



ANNUAL REPORT 2014



UNITED ASHUGANJ ENERGY LIMITED



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Company Information & Corporate Ethos

United Ashuganj Energy Limited (UAEL) is developing a 200±10% Combined Cycle Modular Power Plant in Ashuganj, Brahmanbaria. UAEL's registered office is situated at United Center, Gulshan – 2, Dhaka – 1212. UAEL has been incorporated under the Companies Act 1994 on 30 January 2013. The registration number of UAEL is C-107069/13. The project is jointly sponsored by United Enterprises & Co. Ltd. (UECL) and Ashuganj Power Station Company Limited. (APSCL), on behalf of the GoB. As per the Share Purchase Agreement, executed by and between UAEL, UECL and APSCL on 27 October 2013, 71% of UAEL's shares is supposed to belong to UECL while the remaining 29% to APSCL. The project is being constructed inside Ashuganj Power Station Complex on the land leased by APSCL vide the Land Lease Agreement by and between UAEL and APSCL. Power will be evacuated at 230 kV and the off-taker is Bangladesh Power Development Board (BPDB) as per the Power Purchase Agreement. The fuel used for power generation is Natural Gas and will be supplied by Bakhrabad Gas Distribution Company Ltd. (BGDCL) vide the Gas Supply Agreement.





The Project in Brief

United Ashuganj Energy Ltd. is a Private Limited Company owning a 200 MW \pm 10% Combined Cycle Modular Power Plant at Ashuganj, Brahmanbaria on a Build, Own and Operate (BOO) basis. The committed plant capacity is 195 MW while the installed capacity is 210.7 MW. The term of the project is 15 years. The power plant is an Independent Power Producer (IPP).

United Enterprises & Co. Ltd. (UECL) participated in a two envelope tender titled "Ashuganj 200 MW \pm 10% Modular Power Plant Project on Build, Own & Operate Basis" floated by Ashuganj Power Station Company Ltd. (APSCL). The Letter of Intent was awarded to UECL on 12 January 2013. Subsequently the project company, United Ashuganj Energy Ltd. (UAEL) was formed and incorporated on 30 January 2013 where UECL holds 71% of the shares and APSCL holds the remaining 29%. The total project cost was set at USD 170 million. A Performance Guarantee of USD 7,020,000.00 has been provided to Bangladesh Power Development Board (BPDB).

UAEL entered into the following agreements that provides security package on behalf of the government:

Name of the Agreement	Guaranteeing Party	Date
Power Purchase Agreement	Bangladesh Power Development Board	27 Oct 2013
Implementation Agreement	Government of Bangladesh	
Land Lease Agreