN



Honorable Shareholders, Respected Members of the Board and distinguished guests it is with immense pleasure that, I welcome you all to the 3rd Annual General Meeting of United Ashuganj Energy Ltd. and present before you the Annual Report of the Company.

On behalf of the entire Board of UAEL, I would like to convey our sincere appreciation and gratitude to you, our esteemed shareholders, for your continuous support and cooperation and for being here with us to celebrate the occasion.

Despite structural constrains and global volatility, we have shown tremendous growth in recent years in Bangladesh. The global recovery, strong domestic demand growth, rapid urbanization, increased industrialization and development have increased the country's demand for electricity and is growing day by day in Bangladesh.

It's my pleasure to inform you that since the inception of present Government led by Honorable Prime Minister Sheikh Hasina, it has been working relentlessly for the development of the power sector. To meet such mounting demand for electricity, the present Government has initiated strategies for generating 19,000 MW by 2021 and 48,000MW by 2031. As a part of such initiatives, power sector in Bangladesh has recently experienced a landmark by successfully commissioning 100th power plant on October 8, 2015. On this day Honorable Prime Minister of Peoples Republic of Bangladesh has inaugurated US\$ 170.00 million United Ashuganj 195 MW Modular Power Plant. This year is also a land mark for the company that it has successfully achieved commercial operations on 8 May 2015 within 15 months from the project effective date (19 February 2014) despite unfavorable impediments and obstacles. I acknowledge the

sincere efforts of the whole team that led to the successful commission of the plant on 8 May 2015, well ahead of targeted Commercial Operation Date.

This was a test case where the private sector and public sector joined hands, to build an efficient power plant where we faced several unforeseen hurdles. It is with utter pride to inform you that we have succeeded in overcoming these impediments due to sincere efforts of Board, devotion of Management team and assiduous workforce of the EPC Contractor. Such a challenging start and an eventual journey of ups-and-downs have encouraged us and made us hopeful that the project will be a successful model for the industry, and more such models could be replicated in the near future.

I extend my gratitude and thanks to Mr. Hasan Mahmood Raja for his visionary, bold and pragmatic leadership that led United Group to the stage we know it today; Mr. Abul Kalam Azad, Managing Director of Neptune Commercial Limited, the EPC Contractor of the project for his tedious and arduous job and congratulate him for achieving yet another milestone - commissioning the country's first modular combined cycle power plant ahead of time. I also recognize the unwavering efforts of Mr. Moinuddin Hasan Rashid, Managing Director of United Ashuganj Energy Ltd., voicing his confidence on the ability of the next generation in shaping the nation's power sector and offer my felicitations for successful completion of an innovative solution to the power supply of the country.

Dear fellow owners, on May 2015 we have changed our financial year ended 30 June from 31 December pursuant to the government's decision to follow uniform income year. This report therefore, provides audited figures to the period of 18 months ended in 30 June 2016.

I am also pleased to inform you all, with almost delight, that UAEL has successfully sold 1,457.89 million kWh electricity up to the period ended 30 June 2016 i.e. for fourteen (14) months as per requirement of the National Load Dispatch Center (NLDC). Consequently, UAEL has earned a revenue of BDT 4,096.07 million for the 14 months from the date of COD i.e. 8 May 2015 to 30 June 2016. The Company's net profit amount to BDT 1,728.18 million, the Board already recommended and paid interim cash dividend of BDT 880.00 million for the period ended 31 December 2015. However, seeing that the syndicated loan is due on November 2016, subject to successful drawdown, the Board agreed on not providing any other dividend for the reporting period.

During the period we were able to disburse debt financing of US\$ 58.5 IPFF loan. I thank the World Bank, Bangladesh Bank and Dhaka Bank for their cooperation and sincere efforts to disburse the loan at the quickest possible time. The remaining portion of the debt financing is under process and will be disbursed shortly.

We now stand on a platform with experience, we are confident that the company will maintain its growth momentum in the business, of course with profitability in the years to come. We gratefully appreciate the continued support of our valued fellow owners and look forward to the same in the future as

well. Let me also have the pleasure to inform you that the company has received "Gold Award" in the "Combined Cycle Power Plant of the Year" category for being the largest Gas-fired Flexicycle™ in Asia, "Silver Award" in the "Fast Track Power Plant of the Year" category for commissioning the plant much ahead of the Required Commercial Operations Date and "Bronze Award" in the "Gas Power Project of the Year" category for introducing a much efficient, natural gas fired modular, combined cycle power plant. The management deserves congratulations from us which I have conveyed to them on your behalf. I also congratulate them for achieving the company Integrated Management System (IMS) Certification from the Bureau Veritas on 5 May 2016 to make it compliant to ISO 9001:2008-Quality Management System (QMS), ISO 14001:2004-Environmental Management System (EMS), BS 18001:2007 Occupational Health and Safety (OH&S).

On behalf of the Board of Directors, I would like to express my heartfelt gratitude to Honorable Prime Minister, Honorable Energy Advisor, Honorable State Minister, Principal Secretary of PMO, Ministry of Power, Energy and Mineral Resources, Ministry of Law, Ministry of Commerce, Banking Division, National Board of Revenue, Bangladesh Power Development Board, Bangladesh Bank, Petrobangla, Department of Environment, Bakhraabad Gas Distribution Co. Ltd., United Enterprises & Co. Ltd., Ashuganj Power Station Company Ltd. Neptune Commercial Ltd., World Bank, IFC, DEG, Standard Chartered Bank, Dhaka Bank Ltd., Mutual Trust Bank Ltd. Trust Bank Ltd., City Bank Ltd. and other Financial institutions for their unwavering support, encouragement, valuable help and assistance.

I would like to express my sincere thanks to my fellow Directors for their continuous support and contribution, and the Members of the management and all employees of UAEL for their sincere and hard work.

With Best Regards,

Sincerely Yours,

DR. AHMAD KAIKAUS, Ph.D.
Chairman
United Ashuganj Energy Ltd.

MESSAGE FROM THE MANAGING DIRECTOR



Honorable Shareholders, Respected Members of the Board and Distinguished guests, welcome to the 3rd Annual General Meeting of United Ashuganj Energy Ltd. (UAEL), the country's first Combined Cycle, Modular Power Plant.

UAEL's 195 MW Combined Cycle, Modular Power Plant is a true ground-breaker for both Bangladesh and United Group. This flagship project of United Group is the first project in Bangladesh's energy sector in partnership between a state-owned company and a private concern. UAEL has also introduced a type of co-generation plant never before seen in this country and has been triumphant in running the project for 14 months. UAEL, the 195 MW Combined Cycle, Modular Power Plant, was commissioned on 8 May 2015 **much ahead of the Required Commercial Operations Date**.

The financial year 2015-16 was a challenging year on a number of fronts. Nevertheless, United Ashuganj Energy Ltd., demonstrated its resilience, outperformance and excellence throughout the year. Implementing the project, the first-of-its-kind in Bangladesh, comes with its own set of advantages and challenges. However, we, at UAEL are proud to announce that we have successfully overcome these challenges and have succeeded in establishing a model that inspires more to be replicated.

UAEL has been designed to have an unprecedented combination of flexibility and efficiency in an attempt to serve as a model for the nation's power sector. The thermal efficiency of the plant is about 47% and the modular configuration of the plant allows it to adapt to the variable load pattern in Bangladesh while maintaining the same level of efficiency.

Looking at the statistics of the past year, on behalf of the management of UAEL, I am delighted to share with you that the Company has lived up to its expectations. You will be happy to learn that the plant dispatched above 200 MW on 19 August 2016 for about 17 hours across the day. During the reporting period UAEL added 1457.89 Million kWh to the grid. Total production was 1,489.92 Million kWh out of which the auxiliary consumption was 33.32 Million kWh. At the very end of the reporting period, i.e. in June 2016, 8,000 hours major maintenance of 2 of the engines were successfully performed.

In terms of Bangladesh Financial Reporting Standards (BFRS) UAEL's asset, liabilities and equity attributable to the Shareholders amounted to BDT 14,153.85 Million, BDT 4,561.43 Million and BDT 4,852.70 Million respectively. During the reporting period the Company achieved a profit of BDT 1,728.17 Million. Return on Asset and Return on Equity were 34.28% and 35.50% respectively.

Our notable achievements include our unparalleled triumph at the Asian Power Awards 2015. UAEL won the Gold award for being Combined Cycle Plant of the Year, Silver Award for being Fast Track Power Plant of the Year and the Bronze Award for being the Gas Fired Project of the Year. Our plant has been dubbed as the "Largest Gas-fired Flexicycle™ Energy Efficient Power Plant in Asia". We have also secured the largest loan sanctioned by World Bank, amounting to US\$ 58.5 million through the IPFF facility in Bangladesh. United Group has been eligible for availing the IPFF term loan, twice before, for the expansion projects of United Power Generation & Distribution Company Ltd. (UPGDCL)'s Dhaka and Chittagong EPZ Power Plants. The successful drawdown of this US\$ 58.5 Million for UAEL is yet another feather in the cap of United Group.

I would like to take this opportunity to express my heartfelt thanks to all members of the Board, my team, the Government of Bangladesh, all concerned Ministries and Government regulatory authorities, particularly to Ashuganj Power Station Company Ltd. and Bakhraabad Gas Distribution Company Ltd. for their continued support and encouragement that has led us here. I would also thank all the equipment suppliers, the EPC team, Neptune Commercial Ltd. (NCL) and the Operations & Maintenance team, United Engineering & Power Services Ltd. (UEPSL) for their relentless effort and unwavering commitment for the successful completion of this project ahead of schedule and subsequently running it efficiently for its first operational year.

I look forward to your continued support in the years to come.

Thanking you,

Sincerely yours,

MOINUDDIN HASAN RASHID
MANAGING DIRECTOR

DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE PERIOD OF 18 MONTHS ENDED 30 JUNE 2016

The Directors of the Board of United Ashuganj Energy Ltd. (UAEL) have the pleasure of submitting their report and the audited financial statements of the Company for the period of 18 months ended 30 June 2016.

GLOBAL ECONOMY: AN OVERVIEW

Global growth, currently estimated at 3.1 percent in 2015 is projected at 3.5 percent in 2016 and 3.6 percent in 2017. The forecast, revised down by 0.1 percentage point for 2016 and 2017 relative to April reflects a more controlled outlook for advanced economies.

Growth rates for China, India and Southeast Asia are unlikely to see significant improvement in 2016 compared to last year. Financial market sentiment toward emerging market economies has improved with expectations of lower interest rates in advanced economies, reduced concern about China's near-term prospects following policy support to growth, and some firming of commodity prices. China's growth stability owes much to macroeconomic stimulus measures that slowly needed adjustments in both its real economy and financial sector. Commodity exporters still struggle with past investment overhangs in extractive sectors, along with the challenges of fiscal adjustment and longer-term economic diversification.

In South Africa, GDP remained flat in 2016, with only a modest recovery projected for the next year. In the Middle East, oil exporters are benefiting from the recent modest recovery in oil prices while continuing fiscal consolidation in response to structurally lower oil revenues, but many countries in the region are still plagued by strife and conflict.

Especially United Kingdom and the rest of the European Union over the medium term are expected to have negative macroeconomic consequences because of economic, political, and institutional uncertainty and likely reduction in trade and financial flows. As a result, the



2016 growth forecast for advanced economies has been marked down to 1.6 percent. The U.S. economy seems to be back on track for robust growth in the third quarter, as monthly indicators strengthened in September following August's overall cool-down, Dynamics in private consumption are intact, as evidenced by September's rise in consumer confidence to a pre-crisis high and an uptick in retail sales. The world's largest economy is therefore set to pick up in the second half of this year, on the back of healthy private consumption and a bounce back in inventories. Prospects differ sharply across countries and regions, with emerging Asia in general and India in particular showing strong growth rate and sub-Saharan Africa experiencing a sharp slowdown. A board-based policy is more urgent to raise growth and manage vulnerabilities as several emerging market and developing economies still face daunting policy challenges in adjusting to weaker commodity prices.

Growth in emerging markets and developing economies is expected to strengthen slightly in 2016 to 4.2 percent after five consecutive years of decline, accounting for over three-quarters of projected world growth this year. However, the outlook for these economies is uneven and generally weaker than in the past.

	% CHANGE YOY	2015	2016
World		3.1	3.5
Develop Markets		2.0	2.0
Emerging Markets		4.4	4.9

Source: Goldman Sachs

ECONOMIC ENVIRONMENT OF BANGLADESH

Bangladesh is a rapidly developing country that is classified as one of the "Next 11" emerging markets by Goldman Sachs and as one of the "Frontier Five" economies of the world based on macro-economic and demographic trends by JP Morgan (source: The Financial Express). Goldman Sachs evaluated the countries on the basis of macroeconomic stability, political maturity, education, openness of trade and investment relations. Bangladesh has enjoyed steady, impressive growth over the last ten years. According to recent opinion polls, Bangladesh has the second most pro-capitalist population in the developing world. Despite political turmoil, structural constraints and global volatility, the Bangladeshi economy is maintaining macroeconomic stability and moving forward at a steadily increasing pace. The global recovery, strong domestic demand growth and sustained macro stability bodes well for Bangladesh's GDP growth and poverty reduction. Bangladesh has officially achieved lower middle income country (LMIC) status with the World Bank in mid-2015. (source: "WB update says 10 countries move up the income bracket", The World Bank)

SELECTED ECONOMIC INDICATORS (%)	2015	2016
GDP Growth	6.5	7.11
Inflation	6.4	5.66
Current Account Balance (share of GDP)	-0.8	-0.5

Source: Asian Development Bank, Bureau of Statistics and Planning Commission

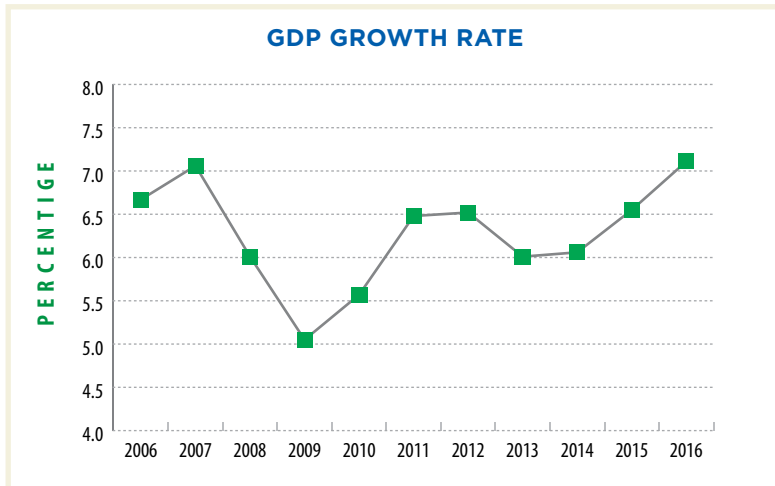
Furthermore, for the 6th straight year, Bangladesh has received favorable country credit ratings by the international issuer organizations. The ratings reflect Bangladesh's strong track record of macroeconomic stability, a modest debt burden, limited external vulnerabilities and an ample foreign reserves buffer.

Growth pattern of last one decade proves Bangladesh economy has been on a stable and positive growth path. In the fiscal year 2014-2015 the GDP growth of the country recorded around 6.6 percent which was 6.1 percent in the fiscal year 2013- 2014. The International Monetary Fund (IMF) stated that the real GDP for the year 2015-2016 will be around 7.11 percent. In



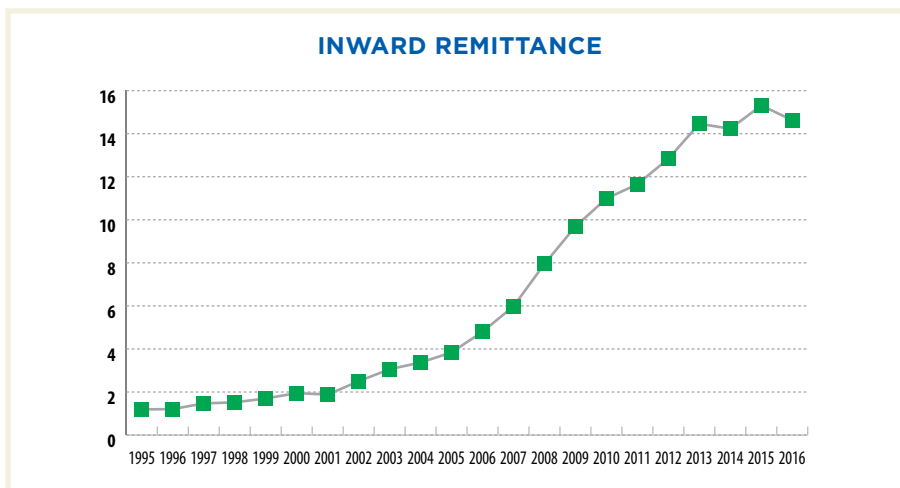
DIRECTORS' REPORT TO THE SHAREHOLDERS

reality the annual growth rate of GDP of Bangladesh hit the highest ever record at 7.11% in the last 2015-16 financial year. The per capital income surged to USD 1,465 which is also a record high. According to Bangladesh Bureau of Statistics, the total size of the GDP stood at USD 1,73,286 at the end of Fiscal Year 2016 on 30 June 2016. It is expected that the economy would grow at 7.2% in the current 2016-17 financial year.



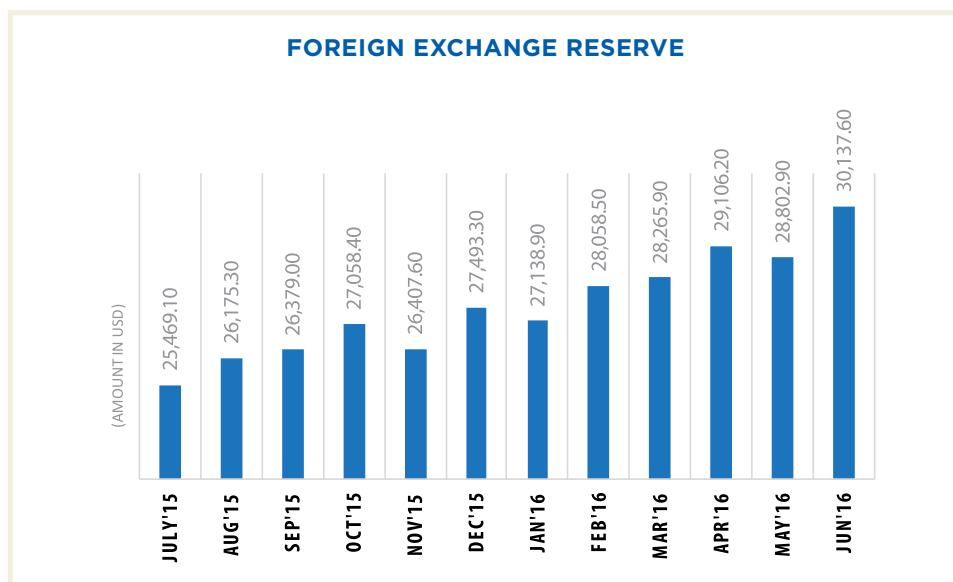
Despite political agitation early in 2015 that adversely affected transport services, exports, and private investment, growth in Bangladesh held up well because of brisk domestic demand, boosted by higher worker remittances, private sector wages, and public investment. During the year 2014-2015 the RMG sector witnessed 15 percent growth. Despite the tragedies, Bangladesh is still regarded as a popular sourcing destination with growth potential, forecasted by US Fashion Industry Association (USFIA). Bangladesh exports mainly Readymade Garments including knit wear and hosiery which is 80% of exports revenue and it is very much anticipated that by the end of 2020 the amount of export of this sector will reach around 45 billion USD.





According to Bangladesh bank statistics during the year 2015 remittance inflow has been increased by 7.66 percent to reach USD 15,316.95 million against USD 14,226.93 million of 2014. Many of our friendly countries like Saudi Arabia, Kuwait, UAE, Qatar, Bahrain, Oman Libya and Malaysia considered as traditional destinations to Bangladeshi workers are gradually opening their closed doors.

Though there have been several adverse happening of foreign currency earnings the foreign exchange reserves of Bangladesh Bank at the end of 2015 is USD 27 billion and at the end of June 2016 have reached to record USD 30 billion which is the second highest in South Asia and almost equivalent of six months import coverage of the country which is comparable to many East Asian economies like South Korea, Singapore, Hong Kong, Indonesia and Malaysia. External sector performance has improved markedly with strong external current account position and much larger capital and financial account inflows, leading to a rapid reserve buildup.



Reducing poverty by controlling inflation and creating employment opportunity is the main objective of Bangladesh government. The unemployment rate of the country at the end of 2015 was 5.5 percent though per capita income was at an all-time high of USD 1,466 (GNI nominal). The inflation rate in May 2016 came down to around 5.45 percent whereas inflation of food and essentials and non-food items were 3.89 percent and 8.36 percent respectively. To keep the inflation in control the Bangladesh Bank has tightened its monetary policy stance in part by restraining growth of private credit and larger component of domestic credit.

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DIRECTORS' REPORT TO THE SHAREHOLDERS

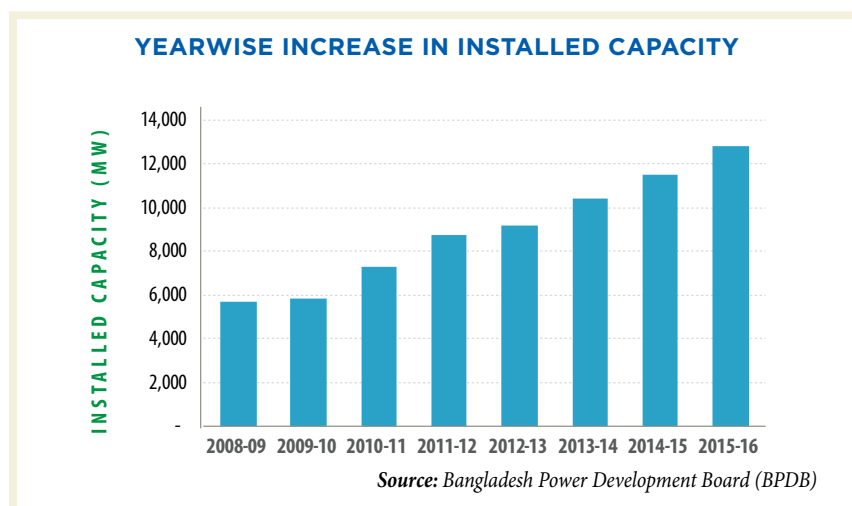
POWER SECTOR SCENARIO IN BANGLADESH

Electricity is a crucial ingredient for poverty alleviation, industrial growth, infrastructure development, quality of living standard of the power plant and for the overall development of the economy. Bangladesh with its 160 million people in a land of 147,570 square-km has shown tremendous growth in recent years. A booming economic growth, rapid urbanization, increased industrialization and development has increased the country's demand for electricity exponentially. Since 2009 the world has witnessed a remarkable turnaround in the power sector of Bangladesh. The grid based installed capacity has increased from 4,942 MW in 2009 to 13,000 MW (as on October 2016; excluding captive generation) including 600 MW power being imported from India, establishing a cross-border trade between neighboring countries. Maximum generation of 9,036 MW has been achieved till date (as on 30 June 2016) compared to the maximum generation of 4,130 MW in the beginning of 2009. The per capita generation has increased from 220 kWh in 2009 to 407 kWh. Electricity coverage has increased from a mere 47% to 76% (including renewable energy). Transmission and distribution system losses have been reduced from 18.2% to 13.10%. The comparator table below is a testament of the noteworthy development of the power sector of Bangladesh:

PARTICULARS	UNIT	BEGINNING OF 2009	PRESENT STATUS	% PROGRESS
Installed Generation Capacity (including captive generation)	MW	4,942	15,000 (as of October 2016)	
Maximum Generation	MW	4,130 (on 18 September 2009)	9,036 (on 30 June 2016)	119%
Access to Electricity (including renewable)	%	47	76	61.70%
Per Capita Electricity Generation	kWh	220	407	85%
Number of Consumers	lacs	108	222	106%
Total Length of Transmission Line	ckt. km.	7,991	9,893	24%
Total Length of Distribution Line	Thousand km.	260.4	357	37%
Total System Loss (T&D)	%	18.2	13.1	- 28.02%

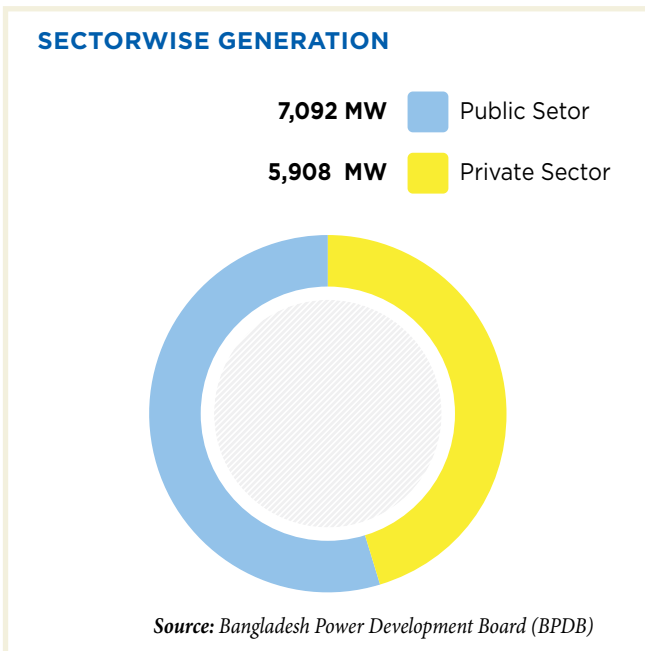
Source: System Planning Department, Bangladesh Power Development Board (BPDB)

The Government of Bangladesh fully realizes the need for reliable supply of power for the economic development and industrial growth of the nation. With this view in mind, GoB developed a Power System Master Plan - 2010 (currently being updated) where some clearly defined targets have been set for power generation capacity that the country will need to install to satisfy the growing demand of the population. The fuel mix has also been carefully revised keeping in mind the available fuel reserves in the country, renewable energy potentials for sustainable power supply and infrastructure for importing fuel. With proper load management, irrigation for agriculture has been given the fullest support which contributed to the bumper harvest during the last crop seasons.



When compared, the Installed Generation Capacity has increased by three times when compared with that of FY 2009. Achieving such a feat has been made possible by the combined efforts of the public and private sector. The government has made a timely and appropriate decision to invite and encourage the private sector for investing in the power sector of the country by adopting several policies namely Private Sector Power Generation Policy of Bangladesh, 1996 (revised 2004) and Policy Guideline for Enhancement of Private Participation in the Private Sector, 2008. As on October 2016, public sector's contribution in the power sector stands at about 55% while that of private sector's stands at 45%. Detail breakdown is provided below:

	INSTALLED CAPACITY (MW)	%
PUBLIC SECTOR		
BPDB	4,540	34.92%
APSCL	1,264	9.89%
EGCB	622	4.87%
NWPGCL	440	3.44%
RPCL	77	0.60%
BPDB-RPCL JV	149	1.17%
SUB-TOTAL	7,092	54.55%
PRIVATE SECTOR		
IPPS	2,930	22.54%
SIPPS (BPDB)	99	0.76%
SIPPS (REB)	251	1.93%
15 YEAR RENTAL	167	1.28%
3/5 YEAR RENTAL	1,861	14.32%
POWER IMPORT	600	4.62%
SUB-TOTAL	5,908	45.45%
GRAND TOTAL	13,000	100.00%



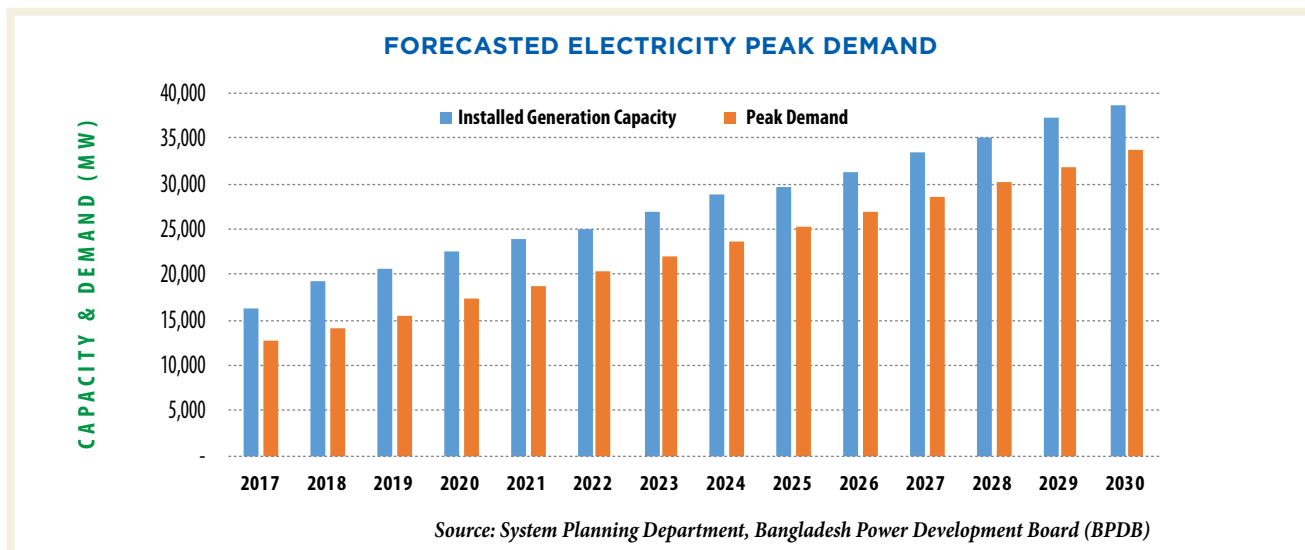
PSMP 2010 has been compiled including the strategy of diversifying primary fuel supply based electricity generation plan. A long-term plan of electricity generation against the demand of up to 2030 has been incorporated in the PSMP 2010. Under the said plan, generation capacity requirement in 2021 will be 24,000 MW against a demand of 20,000 MW and in 2030 generation capacity will be 39,000 MW against a demand of 33,000 MW. Around 50% power is planned to be generated from the domestic and imported coal and 25% is planned to be generated from Gas/LNG out of the total generation capacity of 39,000 MW in 2030.

The PSMP is updated after each and every 5 years due to change of planning perspective. As per planning perspective, GoB has now taken up the task of preparing Power System Master Plan 2016 where the planning period will be up to 2041. With JICA's support the draft of the Plan has been prepared. Final report is expected to be submitted soon. It has been forecasted that the installed generation capacity will have to be 57,000 MW by 2041 to meet the demand of 51,000 MW.



DIRECTORS' REPORT TO THE SHAREHOLDERS

According to the PSMP 2010 the year wise peak demand forecast and installed generation capacity till 2030 will be:



Implementation Status of the Power Generation Project up to 2021

Based on the installed generation capacity required to meet the forecasted demand as outlined in the PSMP 2010, the Government of Bangladesh has taken strategic decision to prepare the power generation plan. In line with this strategic decision, a sustainable long-term power development plan has been prepared for mitigating the growing demand to catch up the generation capacity of 24,000 MW by 2021. Under this plan, coal based power, imported power from neighboring countries and gas based power plants will be used to cater to the base load demand with LNG being used to supplement the gas shortage. Limited gas, liquid fuel and LNG will be used as fuel for the peak load power plants. This plan will be implemented both through public and private sector

Revised generation expansion plan, updated on August 2016, targeting about 18,000 MW generation addition from 2016 to 2021 is provided in the table below:

YEAR	2016	2017	2018	2019	2020	2021	TOTAL
Public Sector (MW)	1,015	1,875	1,289	1,987	2,236	1,200	9,602
Private Sector (MW)	481	213	1,404	1,402	1,224	2,658	7,382
Power Import (MW)	100		500			400	1,000
Total (MW)	1,596	2,088	3,193	3,389	3,460	4,258	17,984

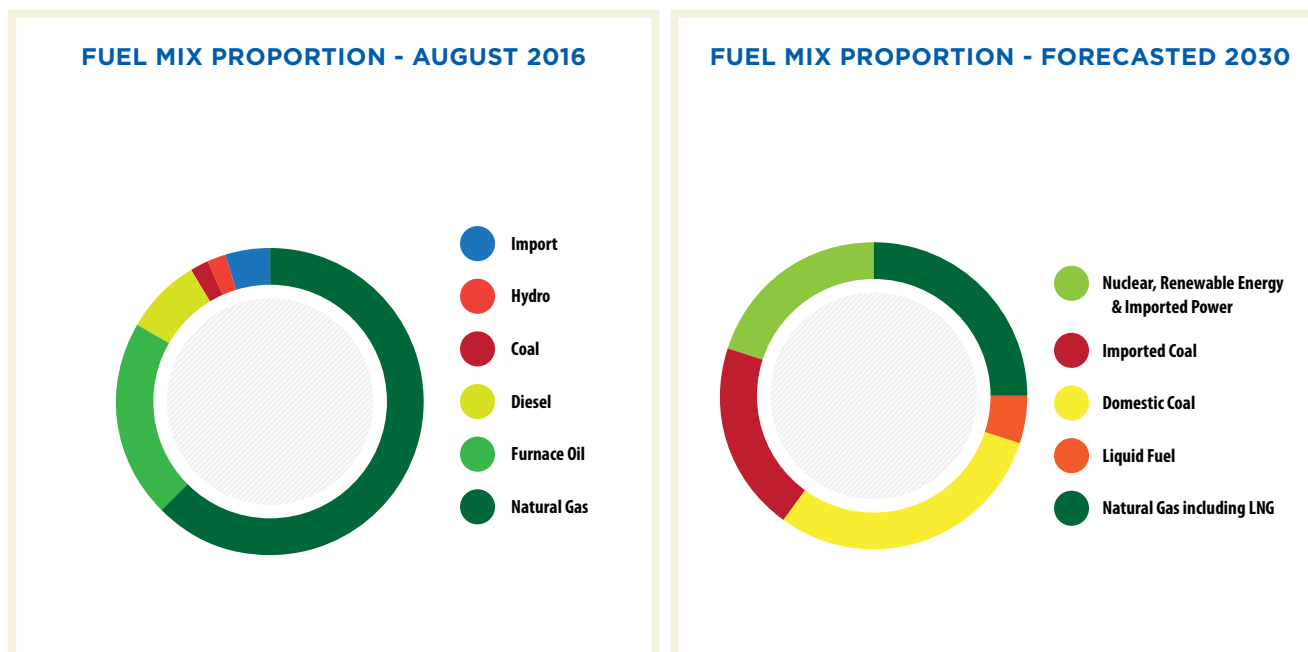
Source: System Planning Department, Bangladesh Power Development Board (BPDB)

The fuel-wise capacity addition plan is provided below for the period 2016 to 2021:

YEAR	2016	2017	2018	2019	2020	2021	TOTAL
Gas (MW)	793	1,295	770	407	691		3,956
Gas/LNG (MW)						750	750
Dual Fuel (MW)	317	639	572	552	225	450	2,755
HFO	383	154	650	1,050			2,237
Coal			274	1,320	2,544	2,658	6,796
Import	100		500			400	1,000
Renewable	3		427	60			490
Total (MW)	1,596	2,088	3,193	3,389	3,460	4,258	17,984

Source: System Planning Department, Bangladesh Power Development Board (BPDB)

PSMP 2010 also stresses on the importance of diversification of fuel resources, keeping in consideration the country's present fuel reserves and future energy security. The present and proposed fuel mix option for power generation is as follows:



Source: System Planning Department, Bangladesh Power Development Board (BPDB)

The Power System Master Plan of 2010, emphasizes that coal will be the dominating fuel in the future generation. Under the plan within 2030, 50% of total power generation i.e. around 20,000 MW will be from coal-based power plants. In this context, by 2024 the government, joint ventures, IPP, PPP sector are engaged in implementation of 12,000 MW power plant based on domestic imported coal. Two big coal fired plant with capacity of 1,320 MW each will be set up, one in Khulna, and another in Chittagong. The Khulna plant will be set up as a joint venture project of Bangladesh Power Development Board and NTPC of India. Besides, several other coal fired plants will be set up in different locations of Chittagong, Matarbari, Moheshkhali, Patuakhali, Khulna, Dinajpur etc.

In line with the strategy set out in the PSMP-2010, GOB decided to implement a new greenfield 200-850 MW LNG-based Combined Cycle Power Plant including LNG terminal & storage and regasification system on Build, Own and Operate ("BOO") basis at Chittagong. In addition to the above, Bangladesh is proceeding with a plan for setting up a 3.5 million tons a year LNG import facility at Matarbari in Maheshkhali Island of Cox's Bazar district or Anwara, Chittagong. The terminal, which is to be set up on the build-own-operate basis, will supply gas to a proposed 1,000 MW LNG based combined cycle power plant as well as the existing power plants in Raozan and Shikalbaha through a planned pipeline.

Several programs have been undertaken to promote use of renewable energy keeping in mind the country's future energy security and low-carbon emission strategy. Government has formulated pro-investment policy to encourage private sector investment in Renewable Energy (RE) Sector. Bangladesh has the fastest growing Solar Home System (SHS) in the world with about 3.6 million homes covered under the program, being spearheaded by a public infrastructure financing entity. The total energy generation from renewable has been targeted to be 2000 MW. Current large scale contribution of renewable energy based generation is 230 MW generated by the hydroelectric power plant at Kaptai, Chittagong. The government plans to add another 1200 MW through renewable energy based power generation, through public and private ownership.

The government has also taken timely decision to establish nuclear energy based power plant as part of the fuel diversification. The government of Bangladesh is going to build two nuclear power plant of up to 2,400 MW capacity at Rooppur in the North-Western Pabna District. 1,200 MW capacity of Unit 1 will be commissioned by

DIRECTORS' REPORT TO THE SHAREHOLDERS

2024 and 2nd unit of 1,200 MW will be commissioned by 2025. The lifespan of the reactors will be 60 years with an option to extend it by 20 years. Bangladesh has signed general contract with Russia's state-owned nuclear giant Rosatom to construct the nuclear plant at Rooppur on 25 December 2015. The Russian government will also provide necessary nuclear fuel for the plants on long-term basis and will take back the spent fuel and will provide necessary training for human resource development at difference levels in the project.

Realizing the ever increasing demand of electricity for socio-economic development and progress of the country, the government has also initiated sub-regional cooperation in the field of power generation, grid connectivity and overall energy security. Cooperation has been initiated through SAARC, SASEC and BIMSTEC etc. for sharing of hydropower through cross-border connectivity and capacity development. Through these cooperation efforts Bhutan's and Nepal's hydro power potential could be utilized for the sub-region. Sub-regional grid could enable flow of surplus electricity within the countries and minimize the demand supply gap of electricity in these South-Asian nations. A historical bilateral tie took place in January 2010 where the Hon'ble Prime Ministers of Bangladesh and India agreed on a major cooperation between the two neighboring countries. This initiative highlighted the development of economic cooperation between the countries. At present, Bangladesh is importing 600 MW of electricity from India through grid interconnectivity with a process underway to bring in another 900 MW.

Moreover, the government of Bangladesh has also aimed to increase the power generation by refurbishing the 15 to 25-year-old, inefficient power plants from simple cycle to combined cycle power generation through the transformation and growth of different maintenance plan. Renovation and rehabilitation of the old power plants will improve the fuel efficiency and reduce emissions.

The government has taken up huge development plans in the transmission and distribution system to accommodate the increased generation. In the year 2015 in particular a significant infrastructural development was recorded in the transmission sector. In the fiscal year 2014-15 PGCB completed the construction work of the first 400/230 kV substation in Bangladesh at Bibiyana. The transmission and distribution companies has undertaken huge development plans for strengthening their systems to accommodate the growing power demand and the government's Vision 2021.

Relentless and careful monitoring over implementation of long term, mid-term and emergency measures has led the government to achieve landmark progress in realizing its target to make Bangladesh reach the heights that matches its potential.



OPERATING PERFORMANCE OF UAEL

During the reporting period of 2015-16, the company supplied 1,457.89 million kWh of electricity to the national grid after achieving commercial operations on 8 May 2016. During this period the company has earned BDT 4,096.07 million revenue. The monthly average of per unit revenue earned stands at BDT 2.76 per kWh while the average fuel cost is BDT 0.71 per kWh.

MONTHS	AMOUNT IN BDT		AMOUNT IN KWH
	TOTAL REVENUE	FUEL COST	SUPPLIED ELECTRICITY
May-15	263,034,901	109,728,461	75,037,333
June-15	293,654,634	84,774,727	118,013,460
July-15	297,036,887	86,392,702	121,904,767
August-15	293,844,515	83,233,394	118,182,824
September-15	305,772,700	89,466,649	126,029,545
October-15	309,431,089	92,276,330	131,638,325
November-15	290,601,758	66,620,712	94,358,420
December-15	268,613,456	59,150,955	83,662,375
January-16	278,814,431	66,389,827	95,483,036
February-16	274,249,937	64,756,681	90,474,515
March-16	255,154,081	50,630,940	69,040,480
April-16	290,838,925	81,800,064	113,007,322
May-16	329,101,080	77,619,643	108,056,342
June-16	345,925,358	79,461,971	113,002,889
Total	4,096,073,753	1,092,303,056	1,457,891,633



Financial Result & UAEL's Performance

Key financial results and performance of UAEL is summarized below:

(amount in million BDT)

PARTICULARS	2015-16
	(18 MONTHS)
Revenue	4,096.07
Cost of Sales	(2,088.72)
Gross Profit	2,007.35
Other Income (net)	25.69
General and Administrative Expense	(130.85)
Operating Profit	1,902.19
Financing Expense	(127.46)
Foreign Exchange Loss	(37.56)
Income Tax Expense	(8.99)
Net Profit	1,728.18

UAEL has been successful in attaining positive growth in revenue and net profit in the first year of its successful operation. The gross profit margin was 49%, which means that during the reporting period, each BDT 100 sales made by the company generated gross profit amounting to BDT 49.00. The net profit margin during the reporting period was 42% indicating that for every BDT 100 sales made by UAEL, the net profit amounted to BDT 42.00. The Return on Equity of 35.50% means that the shareholders are receiving a return of BDT 35.50 for every BDT 100 being invested in the Company. The Return on Asset of 13.89% indicates that for every BDT 100 worth of asset

DIRECTORS' REPORT TO THE SHAREHOLDERS

owned by the Company it has generated a return of BDT 13.89. The improvement in the profitability ratios indicate strong financial standing of the Company.

Annual Results & Allocations

The Net Profit of BDT 1,728 million for the reporting period of 18 months ending 30 June 2016 is recommended for appropriation as follows:

PARTICULARS	AMOUNT (IN BDT)
Net Profit after Income Tax	1,728,176,009
Profit available for appropriations	1,728,176,009
Appropriations	
Dividend paid for the period	880,000,000
Total Appropriation for the year	880,000,000
Transfer to Retained Earnings	848,176,009
	1,728,176,009



Extraordinary Gain or Loss

No extra-ordinary gain or loss has been recognized in the financial statements.

Related Party Transaction

The related party transactions carried out by the company on a commercial basis have been disclosed in notes 27 to the financial statements



Dividend

The Directors of UAEL declared an interim dividend of 880% of the paid-up capital amounting to BDT 100,000,000 which was BDT 88.00 per share of BDT 10.00 each for the period of 18 months ended 30 June 2016. First installment of the syndicated loan is due on November 2016, subject to successful drawdown. Keeping this in view the Directors of the Board of UAEL unanimously decided not to provide any other dividend for the reporting period.



Board of Directors

The present Board of UAEL comprises of 7 (Seven) nominated Directors: 3 (three) from Ashuganj Power Station Company Ltd. and 4 (four) from United Enterprises & Co. Ltd. The Chairman of the Board is elected from the nominated Directors of Ashuganj Power Station Company Ltd. while the Managing Director is selected from the nominated Directors of United Enterprises & Co. Ltd. The profiles of the Directors have been provided in the Report.

Board of Directors' Meeting & Attendance

The meeting of the Board of Directors is presided over by the Chairman. Written notices of the Board Meeting mentioning the agenda for the meeting along with working papers are circulated ahead of the meeting, minutes are correctly recorded, signed by the Chairman and circulated to the members of the Board

11 (eleven) Board Meetings took place during the reporting period 2015-16. The attendances of the Directors are as follows:

NAME	DESIGNATION	ATTENDANCE
Dr. Ahmad Kaikaus	Chairman	5
Mr. Md. Anwar Hossain	Chairman	6
Mr. Md. Shahinul Islam Khan	Director	4
Mr. Khandker Maksudul Hassan	Director	2
Mr. Md. Shamsul Hasan Miah	Director	5
Mr. Md. Nurul Alam, P. Eng.	Director	3
Engr. AMM Sazzadur Rahman	Director	8
Mr. Faridur Rahman Khan	Director	11
Mr. Moinuddin Hasan Rashid	Managing Director	10
Rear Admiral Bazlur Rahman (Retd.)	Director	6
Mr. Md. Ebadat Hossain Bhuiyan, FCA	Director	5
Mr. Kayes Khalil Khan	Director	5
Mr. Sheikh Ashraf Hossain	Director	6



Various Board Committees

UAEL has 2 (two) sub-committees:

AUDIT & FINANCE SUB-COMMITTEE		RECRUITMENT & PROCUREMENT SUB-COMMITTEE	
1.	Mr. Khaled Mahmood - Chairman	1.	Dr. Ahmad Kaikaus - Chairman
2.	Mr. Faridur Rahman Khan - Member	2.	Engr. AMM Sazzadur Rahman - Member
3.	Mr. Sheikh Ashraf Hossain - Member	3.	Mr. Moinuddin Hasan Rashid - Member
		4.	Mr. Md. Ebadat Hossain Bhuiyan, FCA - Member

Audit and Finance Sub-Committee:

The Finance and Audit Sub-Committee is formed with members having wide experience in the field of finance and accounting with a view to oversee the Company's financial aspects as well as the adequacy and accuracy of its internal control system. The said committee is comprised of three members headed by the Committee Head with two other members.

Recruitment and Procurement Committee:

The Recruitment and Procurement Committee is formed with members having sound experience in technical, procurement and equipment related issues that will help ensure the quality and efficiency of the Company's Procurement System and are well acquainted in the field of Human Resource Management. The said committee comprises of four members headed by the Committee Head with three other members.

Corporate & Financial Reporting Framework

The law requires that the financial statement of the company should be prepared in accordance to the prescribed format given by International Financial Reporting Standard (IFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) and Bangladesh Financial Reporting Standards (BFRS). This has been followed to fairly present the financial position and performance of the company. While preparing the financial statement, the following points were considered:

1. Selection of suitable accounting policies and then applying them consistently.
2. Making judgments and estimates that are reasonable and prudent.
3. Ensuring that the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS).

DIRECTORS' REPORT TO THE SHAREHOLDERS





The overall Operation and Maintenance (O&M) of the plant has been outsourced to United Engineering & Power Services Ltd. (UEPSL), a sister concern of United Group, as per decision of the Board and as per Agreement signed with them. UEPSL was formed in 2011 and is currently performing operation and maintenance of 4 (four) plants under the banner of United Group in addition to United Ashuganj Energy Ltd. (UAEL). UEPSL has O&M experience of 434 MW with an average plant availability of over 98%. The management team is led by ex-officials from Wärtsilä with over 25 years of experience in the marine industry and handling Wärtsilä engines. They each have 96000 hours of major maintenance experience of Wärtsilä engines. Engaging UEPSL for providing O&M services has benefitted the plant not only in terms of availability but also in terms of efficient operation, greater output and will secure a steady flow of revenue from the plant.

DIRECTORS' REPORT TO THE SHAREHOLDERS

4. Preparing the financial statements in an ongoing concern basis unless it is appropriate to presume that the Company will not continue business.

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

Progress in Debt Financing

As per Bid document the total project cost is USD 170 million or BDT 14,280 million (considering the Bid exchange rate of US\$ 1 = BDT 84) with a debt-equity ratio of 70:30. According to Clause C of the Share Purchase Agreement, the Sponsor Company, United Enterprises & Co. Ltd. is responsible for arranging the debt financing. Till June 2016, US\$ 58.5 million IPFF debt financing received and Dhaka Bank Limited is the lead arranger of IPFF loan. Till date this is the largest loan sanctioned by World Bank through the IPFF facility in Bangladesh. Another amounting to US\$ 63.5 Million is in the pipeline. This syndicated financing by a consortium of lenders including International Finance Corporation (IFC), Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) and ECA (Finnvera) with Standard Chartered Bank (SCB) as the lead arranger is currently in the documentation stages.

Share Money Deposit and Issuance of Shares

As per the Share Purchase Agreement, United Enterprises & Co. Ltd. (UECL) is entitled to pay US\$ 36.21 million and Ashuganj Power Station Company Ltd. (APSCL) is entitled to pay US\$ 14.79 million as equity contribution in the Company. Till December 2015 UECL deposited US\$ 36.21 million while APSCL adjusted US\$ 3.26 million as land lease rent. As APSCL was unable to fully contribute their entitled equity, the Board of UAEL requested UECL to pay APSCL's balance amount of equity. Accordingly, UECL, as of 30 June 2016, have already paid the balance amount of APSCL's equity portion amounting to US\$ 11.17 million equivalent to BDT 87.46 crore.

Good Corporate Governance

Good Corporate Governance requires a transparent, efficient and effective system of decision making. It aims for high level of transparency in the company's operation. It has always been the Company's endeavor to excel through better governance. The management strictly adheres to two basic principles of corporate governance: transparency and disclosure. The Board of UAEL comprises of 7 Members where 3 members represent Ashuganj Power Station Company Ltd. (APSCL) and 4 members represent United Enterprises & Co. Ltd. (UECL). Each of the Board members are seasoned professionals having decades of experience in the power sector equipped with academic and professional qualification in the field of business and administration. This gives strength for effective discharge of duties and responsibility of the Board. Board Meetings are held regularly where policy decisions are taken on the basis of open discussion and consensus, keeping the interest of all the shareholders and stakeholders of the company in mind. Since the inception of the Company, the Board of Directors has been fully committed to build a strong and empowered management team. To ensure close monitoring and prompt actions Finance and Audit Committee and a Recruitment and Procurement Sub-Committee were formed. These committees meet at intervals and the proceedings are recorded and reported to the Board to assist the Board in making their decisions.

Going Concern

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

Appointment of Auditor

Messrs. Hoda Vasi Chowdhury & Co., Chartered Accountants, will retire after completing 2 (two) consecutive years of service as Statutory Auditors of United Ashuganj Energy Ltd. The Board therefore, in its meeting held on 5 September 2016, resolved to recommend Messrs. Rahman Rahman Huq, Chartered Accountants for appointment as new Statutory Auditors of the Company for the fiscal year 2016-17. As recommended by the Board, the resolution

to appoint Messrs. Rahman Rahman Huq, Chartered Accountants as auditors will be placed at the forthcoming Annual General Meeting.

Operation & Maintenance Service Provider

The overall Operation and Maintenance (O&M) of the plant has been outsourced to United Engineering & Power Services Ltd. (UEPSL), a sister concern of United Group, as per decision of the Board and as per Agreement signed with them. UEPSL was formed in 2011 and is currently performing operation and maintenance of 4 (four) plants under the banner of United Group in addition to United Ashuganj Energy Ltd. (UAEL). UEPSL has O&M experience of 434 MW with an average plant availability of over 98%. The management team is led by ex-officials from Wärtsilä with over 25 years of experience in the marine industry and handling Wärtsilä engines. They each have 96000 hours of major maintenance experience of Wärtsilä engines. Engaging UEPSL for providing O&M services has benefitted the plant not only in terms of availability but also in terms of efficient operation, greater output and will secure a steady flow of revenue from the plant.

UEPSL has complete responsibility of carrying out all services required to ensure smooth operation of the plant. UEPSL will be paid a management fee for their services rendered and any other actual cost, including manpower salary and emoluments, incurred by them while providing O&M services to UAEL's plant will be reimbursed.

Business Risk & Uncertainties

United Ashuganj Energy Limited (UAEL), a 200 MW Modular, Combined Cycle Power Plant located in Ashuganj, Brahmanbaria is a Public-Private Partnership Project Between United Enterprises & Co. Ltd. (UECL) and Ashuganj Power Station Company Ltd. (APSCL). UAEL is an Independent Power Producer and is therefore completely structured project with Security Package consisting of the following Agreements:

NAME OF THE AGREEMENT	GUARANTEEING PARTY	SIGNING DATE
Power Purchase Agreement	Bangladesh Power Development Board	27 October 2013
Implementation Agreement	Government of Bangladesh	27 October 2013
Land Lease Agreement	Ashuganj Power Station Co. Ltd	27 October 2013
Share Purchase Agreement	Ashuganj Power Station Co. Ltd.	27 October 2013
Gas Supply Agreement	Bakhrabad Gas Distribution Co. Ltd	19 February 2014

Financial Flexible Risk

Upon taking debt financing, the financial flexibility of the Company has reduced to some extent. The management of the company, however, believes that it will be able to serve its debt obligations regularly by using efficient realization (one-month cycle) of its revenue from sale of electricity to Bangladesh Power Development Board (BPDB), a state owned organization. Moreover, the Company maintains short-term line of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. In the above backdrop, the Company is less likely to face any financial flexibility risk.

Fuel Supply and Fuel Price Escalation Risk

Natural gas will be used as the fuel for the power generation. Bakhrabad Gas Distribution Co. Ltd. (BGDCL) has been supplying gas to the company under the Gas Supply Agreement and the risk of price fluctuation is mitigated by the fuel tariff structure which is based on fuel cost as pass through item. As such company does not foresee any supply line failure risk of fuel.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from its customers. The Company's sales are made to Bangladesh

DIRECTORS' REPORT TO THE SHAREHOLDERS





The plant has a modular configuration allowing it to provide a greater flexibility in operation as well as maintaining uniform efficiency at variable load. The average efficiency achievable is also comparatively higher. The Wärtsilä engines also allow quick start and loading facility as they can come online in 20 seconds and reach full output in only 2 minutes. The exhaust of the engines is fed to waste heat recovery boilers (WHRB). The steam produced by the WHRBs turns the steam turbine which produces an additional 16.1 MW over the combined output of the engines by the alternator coupled to it.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Power Development Board (BPDB) under the conditions of a long term Power Purchase Agreement (PPA). The provision of the PPA guarantees 100% monthly capacity payment to UAEL substantially minimizing the risk of non-utilization of capacity of the plant. The payment of tariff by BPDB within the specific time is secured under the provision of the Agreement for which Letter of Credit has been issued by BPDB with two months minimum guaranteed payment.

Operating and Maintenance Risk

The management of the Company is responsible to operate and maintain the power plants with its own experts under the supervision of main engine providers Wärtsilä. The operation & maintenance of the plant has been outsourced to United Engineering & Power Services Ltd. (UEPSL) that has a management team comprised of ex-officials from Wärtsilä with over 25 years of experience in the marine industry and handling Wärtsilä engines. They each have 96000 hours of major maintenance experience of Wärtsilä engines. The teams possess sound technological knowledge to keep UAEL plant's out of any technology related risk.

Insurance Coverage

Insurance coverage for United Ashuganj Energy Ltd. (UAEL) for the period 6 August 2016 – 6 August 2017 has been acquired through Green Delta Insurance Co. Ltd, where Tysers (based in London) acted as the broker. The policy includes comprehensive coverage for Operational All Risk, Business Interruption, Public Liability and Terrorism including Strikes, Riots & Civil Commotion (SRCC). The Reinsurance panel includes renowned and top rated entities like Chubb Insurance (DIFC) Limited, First Capital Insurance Limited, Korean Reinsurance Company, General Insurance Corporation of India, Samsung Fire & Marine Insurance, Malaysian Reinsurance Berhad, Hannover Ruck SE Malaysian Branch, Allianz Global Corporate & Specialty SE, Singapore Branch and African Reinsurance Corporation.

Human Resource Management

Efficient manpower is a pre-requisite for an organization's development. Success of this Organization depends on qualified and skilled manpower for the right post. UAEL is performing the task with due care and integrity to increase the efficiency of the plant through appropriate maintenance and operation. The aim is to maintain the place of work and surrounding condition in a manner such that it permits its employees to work earnestly investing their full potential.

UAEL has an enriched Employee Service Rules with proper job descriptions and responsibilities. A detailed succession planning is considered every year to ensure good working environment and enhancement of knowledge of the employees. A yearly performance appraisal is carried out to reward and encourage diligent employees and assess their training requirements. Accordingly, the personnel department awards yearly increment and other remuneration such as promotions depending on the annual performance evaluation of its employees.

Future Outlook

Electricity is the driving force of a nation's economic development. All development activities are directly or indirectly dependent on a reliable steady flow of electricity. To match pace with the ever-growing demand of the country, the government of Bangladesh has undertaken several projects to increasing the generation capacity of the country. UAEL is one such successful venture of the government. In the future, UAEL is ready to expand its generation by another 200 MW in the same premises.

Acknowledgement

The Board of Directors would like to extend its foremost regards and appreciation to the valued Shareholders of the Company: United Enterprises & Company Ltd. (UECL) and Ashuganj Power Station Company Ltd. (APSCL), their O&M Contractors, United Engineering & Power Services Ltd. (UEPSL) and other Stakeholders of the company for their persistent support and guidance to the company that led to achieve such achievement. The Board also

recognizes the attainment made during the year was possible because of the cooperation, positive support and guidelines that it received from the Government of Bangladesh, Prime Minister's Office, Ministry of Power, Energy and Mineral Resources, Power Division, Energy Division, Ministry of Finance, National Board of Revenue, Ministry of Commerce, Board of Investment, Bangladesh Power Development Board, Petrobangla, Bakhrabad Gas Distribution Company Ltd. and local administration and people. Accordingly, the Board offers its utmost and sincere gratitude to them.

We would also like to convey our heart-felt gratitude to Wärtsilä Finland OY, Energypac Engineering Ltd. Emerson Process Management, M. E. Energy Pvt. Ltd., Triveni Turbines Ltd., Bangladesh Bank, Standard Chartered Bank, World Bank, IFC, KFW, DEG, FINNEVERA, Dhaka Bank Ltd. for their cooperation during the construction and financing of the project and their continued support all throughout its first operational year.

We also extend our warmest greetings and felicitations to the management and employees of United Enterprises & Co. Ltd. for being the essential part of UAEL during the year. It was their unrelenting commitment, dedication and diligence throughout the year that led to the company achieving the accolades so far.

We are proud of you all and look forward to your continued support as we march ahead to take United Ashuganj Energy Ltd. further forward as a leading player in the power sector of the country.

With Best Wishes.

On behalf of the Board of Directors of United Ashuganj Energy Ltd.



Ahmad Kaikaus, PhD.

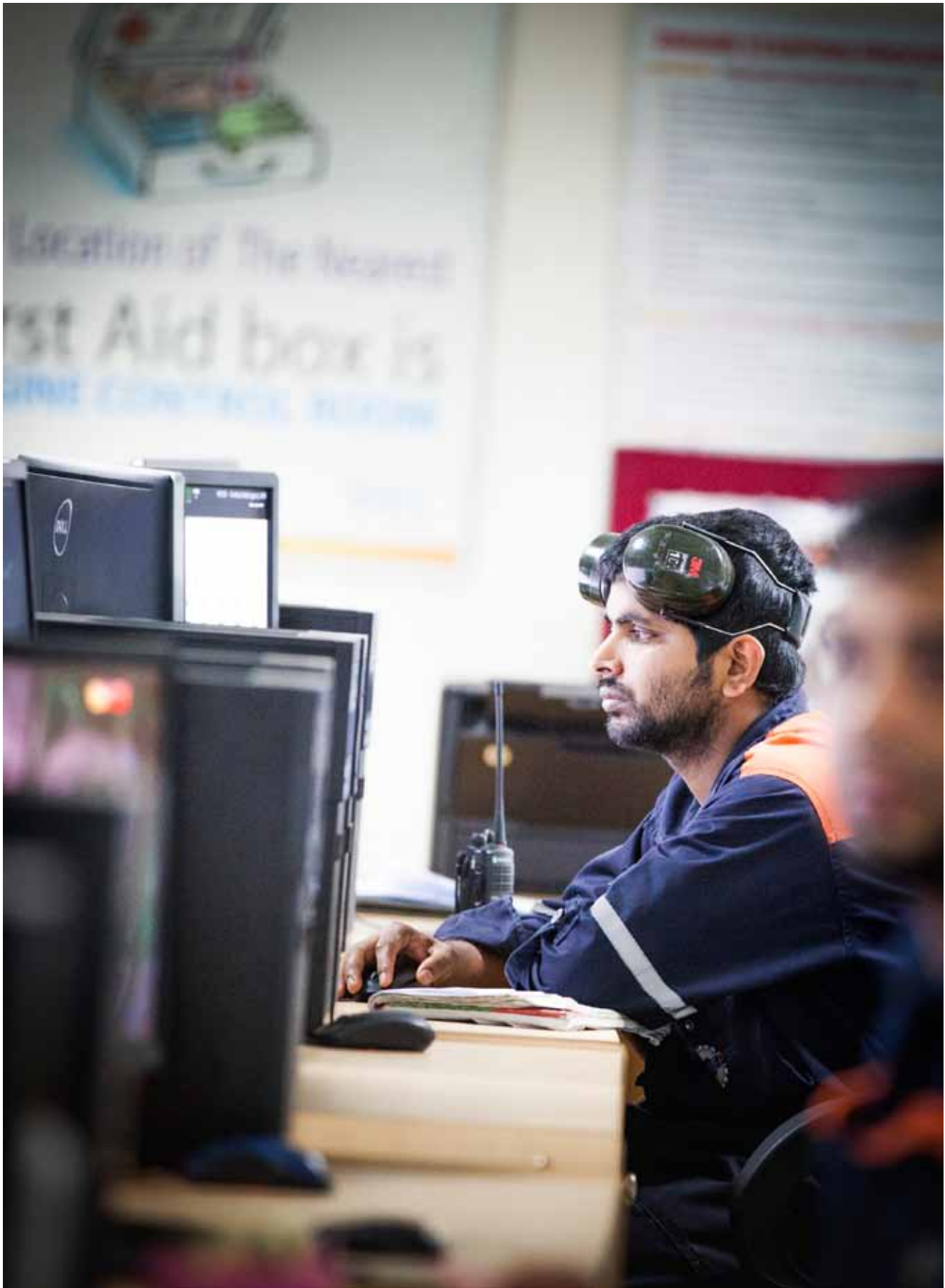
Chairman

&

Secretary-in-Charge

Bangladesh Energy and Power Research Council

Government of the People's Republic of Bangladesh



ACHIEVEMENT

Benchmarks & Milestones

Awards

ISO Certification

2nd Annual General Meeting

BENCHMARKS & MILESTONES

2012

26-FEB-12

APSCS INVITED 2-ENVELOPE TENDER FOR IMPLEMENTATION OF ASHUGANJ 200MW ± 10% MODULAR POWER PLANT PROJECT IN A BOO BASIS AT ASHUGANJ, BRAHMANBARIA

2013

12-JAN-13

APSCS AWARDED LETTER OF INTENT (LOI) TO UECL

16-JAN-13

UECL SIGNED EPC CONTRACT WITH NCL

30-JAN-13

INCORPORATED UNDER THE COMPANIES' ACT, 1994

27-OCT-13

SIGNED:
IMPLEMENTATION AGREEMENT WITH GOB
POWER PURCHASE AGREEMENT WITH BPDB
LAND LEASE AGREEMENT WITH APSCS
SHARE PURCHASE AGREEMENT WITH UECL & APSCS

2014 2015

19-FEB-14

SIGNED GAS SUPPLY AGREEMENT WITH BGDCL

19-FEB-14

CONTRACT EFFECTIVE DATE

8-MAY-15

COMMERCIAL OPERATIONS DATE

29-JUN-15

LARGEST LOAN SANCTIONED BY WORLD BANK, AMOUNTING TO US\$ 58.5 MILLION THROUGH THE IPFF FACILITY IN BANGLADESH

2-SEP-15

AWARDED ASIAN POWER AWARDS 2015 IN THE FOLLOWING CATEGORIES

- ↳ **"GOLD AWARD" IN THE "COMBINED CYCLE PLANT OF THE YEAR"**
- ↳ **"SILVER AWARD" IN THE "FAST TRACK POWER PLANT OF THE YEAR"**
- ↳ **"BRONZE AWARD" IN THE "GAS POWER PROJECT OF THE YEAR"**

2016

5-MAY-16

INTEGRATED MANAGEMENT SYSTEMS (IMS) CERTIFICATION FROM BUREAU VERITAS:

- ↳ **ISO 9001:2008 (QUALITY MANAGEMENT SYSTEM),**
- ↳ **ISO 14001:2004 (ENVIRONMENTAL MANAGEMENT SYSTEM) AND**
- ↳ **BS OHSAS 18001:2007 (OCCUPATIONAL HEALTH AND SAFETY)**

AWARDS & ACHIEVEMENTS





Asian Power Awards 2015

United Ashuganj Energy Ltd. (UAEL) has been awarded the prestigious “GOLD Asian Power Awards 2015”, the highest recognition in the category of “Combined Cycle Plant of the Year” all across the Asia Pacific Region at an event, more commonly dubbed as the “Oscars” of the power industry in Asia, held in Bangkok, Thailand on 2 September 2015.

UAEL was also awarded with the “SILVER Asian Power Awards 2015” for being “Fast-Track Power Plant of the Year” and “BRONZE Asian Power Awards 2015” for “Gas Power Project of the Year” during the event. The awards were received by Mr. Moinuddin Hasan Rashid, the Managing Director of United Ashuganj Energy Ltd.

The prestigious “Asian Power Awards” have been hosted by Asian Power Magazine for the last 11 years, in an effort to recognize the outstanding achievements in the Power Generation, Transmission & Distribution Industry in the Asia Pacific Region. The Asian Power Awards is awarded under 14 categories, recognizing the key players in the power industry in Asia. It is indeed an immense honor for UAEL to be bestowed with this recognition and being able to represent the nation on an international platform.

AWARDS & ACHIEVEMENTS

Largest IPFF Loan Sanctioned by World Bank in Bangladesh

United Ashuganj Energy Ltd. (UAEL) has been sanctioned the largest ever loan by World Bank in Bangladesh through its IPFF fund. The loan has been disbursed through Dhaka Bank Ltd., Mutual Trust Bank Ltd., Trust Bank Ltd with Dhaka Bank Ltd being the Lead Arranger and the Agent. The Syndicated IPFF Term Loan facility amounts to US\$ 58.5 Million. It is a long-term loan having a tenor of 12 years, including a moratorium period of 2 years, from the date of first disbursement and is to be repaid in 40 installments.





SYNDICATED
IPFF Term Loan of
USD **58.50** million

Arranged for



Efficiency in Power Generation

United Ashuganj Energy Limited

IPFF Project

Facilitated by



BANGLADESH BANK

Funded by



THE WORLD BANK

Lead Arranger & Agent

DHAKA BANK
LIMITED
EXCELLENCE IN BANKING

Participants



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
www.mutualbank.com.bd



Trust Bank
A Bank for Financial Inclusion

January 20, 2016

ISO CERTIFICATION

United Ashuganj Energy Limited (UAEL) has implemented the Integrated Management System (IMS) which is based on ISO 9001:2008 (QMS), ISO 14001:2004 (EMS), OHSAS 18001:2007. It shows our commitment to increased performance, employee and customer satisfaction, and continual improvement. With an integrated management system, we work together, with each function aligned behind a single goal: improving the performance of the entire organization. It allows the management team to create one system that can help to effectively and efficiently deliver the organization's objectives. From managing employees' needs, to monitoring risks and hazards, from reducing inefficiencies and maximizing resources, an integrated approach helps achieving objectives.

Few steps those are integrated in the management system-

- Environmental Health and Safety considerations into our business planning and decision making processes, including product research and development and acquisitions/divestitures
- Identify, assess and manage environmental and occupational risks associated with our operations, to reduce or eliminate the likelihood of adverse consequences
- Comply with all applicable legal and regulatory requirements and, to the extent we determine it appropriate, adopt more stringent standards for the protection of our employees and the communities in which we operate
- Establish assurance programs, including regular audits, to assess the success of the QEHS program in meeting regulatory and other requirements



2ND ANNUAL GENERAL MEETING

The 2nd Annual General Meeting of the Shareholders of United Ashuganj Energy Ltd. (UAEL) was held on Sunday, 17 May 2015 at 7.00 PM at Radisson Blu Water Garden Hotel, Dhaka. Mr. Md. Anwar Hossain, Chairman of the Board of Directors of UAEL presided over the meeting with Mr. Md. Shahinul Islam Khan, Director & Shareholder, Engr. AMM Sazzadur Rahman, Director & Shareholder, Mr. Faridur Rahman Khan, Director & Sponsor Shareholder, Mr. Moinuddin Hasan Rashid, Managing Director & Sponsor Shareholder, Rear Admiral Bazlur Rahman (Retd.), Director, Mr. Kayes Khalil Khan, Director and Mr. Md. Mahfuzul Haque, FCMA, Company Secretary and other senior officials of the Company attended the meeting.

After recitation of verse from the Holy Quran the Chairman welcomed the shareholders to the Annual General Meeting. The Meeting started with the Chairman's address followed by comments of the Shareholders on Directors' Report and Audited Financial Statements for the year ended 31 December 2014. The Shareholders expressed their keen interest and deep satisfaction about the performance of the Company.

The Shareholders approved the Audited Financial Statements and Messrs. Hoda Vasi Chowdhury & Co, Chartered Accountant was appointed as Auditors of the Company up to 3rd Annual General Meeting. The meeting ended with a vote of thanks to and from the Chair.





ADDITIONAL CORPORATE INFORMATION

Corporate Social Responsibility

Statement of Corporate Governance

Code of Conduct and Ethics

The Environment

The Contractors

Value Added Statement

CORPORATE SOCIAL RESPONSIBILITY

United Ashuganj Energy Ltd. (UAEL) supports and contributes towards many social and humanitarian causes as part of its Corporate Social Responsibility. Corporate Social Responsibility is practiced through its sister organization United Trust Ltd. to embrace responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who are also part of the Company's stakeholders. Such activities are in favor of Education, Poverty Alleviation, Healthcare and so on.

'United Trust' (UT), registered on 29 December 2011, is a 'Social Development' wing established by the Board of Directors of United Group, the parent concern of UAEL, from their religious urge of helping the poor and socially disadvantaged people. Islam has made this responsibility mandatory on anybody who is financially capable in the society. UT aims to plan, build, establish, maintain and run the charitable Social Welfare projects financed by the Group in a professional and efficient way. Vision of UT is to improve the quality of life of socially disadvantaged population primarily in the rural area. It is done by addressing basic needs of the people and the society: education, health, poverty alleviation and Social Development. Any project implemented to address such issues in rural scenario ought to be of high standard and quality at par with the similar good facilities available in the urban areas of Bangladesh. In past years, UT mainly focused on "Rural Education", "Health", "Poverty Alleviation" and "Urgent Social Need". Now UT is gradually increasing our field of activities and the geographic coverage under those broad 4 areas of activities.

In Education Sector, UT aims to raise the standard of rural education through capacity building. It helps rural schools and madrasas in making up of critical deficiencies of their classrooms, laboratories, furniture, teaching aids, teacher training and providing additional teachers where necessary. At the moment, it closely patronizes one college, four high schools, six madrasas (Kamil & Fazil), eighteen primary schools, three hifzkhana and five orphanages. It also provides scholarship of Tk. 1500 - 3000/- per month to more than 50 poor but meritorious students per year.

In Health Sector, UT has also established 5 Rural Hospital/Health Complex at Malancha, Jamalpur, at Momenabad, Jamalpur, at Shamur Barhi, Louhojong, at Motkhola Kishoreganj and Nijkunjora, Feni in the past 4 years. Most of these hospitals/complexes have outdoor treatment, pathology support, and cataract operation facility. On an average, UT facilitates over 48,000 outdoor patients and 2000 cataract operations almost free of cost per year. This year i.e. 2016, UT is planning to set up General Hospital in selected District town starting with Jamalpur. Main beneficiaries will be poor and middleclass people.

In Poverty Alleviation sector, UT introduced "Interest Free Micro-Credit and Loan" for the rural women, marginal businessman and the farmers. Over 1000 rural poor people are the direct beneficiaries of this scheme per year. It also works on capacity building of rural youths, especially the women, through vocational training. So far, UT arranged training for more than 800 people on IT, handicraft, tailoring, cow fattening, poultry and fisheries followed by interest free loan to enable them to earn livelihood. This year i.e. 2016, UT is planning to increase fields of activities in this sector primarily aiming at developing rural entrepreneurship among the rural youths.

Under Social Development sector, UT aims to address the immediate needs of the people. At the moment, UT is providing approximately 25 tube-wells and more than 300 semi-pakka toilets per year to the poor rural families free of cost. It also provides approximately 20 semi-pakka homes to homeless people, grants to more than 300 families per year for marriage, debt payment and advance treatment. Besides these, it also provides donations to more than 200 mosques per year.

United Trust is gradually increasing its organogram and the field of activities for the poor of our vast rural areas. By the grace of Almighty it will continue its dedicated endeavor for the well-being of the poor and distressed people.

STATEMENT OF CORPORATE GOVERNANCE

Corporate governance is a system by which companies are directed and controlled. At its most level, it is about how those entrusted with day to day management of a company's affairs are held accountable to shareholders and other providers of finance and whether the organization has the appropriate corporate structure to underpin accountability. The principal characteristics of corporate governance are transparency, independence, accountability, responsibility, fairness, and social responsibility. A good governance process provides transparency of corporate policies, strategies and the decision making process. This further strengthens internal control systems and helps in building relationships with all stakeholders. We at UAEL believe in transparency and commit ourselves to adherence to good corporate governance practices at all times, as we believe that good governance generates goodwill among business partners, customers and investors and helps the company grow. Keeping in view the size, complexity and operations, the governance framework of our company is based on the following principles:

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

The Responsibilities of the Board

To ensure effective maintenance of corporate governance, the Board of United Ashuganj Energy Ltd. (UAEL) formulates strategic objectives and policies for the Company, provides leadership and supervises management actions in implementing those objectives of the Company. In UAEL, the Board of Directors fully control the Company's affairs and is also accountable to the shareholders. The Board firmly believes that the success of the Company depends largely on the prevalence of a credible corporate governance practice. In discharging its responsibilities, the Board fulfills certain key functions, including:

- Board members should be informed and act ethically and in good faith, with due diligence and care, in the best interest of the company and the shareholders.
- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring and implementing corporate performance.
- Ensuring the integrity of the Company's accounting & financial reporting systems, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Reviewing Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirements.

In doing so the Company:

- Applies suitable accounting policies;
- Makes prudent judgments and estimates where needed;
- Ensure all applicable accounting standards have been followed, all material departures have been disclosed and explained in the notes to the financial statements;
- Make sure the accounting records present the financial position of the Company accurately;

STATEMENT OF CORPORATE GOVERNANCE

- Prepares the financial statements on a going concern basis.
- Ensure the integrity of the corporations accounting and financial reporting systems, including their independent audit.
- Monitoring implementation and effectiveness of the approved strategic and operating plans.
- Oversee major acquisitions and divestitures and establish Company's value.
- Oversee the corporate governance of the Company
- Select, compensate, monitor and replace key executives and oversee succession planning.
- Ensure a formal and transparent board member nomination and election process.
- Ensure appropriate systems of internal control are established.
- Where committees of the board are established, their mandate, composition and working procedures should be well-defined and disclosed.
- Align key executive and board remuneration (pay) with the longer-term interests of the company and its shareholders.

The Company's policy is to maintain optimum combination of Directors. The Chairman of the Board is a seasoned government official. A short introduction of the Directors has been provided in the earlier sections. The Board ensures that the activities of the Company are always conducted with adherence to high ethical standards and in the best interest of the shareholders.

Board meetings and procedures

The number of meetings held during the period of 18 months ended 30 June 2016 was 11. The procedures for the meeting of the Board of Directors are listed below:

- Selection of Agenda:** The Chairman of the Board, in consultation with Managing Director sets the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Any member of the Board may request that an item be included on the agenda.
- Board Materials:** Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting.
- Senior Management in the Board meeting:** At the invitation of the Board, members of senior management attended Board meetings or portions thereof for the purpose of participating in discussions.

The Responsibilities of the Management

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

In discharging its responsibilities aligned with the defined policies and objectives of the Board of Directors, the Management fulfills certain key functions including:

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

- Monitor and provide feedback about the corporate governance of the Company to the Board.

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

Internal Control Framework

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

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

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

Board of Directors

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

Management

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

Auditors

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

Conclusion

UAEL ensures highest standards in corporate good governance and strict adherence to the requirements of ethical code of conduct, through close monitoring. Through the code of ethics all levels of staff have been educated and encouraged to report to whistle blowing, when they suspect wrong doings by other employees.

CODE OF CONDUCT AND ETHICS

	FAIRNESS	TRANSPARENCY	RESPECT	RECIPROCITY	FREEDOM	TRUST
COLLEAGUES	<ul style="list-style-type: none"> Ban discrimination on the grounds of sex, race and political opinion; Practice respect and care towards employees at all time; Ban favoritism in recruitment, promotion, training and incentive policies. 	<ul style="list-style-type: none"> Share your knowledge without monopolizing it to your own advantage; Ensure transparency in your career path. 	<ul style="list-style-type: none"> Clearly define responsibilities for all employees; Listen and pay constant attention to employees, respecting their values, feeling, moral stance; never use any form of undue pressure of offense. 	<ul style="list-style-type: none"> Trying to have a positive influence in our working environment; Co-operate, sharing knowledge to generate value and find legitimation of our professional identity beyond organization boundaries; Taking care of colleagues' needs 	<ul style="list-style-type: none"> Create proper environment, freedom of dissent and freedom to express what one thinks; Offer everybody the chance to practice the values of leadership and develop his/her own professional personality. 	<ul style="list-style-type: none"> Keep our commitment, admitting the possibility of mistakes made in good faith.
CLIENTS	<ul style="list-style-type: none"> Strive for client satisfaction at all times; Pay appropriate attention our client 	<ul style="list-style-type: none"> Ensure timely information on services at all times 	<ul style="list-style-type: none"> Maintain confidentially of any information acquired both in relation to clients and the company itself and its decisions; safeguard its assets. 	<ul style="list-style-type: none"> Listen to requirement and transform them into services. 	<ul style="list-style-type: none"> Handle interpersonal relations in free and equal terms without being in awe of those who are stronger and without arrogance towards those who are weaker. 	<ul style="list-style-type: none"> Build-up confidence through behaviors that constantly confirm our reputation.
INVESTORS	<ul style="list-style-type: none"> Pay appreciate attention to the investors, without discrimination or favoritism. 	<ul style="list-style-type: none"> Aim to be clear, complete and timely; Use most effective communication channel for investors; 	<ul style="list-style-type: none"> Behave with investors in line with corporate values and professional ethics 	<ul style="list-style-type: none"> Listen without prejudice to any indications that investors may communicate. 	<ul style="list-style-type: none"> Achieve freedom of action such that we can keep the promises we make to the Shareholders without undue conditioning. 	<ul style="list-style-type: none"> Develop lasting and continuous relationship with the financial community; Safeguard our consistency and credibility;
COMMUNITIES	<ul style="list-style-type: none"> Establish suitable relation with stakeholders in order to offer assistance, service and opportunities without discrimination. 	<ul style="list-style-type: none"> Keep the community we work informed of what we do and how we do it. 	<ul style="list-style-type: none"> Promote growth which is ecologically and socially sustainable. 	<ul style="list-style-type: none"> Create spaces for discussion and dialogue in which mutual exchange of information may increase our legitimacy and reputation. 	<ul style="list-style-type: none"> Respect individual moral codes and culture. 	<ul style="list-style-type: none"> Establish social and cultural relations with communities, whose distinctive features should be reciprocity.

THE ENVIRONMENT

ELECTRICITY IS ALL AROUND US - POWERING TECHNOLOGY LIKE OUR CELL PHONES, COMPUTERS, LIGHTS, SOLDERING IRONS AND AIR CONDITIONERS. EVEN WHEN WE TRY TO ESCAPE ELECTRICITY, IT IS STILL AT WORK THROUGHOUT NATURE, FROM THE LIGHTNING IN A THUNDERSTORM TO THE SYNAPSES IN OUR BODY.



BUT WHAT EXACTLY IS ELECTRICITY?

Electricity is a natural phenomenon that occurs throughout nature and takes many different forms. In the simplest of all terms, it is a form of energy that results as a flow of electric charges. Power plants use the chemical energy from the fuel, that is natural gas in our case, and converts it to mechanical energy that drives the governor system, the engines at our power plants, which in turn converts the mechanical energy to electrical energy by turning the rotor in the magnetic field of the stator thus producing our product, the driver of our nation - electricity.

The cultivation of electricity for human use offers numerous conveniences, but it can also harm the environment and increase health risks to people.

The variety of fuels used to generate electricity all have some impact on the environment. Fossil fuel power plants lead to carbon emission in the atmosphere, require large amounts of cooling water and can mar large tracts of land during the mining process. Nuclear power plants are generating and accumulating copious quantities of radioactive waste that currently lack any repository. Even renewable energy facilities /can affect wildlife (fish and birds), involve hazardous wastes, or require cooling water.

The Government of Bangladesh has laws to keep the environmental impacts associated with electricity production and transmission in check. Environmental laws in Bangladesh are based on the guiding principles stated in the “Bangladesh Environmental Policy 1992”. The government enforces environmental laws such as Bangladesh Environment Conservation Act 1995, Bangladesh Environment Conservation Rules 1997 etc. for the control of air pollutant emissions and set emissions standards for power plants.

United Ashuganj Energy Ltd. (UAEL) is committed to conducting its business in socially responsible and environmentally sustainable manner. UAEL has acquired the necessary clearances from the Department of Environment (DoE), Ministry of Environment and Forest, Bangladesh and ensures compliance to the standards and limits set forth as conditions in the said clearances/licenses/permits. The environmental parameters such as air quality and noise are periodically monitored by representatives of DoE and World Bank. Emission dispersion modelling was done and all criteria pollutants were found to be within BD NAAQS and World Bank Group. Thus, UAEL's power plants have been operating keeping within the standard limits.

Furthermore, UAEL's power plants uses natural gas, the cleanest of all fossil fuels, as its primary fuel thus keeping carbon emissions at minimum. The plants also employ best-in-class, high efficiency engines that ensure complete combustion of the fuel contributing further in reducing carbon emissions. The W20V34SG engines use lean burn technology resulting in reduced NOx emissions as well. To increase efficiency levels further the engines have waste heat recovery boilers fitted with them so that the exhaust gas can be used to produce quality steam to be used for further electricity generation by a steam turbine generator. This way the generation is increased by about 8% without requiring any fuel for the additional 16.1 MW being generated from the steam turbine.

To keep noise levels within limits sandwich panels have been used for sound attenuation. A container based silencer system has been implemented by the Company's own in-house design team. The venting pipes at the top and the bottom has been connected to this container based silencer system. Serrated surfaces and perforated padding have been used to keep the noise that originates from the venting pipes to bare minimum levels.

THE CONTRACTORS

Neptune Commercial Ltd (NCL)

Engineering, Procurement & Construction (EPC) Contractors

Neptune Commercial Ltd., a sister concern of United Group, was established in 1977 with a good intention of serving the public sector and to be a part of in nation building at post war era. NCL is well known for its commitment for outstanding performance, on-time job completion and remarkable customer service. Their safety records demonstrates their commitment to safety and a long list of repeat clients attest to their satisfaction.

With more than two and a half decades in this field, NCL looks for innovative construction methods and problem solving approach to the construction process. NCL perhaps ranks one of the foremost in specialized hydro engineering with vast experiences in coastal embankment, river training, river erosion protection and virtually constructing everything to combat the fury of nature. NCL executed many challenging projects such as:

- a) Coastal Embankment Rehabilitation Project, Part C
 - i) Contract No. 2 (Polder No. 62 Patenga North, Chittagong)
 - ii) Contract No. 4 (Polder No. 63/1a Anowara, Chittagong)
- b) Coastal Embankment Rehabilitation Project, Phase II, Contract No. 15 (Polder No. 59/3C, Companiganj, Noakhali)
- c) Meghna Dhanagoda Irrigation Project
- d) Chandpur Town Protection work with Geo-textile bags

NCL also has extensive experience in developing power generating plants. They were awarded with the challenging Engineering, Procurement and Construction (EPC) Contract of the first ever privately owned BOO (Build, Own & Operate) basis power plant project of the country, the 110 MW Barge Mounted Power Plant at Goalpara, Khulna named Khulna Power Company Ltd. The success story was followed by the EPC works of three power plants, each of 11 MW capacities named Dhaka PBS-1 at Ashuganj, Savar, Narsingdi PBS-1 at Madhabdi and Comilla PBS-1 at Chandina undertaken by NCL.



NCL has proven their extra ordinary expertise to complete the assigned work well ahead of the projected period and thus enable the whole project to be on its feet right on time. The 53 MW Quick Rental Power Plant at Ashuganj named United Ashuganj Power Ltd. was completed in a record time of 120 days. All EPC works of the plant were done by NCL. Prior to this NCL performed the EPC work of the country's first Commercial IPP, United Power Generation & Distribution Company Limited. NCL was also contracted for the extension work of UPGD's two power plant currently supplying quality and reliable power to Dhaka and Chittagong EPZs. NCL also did the EPC work of a 28 MW Commercial IPP at Sylhet named Shajahanullah Power Generation Company Ltd. Overall, NCL has EPC work experience of over 500 MW power plants including the EPC works of two more power plants at Khulna namely Khulna Power Company Ltd. Unit II and Khan Jahan Ali Power Company Ltd.

NCL has also been privileged to work on some of the most distinguished and high-profile commercial, hospital and residential buildings. They accomplished the construction of a luxurious commercial building named United House, a 6-storied building with multi-level basement. NCL also constructed the high-rise commercial building named Summit Centre at 18 Kawran Bazar, Dhaka. NCL's high rise residential buildings include Al-Amin Twin Towers, Malancha etc. They have also performed all EPC works of United Hospitals Ltd., one of the largest private sector healthcare facilities in Bangladesh, established across a total covered area of over 400,000 sft with a capacity to house over 450 patients. Like its parent company, NCL thrives to become one of the largest construction service provider in the country.



United Engineering & Power Services Ltd. (UEPSL)

Operations & Maintenance (O&M) Contractors

The overall Operation and Maintenance (O&M) of the plants have been outsourced to United Engineering & Power Services Ltd. (UEPSL), a sister concern of United Group, under a long term O&M Agreement.

United Engineering & Power Services Ltd. (UEPSL), formed in 2011, offers exhaustive operation & maintenance solutions, troubleshooting services, spare parts and consumables supply and sourcing for all types of power generation machinery and equipment, specializing in world renowned brands like Wärtsilä, Rolls-Royce, MWM, MTU, Tognum, Waukesha, Caterpillar, Sperre, Atlas Copco, Kawasaki etc.



UEPSL provides one stop operation & maintenance services including spare parts and consumables supply to United Power Generation & Distribution Co. Ltd. - Dhaka EPZ 86 MW Power Plant, United Power Generation & Distribution Co. Ltd. - Chittagong EPZ 72 MW Power Plant, United Ashuganj Power Ltd. 53 MW Power Plant at Ashuganj, Brahmanbaria, Shajahanullah Power Generation Company Ltd. 28 MW Power Plant at Kumargaon, Sylhet and United Ashuganj Energy Ltd. 200 MW Combined Cycle Modular Power Plant at Ashuganj, Brahmanbaria.

Presently consisting of more than 350 members, UEPSL's maintenance highlights include successful 16000 hours, 24000 hours and 48000 hours major maintenance works of Wärtsilä 20V34SG Engines, major maintenance of Rolls-Royce & MWM engines, spares and consumables supply including safety spares, scheduled maintenance spares, lubricants, coolants from various manufacturer approved OEMs.

UEPSL has O&M experience of 454 MW with an average plant availability of over 90% with another 318 MW HFO fired power plant to be added to their portfolio by 2019. UEPSL also provides technical support to the 287 MW power plants of Khulna Power Company Ltd. (KPCL I, KPCL II & KPCL III). The management team is led by ex-officials from Wärtsilä with over 25 years of experience in the marine industry and handling Wärtsilä engines. They each have 96000 hours of major maintenance experience of Wärtsilä engines. Engaging UEPSL for providing O&M services has benefitted the plant not only in terms of availability but also in terms of efficient operation, greater output and has secured a steady flow of revenue from the plant.

UEPSL also successfully extended its extensive workshop services (including critical services like Cylinder Liner Honing, Cleaning etc.) to multiple private clients and is currently developing another world class workshop at Dhaka, the capital of Bangladesh. The workshop is to be equipped with world class tools and equipment for precision servicing of components on a floor area of 30,500 sft.

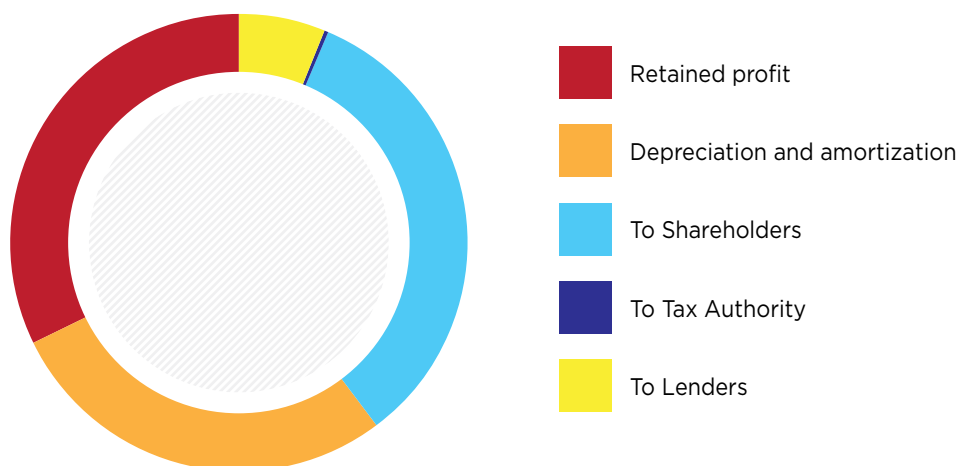
UEPSL has the full responsibility of carrying out all services required to ensure smooth operation of the plant. The operational process has been developed and managed by the expert team. For any technical issue, the equipment manufacturer extends their support as and when required. UEPSL is paid a management fee for their services rendered and any other actual cost, including manpower salary and emoluments, incurred by them while providing O&M services to UAELL's plant is reimbursed.

VALUE ADDED STATEMENT

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

PARTICULARS	2015-16 (18 MONTHS) Taka
VALUE ADDED:	
Revenue	4,096,073,754
Other income including interest income	25,689,345
Cost of Sales, Excluding Depreciation	(1,343,605,632)
Other operating expenses	(130,853,545)
Total value added	2,647,303,922
DISTRIBUTION OF ADDED VALUE:	
To Lenders	165,021,275
To Tax Authority	8,991,271
To Shareholders	880,000,000
	1,054,012,546
RETAINED FOR REINVESTMENT & FUTURE GROWTH:	
Depreciation and amortization	745,115,367
Retained profit	848,176,009
	1,593,291,376

VALUE ADDED STATEMENT 2015-16



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF UNITED ASHUGANJ ENERGY LIMITED

Introduction

We have audited the accompanying financial statements of United Ashuganj Energy Limited, which comprise the statement of financial position as at 30 June, 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the eighteen months then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, give a true and fair view of the financial position of United Ashuganj Energy Limited as at 30 June, 2016 and of its financial performance and its cash flows for the eighteen months then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act (#18) 1994 and other applicable laws and regulations.

We also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by United Ashuganj Energy Limited so far as it appeared from our examination of those books;
- (iii) the statement of financial position, statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 05 Sep 2016



Hoda Vasi Chowdhury & Co
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note(s)	30-Jun-16	31-Dec-14
		Taka	Taka
ASSETS			
Non current assets:			
Property, plant and equipment	4	12,502,941,512	5,512
Capital Work-In-Progress	5	910,995	31,588,172
Preliminary Expenses	6	-	3,073,105
Pre-Operating expenses	7	-	15,091,081
		12,503,852,507	49,757,870
Current assets:			
Inventory	8	135,497,758	-
Goods in Transit	9	2,088,634	-
Account Receivables	10	675,026,630	-
Advances, deposits and prepayments	11	4,903,188	3,086,893,000
Inter company receivable	12	100,197,260	-
Cash and cash equivalents	13	732,282,848	4,306,931
		1,649,996,318	3,091,199,931
Total assets		14,153,848,825	3,140,957,801
EQUITY AND LIABILITIES			
Shareholders' equity:			
Share capital	14	100,000,000	100,000,000
Share money deposit	15	3,904,519,017	3,029,908,017
Retained Earnings	16	848,176,009	-
		4,852,695,026	3,129,908,017
Non-Current liabilities:			
Long term loan	17	4,739,721,275	-
		4,739,721,275	-
Current liabilities:			
Accounts payable	18	152,709,115	-
Others payable	19	4,394,098,388	-
Inter company payables	20	5,228,750	10,674,784
Provision for expenses	21	9,396,271	375,000
		4,561,432,524	11,049,784
Total equity and liabilities		14,153,848,825	3,140,957,801

1. Auditors' Report - Page 1 & 2

2. The accompanying notes 1 to 29 form an integral part of these financial statements.



Managing Director



Director
As per our report of same date



Company Secretary

Dhaka, 05 Sep 2016



Hoda Vasi Chowdhury & Co
Chartered Accountants

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the eighteen months period ended from 01 January 2015 to 30 June 2016

	Note(s)	1st January 2015 to 30 June 2016	1st January 2014 to 31 December 2014
		Taka	Taka
Revenue	22	4,096,073,754	-
Cost of sales	23	(2,088,720,999)	-
Gross profit		2,007,352,755	-
Other operating income	24	25,689,345	-
General and administrative expenses	25	(130,853,545)	-
Operating Profit		1,902,188,555	-
Finance cost	26	(127,458,734)	-
Foreign exchange gain/(loss)		(37,562,541)	-
Net profit before income tax		1,737,167,280	-
Income tax expenses	21	(8,991,271)	-
Net profit after income tax		1,728,176,009	-
Other comprehensive income		-	-
Total comprehensive income		1,728,176,009	-

1. Auditors' Report - Page 1 & 2

2. The accompanying notes 1 to 29 form an integral part of these financial statements.



Managing Director



Director



Company Secretary

As per our report of same date

Dhaka, 05 Sep 2016



Hoda Vasi Chowdhury & Co
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

For the eighteen months period ended from 01 January 2015 to 30 June 2016

Particulars	Share capital	Share money deposit	Retained earnings	Total
	Taka	Taka	Taka	Taka
Balance at 1 January 2014	100,000,000	37,000,000	-	137,000,000
Addition during the year	-	2,992,908,017	-	2,992,908,017
Net profit for the year 2014	-	-	-	-
Balance at 31 December 2014	100,000,000	3,029,908,017	-	3,129,908,017
Balance at 1 January 2015	100,000,000	3,029,908,017	-	3,129,908,017
Addition during the period	-	874,611,000	-	874,611,000
Dividend paid during the period	-	-	(880,000,000)	(880,000,000)
Net profit during the period	-	-	1,728,176,009	1,728,176,009
Balance at 30 June 2016	100,000,000	3,904,519,017	848,176,009	4,852,695,026
	Note(s)	14	15	16

1. Auditors' Report - Page 1 & 2
2. The accompanying notes 1 to 29 form an integral part of these financial statements.



Managing Director



Director

As per our report of same date



Company Secretary



Hoda Vasi Chowdhury & Co
Chartered Accountants

STATEMENT OF CASH FLOWS

For the eighteen months period ended from 01 January 2015 to 30 June 2016

	Note(s)	1st January 2015 to 30 June 2016	1st January 2014 to 31 December 2014
		Taka	Taka
A. Cash flows from Operating Activities :			
Net profit/(loss) before tax as per Statement of Profit or Loss and Other Comprehensive Income		1,737,167,280	-
Adjustment for non-cash and non-operating items			
Depreciation on property, plant and equipment		747,074,903	-
Decrease/(Increase) of pre-operating expenses		59,583,989	-
Write-off of Preliminary Expenses		3,073,105	-
Foreign exchange gain/(loss)		37,562,541	-
Finance cost		127,458,734	-
Interest Income		(23,460,045)	-
		951,293,227	-
Changes in working capital		2,688,460,507	-
Decrease/(Increase) in Inventories		(135,497,758)	-
Decrease/(Increase) in Goods in Transit		(2,088,634)	-
Decrease/(Increase) in account receivables		(675,026,630)	-
Decrease/(Increase) in advances, deposits and prepayments		3,081,989,812	(3,061,188,000)
Decrease/(Increase) in inter company receivables		(100,197,260)	497,199
(Decrease)/Increase in account payable		152,709,115	-
(Decrease)/Increase in other payables		4,394,098,388	-
(Decrease)/Increase in pre-operating expenses		(44,492,908)	(8,867,911)
(Decrease)/Increase in inter company payable		(5,446,034)	10,674,784
(Decrease)/Increase in provision for expenses		30,000	212,500
		6,666,078,091	(3,058,671,428)
<i>Net cash flows from/ (used) in operating activities</i>		9,354,538,598	(3,058,671,428)
B. Cash flows from Investing Activities :			
Acquisition of property, plant & equipment		(13,218,422,731)	-
Interest income		23,460,045	-
Capital Work In Progress		(910,995)	(31,453,994)
<i>Net cash flows from/ (used) in investing activities</i>		(13,195,873,681)	(31,453,994)
C. Cash flows from Financing Activities :			
Proceeds from Long Term Loan-IPFF		4,574,700,000	-
Proceed from share money deposit		874,611,000	2,992,908,017
Dividend paid		(880,000,000)	-
<i>Net cash flows from/ (used) in financing activities</i>		4,569,311,000	2,992,908,017
Net cash (decrease)/ increase during the period		727,975,917	(97,217,405)
Cash and cash equivalents at the beginning of the year		4,306,931	101,524,336
Cash and cash equivalents at the end of the year		732,282,848	4,306,931

1. Auditors' Report - Page 1 & 2

2. The accompanying notes 1 to 29 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

1 Reporting entity

1.1 Company profile

United Ashuganj Energy Limited (UAEL) was incorporated in Bangladesh as a Private Company Limited by Shares under Companies Act (Act XVIII) 1994 on 30th January 2013 in order to produce and supply electricity by Shares under registration no: C-107069/13 dated 13th January 2013 with its corporate office at Gulshan Center Point, Road No. 90-91, and House No.23-26, Gulshan-2, Dhaka-1212, Bangladesh. The authorized share capital of the Company is Tk. 5000000000 (Five hundred crore) only divided into 500,000,000 (Fifty Crore) ordinary shares of Tk. 10 (Tk. ten) each. The authorized share capital of the company is Tk. 5,000,000,000 (Taka Five Hundred crore) only divided into 500,000,000 (Fifty crore) shares of Tk. 10 (Ten) each.

1.2 Nature and scope of business

The principal activity of the company is to set up power plants for generation and sell of power to Bangladesh Power Development Board (BPDB). United Ashuganj Energy Ltd. (UAEL) is gas fired power plant with capacity of 195 MW (Net) at Ashuganj, B. Baria which started its commercial operation on 8th May 2015.

1.3 Registered office

The address of the company's registered office is Gulshan Center Point, Road No. 90-91, and House No.23-26, Gulshan-2, Dhaka-1212, Bangladesh

2 Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Companies Act (#18) 1994, and other applicable laws and regulations.

- BAS - 01 Presentation of financial statements
- BAS - 02 Inventories
- BAS - 07 Statement of Cash Flows
- BAS - 08 Accounting Policies, Changes in Accounting estimates and Errors
- BAS - 10 Events after the reporting period
- BAS - 12 Income Taxes
- BAS - 16 Property, Plant and Equipment
- BAS - 18 Revenue
- BAS - 21 The effects of changes in foreign exchange rates
- BAS - 23 Borrowing cost
- BAS - 24 Related Party Disclosure
- BAS - 32 Financial Instruments
- BAS - 36 Impairment of Assets
- BAS - 37 Provisions, Contingent Liabilities and Contingent assets.

Other Regulatory compliances

- The Income Tax Ordinance (#36) 1984
- The Income Tax Rules 1984
- The Value Added Tax Act (#22) 1991
- The Value Added Tax Rules 1991

2.2 Components of Financial Statements

Being the general purpose of financial statements, the presentation of these Financial Statements are in accordance with the guidelines provided by the "Bangladesh Accounting Standard (BAS) 1 "Presentation of Financial Statements", the complete set of Financial Statements includes the following components.

- # Statement of Financial Position
- # Statement of Profit or Loss and Other Comprehensive Income
- # Statement of Changes in Equity

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

- # Statement of Cash Flows
- # Accounting policies and explanatory notes

2.3 Authorization for issue

The financial statements were authorised for issue by the Board of Directors of the Company on 5th September 2016.

2.4 Basis of measurement

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting under historical cost convention.

2.5 Going Concern Assumption

The Financial Statements has been prepared considering going concern assumption as per BAS-1(25). The company has adequate resources to continue in operation of foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment, there is no material uncertainties related to event or condition which may cast significant doubt upon the company's ability to continue as a going concern.

2.6 Functional and presentational currency

The financial statements are presented in Bangladesh Taka (BDT/Tk.), which is the Company's functional currency. All financial information presented in Taka (BDT/Tk). has been rounded off to the nearest Taka (BDT/Tk).

2.7 Critical accounting estimates, assumptions and judgment

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

(a) **Judgments**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

(b) **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 30 June 2016 is included in the following notes:

Notes-	4	Depreciation
Notes-	8	Inventory
Notes-	10	Account Receivables
Notes-	18	Accounts payable
Notes-	19	Others payable
Notes-	21	Provision for expenses

2.8 Reporting Period

Financial statements of the company cover one year from 01 January to 31 December and consistently followed. However, in compliance with current law of the section 2 subsection 35 of Income Tax Ordinance (#36) 1984, the financial statements need to be prepared for a period of 12 months commencing from 01 July each year, which shall be considered financial year for the local Company other than Bank, Insurance and Non banking financial institution. For compliance with current law, Company have prepared the financial statements for eighteen months for the year ended 30 June 2016. These financial statements cover the eighteen months from 01 January to 30 June 2016. Subsequently, the financial statements of the company will cover the period from 01 July to 30 June every year and will be followed consistently.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

3 Summary of significant accounting policies

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

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

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the statement of comprehensive income as incurred.

3.1.3 Depreciation

- i) No depreciation is charged on land and capital work in progress.
- ii) Property, plant and equipments are stated at cost less accumulated depreciation. All property, plant and equipments have been depreciated on straight line method.
- iii) In respect of addition to fixed assets, full depreciation is charged in the year of addition irrespective of date of purchase in that year and no depreciation is charged in the year of disposal/retirement. Residual value is estimated to be zero for all assets. The rates of depreciation vary according to the estimated useful lives of the items of all property, plant and equipment.

Considering the estimated useful life of the assets, the rate of depreciation stand as follows:

Name of the Assets	Rate of Depreciation
Land and Land Development	0%
Plant & Machinery	5%
Building and Civil Construction	5%
Motor Vehicle	10%
Furniture & Fixture	10%
Office Equipment	15%

3.1.4 Retirements and disposals

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

3.2 Preliminary expenses

Preliminary expenses represents the expenses incurred relating to company formation, feasibility study and legal expenses and it is fully amortized as the company had gone into commercial operation as on 08 May, 2015.

3.3 Pre Operating Expenses

These represents expenses incurred before commencement of commercial operation of the company and it is fully amortized as the company has gone into commercial operation as on 08 May, 2015.

3.4 Inventories

Inventories primarily include maintenance spare parts, lube oil, and fuel are valued in accordance with BAS-2 (Inventories) at the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Cost is calculated on First In First Out (FIFO) basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. When inventories are used, the carrying amount of those inventories are recognised in the period in which the related revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

3.5 Capital Work in Progress

Capital work in progress consists of acquisition costs of plant, machinery, capital components of other equipment, related installation costs and directly attributable costs incurred until date the asset placed in service. In case of purchase of components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company.

3.6 Financial instruments

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

3.6.1 Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date on 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 receivables, inter company receivables cash and cash equivalents etc.

(a) Trade receivables

Trade receivables represent the amounts due from customers for rendering services. Trade receivables are recognised initially at cost which is the fair value of the consideration given for them. Provision for debts doubtful of recovery, if any, are made at the discretion of management.

(b) Advance, Deposits and Prepayments

Advance are initially measured at cost. After initial recognition advances are carried at cost less deduction or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the statements of Profit or Loss and other Comprehensive Income.

(c) Cash and Cash equivalent

Cash and cash equivalents include cash in hand and cash at bank which are held and available for use by the Company without any restriction. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at bank and financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition.

3.6.2 Financial liabilities

A financial liability is recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits. The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include trade payables, Other payables and accrual and other current liabilities.

(a) Trade and other payables

Trade and Other payables consist of unpaid bills payable for gas and lubricant consumption. The Company recognises a trade payable when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

(b) Loans and borrowings

Borrowings are classified into both current and non-current liabilities. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

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

3.7 Revenue recognition

Revenue is recognised in the statement of comprehensive income upon supply of electricity, quantum of which is determined by survey of meter reading. As per BAS-18 Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue measured at the fair value of the consideration received or receivable. The following specific recognition criteria must be met before revenue is recognized:

- a. The amount of revenue can be measured reliably
- b. The flow of economic benefits to the entity is probable
- c. When the service is performed in accordance with the terms of contractual arrangement

Revenue is recognized, excluding Value Added Tax and other Government levies, on the basis of net units of energy generated and transmitted to the authorized customer's transmission systems and invoiced on a monthly basis upon transmission to the customers. Revenues are valued using rates in effect when services are provided to customers. Accrued billed revenues are presented in current assets as trade receivables and the corresponding cost is included in operating expenses.

3.8 Provisions

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be repaid to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are recognized by making the best estimate of the expenditure in accordance with BAS 37 (Provisions, Contingent Liabilities and Contingent assets).

3.9 Contingencies

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

3.9.1 Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

However the company has not contingent liabilities.

3.9.2 Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

However the company has not contingent asset.

3.10 Statement of Cash flows

Statement of Cash Flows has been prepared under indirect method as per BAS-7 Statement of Cash Flows.

3.11 Foreign currency transaction

Transactions in foreign currencies are recorded in the books at the rate of exchange prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated to Taka at the rate of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the date of statement of financial position are recognised in the statement of profit or loss and other comprehensive income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.12 Income Tax

Tax on the statement of profit or loss & other comprehensive income for the year comprises current and deferred tax.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

3.12.1 Current tax

No provision is required for income tax on the Company's business operating profits as the Company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation, vide SRO ref: 354-Law/Income Tax/2013-Income Tax ordinance (#36) 1984 dated 18 November 2013. However, provision has been made on other operating income of the Company @ 35% (Note-21).

3.12.2 Deferred tax

As there is considerable uncertainty with regard to the taxation of the Company after the expiry of the tax exemption period, management feels it is not possible to make a reasonable estimate of deferred tax assets/liabilities at this stage.

3.13 Borrowings

Borrowings are classified into both current and non-current liabilities. Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings and interest 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 and unpaid interest which will be paid after twelve months are classified as non-current liabilities.

3.14 Employee benefit schemes

Workers profit participation fund (WPPF)

The government of Bangladesh has made an amendment to the Labour Law 2006 in July 2013. As per amended section-232 (chha) of the Act, any undertaking carrying on business to earn profit is liable to make provision for WPPF at 5% of the net profit and also need to be distributed within 9 months of the statement of financial position/balance sheet date. Operation and maintenance activities of UAEL are managed by 126 employees of United Engineering and Power Services Limited under an O&M Contract. Therefore the provision of WPPF is not applicable for the company.

3.15 Related Party Disclosures

The company carried out related party transaction only with sister concerns. The information as required by BSA-24: "Related party Disclosure" has been disclosed separately in notes to the accounts 27.

3.16 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

3.17 Comparative Information:

The financial statements have been prepared for a period of eighteen months, whereas comparative figures have been presented for twelve months, therefore the comparative figures are not entirely comparable.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

4 Property, plant and equipment-net

Particulars	Cost				Rates %	Depreciation				Written Down Value as on 30 June 2016
	Balance as on 01 January 2015	Addition during the period	Disposal or adjustment during the Period	Balance as on 30 June 2016		Balance as on 01 January 2015	Charged during the Period	Adjustment during the period	Balance as on 30 June 2016	
Freehold Land & Land Development	-	140,815,174	-	140,815,174	0%	-	-	-	-	140,815,174
Leasehold Land & Land Development	-	304,080,000	-	304,080,000	0%	-	-	-	-	304,080,000
Plant & Machinery	-	12,185,239,691	-	12,185,239,691	5%	-	709,821,030	-	709,821,030	11,475,418,661
Building and Civil Construction	-	605,045,773	-	605,045,773	5%	-	35,294,337	-	35,294,337	569,751,436
Motor Vehicle	-	6,950,000	-	6,950,000	10%	-	810,833	-	810,833	6,139,167
Furniture & Fixture	5,512	3,802,044	-	3,807,556	10%	-	435,014	-	435,014	3,372,542
Office Equipment	-	4,078,221	-	4,078,221	15%	-	713,689	-	713,689	3,364,532
As at 30 June 2016	5,512	13,250,010,903	-	13,250,016,415		-	747,074,903	-	747,074,903	12,502,941,512
As at 31 December 2014	-	5,512	-	5,512		-	-	-	-	5,512

	Note(s)	30-Jun-16	31-Dec-14
		Taka	Taka

Allocation of Depreciation Expenses:

Cost of Sales (Note-22)		745,115,367	-
General and administrative expenses (Note-24)		1,959,536	-
		747,074,903	-

5 Capital Work-In- Progress

Opening balance		31,588,172	-
Addition during the year		910,995	31,588,172
Transferred to fixed assets		(31,588,172)	-
		910,995	31,588,172

6 Preliminary Expenses

Opening balance	6.1	3,073,105	3,073,105
Addition during the year		-	-
		3,073,105	3,073,105
Less: Write-off		(3,073,105)	-
		-	3,073,105

6.1 Preliminary Expenses

RJSC Expenses		2,308,925	2,308,925
IRC & ERC Expenses		87,330	87,330
Fire License		50,000	50,000
Subscription Fee		126,850	126,850
Environment Certificate		500,000	500,000
		3,073,105	3,073,105

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

	Note(s)	30-Jun-16 Taka	31-Dec-14 Taka
7 Pre-Operating expenses			
Opening balance		15,091,081	6,223,170
Addition during the year	7.1	44,492,908	8,867,911
		59,583,989	15,091,081
Less: Write-off		(59,583,989)	
		-	15,091,081
7.1 Pre-Operating expenses			
Administrative Expenses	7.1.1	43,163,927	2,277,890
Financial Expenses	7.1.2	1,328,981	6,590,021
		44,492,908	8,867,911
7.1.1 Administrative Expenses			
Entertainment		-	35,000
Audit fee		-	212,500
Trade License		-	14,505
Board Meeting Fee		320,000	490,000
Overseas Travelling		-	318,000
Registration fee		-	200,000
Govt. fee		-	30,000
Carrying Charge		-	950,385
Mobile purchase		-	27,500
Consultancy fee		7,152,175	-
Lube oil		34,636,752	-
BERC license fee		1,055,000	-
		43,163,927	2,277,890
7.1.2 Financial Expenses			
Bank guarantee commission		1,328,981	6,590,021
		1,328,981	6,590,021
8 Inventory			
Inventories			
Spare parts	6.1	126,260,901	-
Fuel and lubricants	6.2	8,684,778	-
Chemical	6.3	552,079	-
		135,497,758	-
Inventories comprises spare parts, lube Oil and Chemical which are used for maintenance and operational purpose of power plants machineries. Inventories are valued at the lower of cost and net realizable value.			
8.1 Spare parts			
Opening balance		-	-
Purchase during the year		171,272,441	-
Issued during the year		(45,011,540)	-
		126,260,901	-
8.2 Lube Oil			
Opening balance		-	-
Purchase during the year		77,148,363	-
Issued during the year		(68,463,585)	-
		8,684,778	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

	Note(s)	30-Jun-16 Taka	31-Dec-14 Taka
8.3 Chemical			
Opening balance		-	-
Purchase during the year		1,589,002	-
Issued during the year		(1,036,923)	-
		552,079	-
9 Goods in Transit			
LC # 168916012156		9,499	-
LC # 168916011231		1,327,499	-
LC # 168916150956		738,553	-
LC # 168916012100		7,299	-
LC # 168916012251		5,784	-
		2,088,634	-
10 Account Receivable			
Bangladesh Power Development Board (BPDB)		675,026,630	-
		675,026,630	-
11 Advance, Deposits and Prepayments			
Deposits	11.1	205,000	1,260,000
Prepayments	11.2	2,698,104	304,080,000
Advance to others	11.3	2,000,084	2,781,553,000
		4,903,188	3,086,893,000
11.1 Deposits			
Security deposit to BPDB		205,000	205,000
BERC License Fee		-	1,055,000
		205,000	1,260,000
Security deposit has been paid to BPDB (Bangladesh Power Development Board) for the purpose of electric meter which is refundable.			
11.2 Prepayments			
Prepaid Insurance Premium		-	-
Bank Guarantee Commission		2,698,104	-
Prepaid Land Lease Rent		-	304,080,000
		2,698,104	304,080,000
11.3 Advance to others			
Advance to EPC Contractor		-	2,781,553,000
AIT		575,954	-
Shohel Sikder		450,000	-
Saiful Islam		50,000	-
Faruq and Associates		100,000	-
Ruhani International		574,130	-
Mr. Rahat		250,000	-
		2,000,084	2,781,553,000

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

	Note(s)	30-Jun-16	31-Dec-14		
		Taka	Taka		
12 Inter Company receivable					
United Enterprises & Co. Ltd.		100,000,000	-		
Interest Receivable from United Enterprises & Co. Ltd.		197,260	-		
		100,197,260	-		
As per decision in the 19th board meeting of the company held on 09 June 2016 the consideration of the investment of surplus fund of the company in the intercompany business of Untied Group and interest has been charged on the inter company loan @ 8% against their loan amount (note-26).					
13 Cash and cash Equivalent					
Cash in Hand		-	22,984		
Cash at Bank	10.1	132,282,848	4,283,947		
Fixed Deposits Receipts (FDR)	13.2	600,000,000	-		
		732,282,848	4,306,931		
13.1 Cash at Bank					
Dutch Bangla Bank Limited: 103-110-26704		-	1,984		
Dutch Bangla Bank Limited: 103-110-28499		-	4,281,963		
Dutch Bangla Bank Limited: 103-120-3919		115,995,915	-		
Standard Chartered Bank Limited: 01-1183413-01		818,110	-		
Dhaka Bank Limited: 203-130-178		15,459,080	-		
Dhaka Bank Limited: 203-100-12522		4,743	-		
Dhaka Bank Limited: 203-150-1625		5,000	-		
		132,282,848	4,283,947		
13.2 Short-term investment in FDR					
IDLC Finance Limited		50,000,000	-		
IDLC Finance Limited		200,000,000	-		
Southeast Bank Limited		150,000,000	-		
Lanka Bangla Finance Limited		200,000,000	-		
		600,000,000	-		
Short term investment in FDR comprised of deposits held at bank & NBFi and short-term highly liquid investments with maturity of three months from the date of investment.					
14 Share Capital :					
14.1 Authorized Share Capital					
500,000,000 Ordinary Shares of Tk. 10 each		5,000,000,000	5,000,000,000		
14.2 Issued, subscribed and paid up capital					
10,000,000 Ordinary Shares of Tk. 10 each		100,000,000	100,000,000		
14.3 Position of Share Holding					
				30 June 2016	2014
Name of Shareholder	% of Holding	Number of Shares	Per Value	Taka	Taka
United Enterprises & Co. Ltd	99.97%	9,997,000	10	99,970,000	99,970,000
Md. Anwar Hossain	0.01%	1,000	10	10,000	10,000
Md. Shahinul Islam Khan	0.01%	1,000	10	10,000	10,000
AMM Sazzadur Rahman	0.01%	1,000	10	10,000	10,000
	100%	10,000,000		100,000,000	100,000,000

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

	Note(s)	30-Jun-16 Taka	31-Dec-14 Taka
15 Share Money deposit			
United Enterprises & Co Ltd		3,600,439,017	2,725,828,017
Ashuganj Power Station Company Ltd. (APSCCL)		304,080,000	304,080,000
		3,904,519,017	3,029,908,017
Tk. 304,080,000 of share money deposit has been received from Ashuganj Power Station Company against rent for the demised premises under the lease (operating) agreement (excluding any extensions of the lease agreement) which is not transferable to other parties.			
16 Retained earnings			
Opening balance		-	-
Dividend paid during the period		(880,000,000)	-
Net profit during the year		1,728,176,009	-
		848,176,009	-
17 Long term loan			
Investment Promotion and Financing Facility (IPFF) loan		4,574,700,000	-
Accrued Interest on IPFF loan		127,458,734	-
Exchange loss on IPFF loan		37,562,541	-
		4,739,721,275	-
i) Name of the lender bank:			
1) Dhaka Bank Limited-Lead Arranger & Lender			
2) Trust Bank Limited- Lender			
3) Mutual Trust Bank Limited-Lender			
ii) Purpose:			
The facility shall be used to finance against capital machinery, civil construction & local procurement to set-up a 195 MW (net) gas based Independent Power Producer (IPP) project at Ashuganj.			
iii) Loan limit : USD 58,500,000			
iv) Interest rate:			
The rate of interest shall be floating in nature. The rate of interest shall be 6-month USD LIBOR or any benchmark as fixed by Bangladesh Bank + 0.30% (IPFF margin) + 1.75% (PFI's margin). The rate of interest shall be reviewed on yearly basis or as advised by Bangladesh Bank from time to time.			
v) Payment procedures:			
The borrower shall repay the installment amount of the Loans in a total of 40 (forty) equal consecutive quarterly installments from the end of 3 months after the Moratorium Period and shall continue till tenor of the Facility.			
18 Accounts Payable			
Gas bill payable to BGDCL		152,369,166	-
Payable against spare parts-LC		339,949	-
		152,709,115	-
19 Others payable			
Payable against EPC work		4,367,431,885	-
Payable to UEPSL (Reimbursable)		19,824,805	-
Management fees payable to UEPSL		1,974,000	-
Tax payable on Gas bill		4,712,448	-
Payable against professional service		155,250	-
		4,394,098,388	-

The amount payable to the EPC contractor will be paid upon receipt of loan that has been applied for already.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

	Note(s)	30-Jun-16 Taka	31-Dec-14 Taka
20 Inter company loan payable			
United Enterprises & Co. Ltd.		5,228,750	10,674,784
		5,228,750	10,674,784
This represent interest free loan from UECL which was taken to pay necessary payments for the purpose of working capital, subsequently has been paid.			
21 Provision for expenses			
Audit fees		405,000	375,000
Provision for income tax	21.1	8,991,271	-
		9,396,271	375,000
21.1 Provision for income tax			
Other operating income		2,229,300	-
Investment Income		23,460,045	-
		25,689,345	-
Tax @ 35%		8,991,271	-
	Note(s)	1st January 2015 to 30 June 2016 Taka	1st January 2014 to 31 December 2014 Taka
22 Revenue			
Bangladesh Power Development Board (BPDB)		4,096,073,754	-
		4,096,073,754	-
a) Revenue includes eighteen months revenue for the sale of electricity exclusively to Bangladesh Power Development Board (BPDB) for the period January 2015 to June 2016. As per Power Purchase Agreement of BPDB is the sole and exclusive buyer of electricity of United Ashuganj Energy Limited.			
b) Out of total revenue of Tk. 4096073753/-, supplemental revenue is Tk. 38,513,901/-. Supplemental revenue includes six months revenue from October 2015 to March 2016. Supplemental Invoice is submitted with the incremental amount after application of Foreign Inflation Indexation Factor and Local Inflation Indexation Factor as soon as Price Index(US)q and Price Index(Tk)q for the relevant months become available.			
23 Cost of sales			
Fuel and energy-gas		1,092,303,056	-
Depreciation	4	745,115,367	-
Operation and maintenance expenses	23.1	106,018,528	-
Lube oil consumption		68,463,585	-
Spare parts consumption		45,011,540	-
Chemical consumption		1,036,923	-
Insurance Premium		30,772,000	-
		2,088,720,999	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

	Note(s)	1st January 2015 to 30 June 2016	1st January 2014 to 31 December 2014
		Taka	Taka
23.1 Operation and maintenance expenses			
Mobilization fees-UEPSL		2,875,000	-
Management fees-UEPSL		13,818,000	-
Operational expenses		89,325,528	-
		106,018,528	-
<p>An Operation, Maintenance and Management Agreement signed between United Engineering and Power Service Ltd (UEPSL) and United Ashuganj Energy Ltd (UAEL) dated 01 May 2015. Here UEPSL shall be responsible for the operation maintenance and management of the facility in accordance with prudent Operation practice and the other terms and conditions of this agreement. UEPSL shall make all responsible and practice efforts including hiring contractors, third party services, equipment as per needs.</p>			
24 Other operating income			
Interest Income	24.1	23,460,045	-
Empty drum sale		1,138,100	-
Used lube oil sale		530,500	-
Receive from Wartsila		300,000	-
Miscellaneous income		49,000	-
Empty chemical can sale		3,000	-
Empty cable drum sale		43,600	-
Scrap sale		165,100	-
		25,689,345	-
24.1 Investment Income			
Short Term Deposit Account		8,726,071	-
Fixed Deposit Receipt Accounts		14,536,714	-
Interest of Inter company loan		197,260	-
		23,460,045	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

	Note(s)	1st January 2015 to 30 June 2016	1st January 2014 to 31 December 2014
		Taka	Taka
25 General and administrative expenses			
Write-off of pre operating expenses		59,583,989	-
Syndication fee Dhaka bank limited		13,153,125	-
Write-off of preliminary expenses		3,073,105	-
AGM Expenses		1,780,144	-
Inaugural program by prime Minister		981,196	-
Lawyers Fee		517,500	-
Consultancy Fee	25.1	12,213,117	-
Depreciation	4	1,959,536	-
Board meeting fee		1,128,970	-
Audit fee		405,000	-
Entertainment expenses		338,400	-
Bank Charge		225,739	-
Environmental Expenses		265,120	-
Miscellaneous Expenses		356,530	-
License fee	25.2	5,792,312	-
DCCI Membership Renewal Fee		33,700	-
Share Transfer Fee		36,986	-
Raising Capital Fee		10,000	-
RJSC filing fee		2,500	-
Financial Closure Ceremony		1,302,802	-
Mobile bill		25,550	-
Advertisements		212,000	-
Process agent fee		380,071	-
Appraisal fee		9,462,000	-
Upfront fee		12,320,313	-
IPFF loan creation fee		1,125,000	-
Bank Guarantee Commission		4,168,840	-
		130,853,545	-
25.1 Consultancy Fee			
Mott Macdonald Pvt. Ltd		2,595,458.00	-
AECOM India Pvt. Ltd		3,253,017.00	-
International Finance corporation		5,461,380.00	-
Ernst & Young LLP		162,262.00	-
DEG Koln		585,750.00	-
Hoda Vasi Chowdhury & Co.		155,250.00	-
		12,213,117.00	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended from 1 January 2015 to 30 June 2016

	Note(s)	1st January 2015 to 30 June 2016	1st January 2014 to 31 December 2014
		Taka	Taka
25.2 License fee			
Trade License Renewal Fee		193,750.00	-
BERC License		5,000,000.00	-
Factory License Fee		2,500.00	-
IRC & ERC Expenses		37,000.00	-
Boiler License Fee		180,000.00	-
Floating Jetty Renewal Fee		379,062.00	-
		5,792,312.00	-
26 Finance cost			
Interest on long term loan		127,458,734	-
		127,458,734	-

27 Related party transactions and balances

During the year, the Company carried out a number of transactions with related parties. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS 24: Related Party Disclosures.

Name of the Party	Relationship	Nature of Transaction	Transaction during the year		Outstanding balances	
			Business		Receivable/(Payable)	
			Revenue	Expenses	2016	2014
			Taka	Taka	Taka	Taka
Receivables						
United Enterprise Co Ltd	Parent Company	Loan	197,260.00	-	100,000,000	-
Payables						
United Enterprise Co Ltd	Parent Company	Loan	-	-	(5,228,750)	(10,674,784)
United Engineering & Power Services Ltd. (UEPSL)	Sister Concern	O&M Services	-	106,018,528	(21,798,805)	-

28 Events after reporting period

There are no material events that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements.

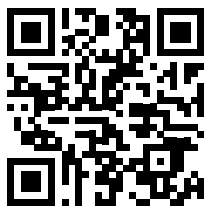
29 General

- Figures appearing in these financial statements have been rounded off to the nearest Taka.
- Previous period's figures have been rearranged, wherever considered necessary to conform to the current period's presentation.


Managing Director


Director


Company Secretary



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

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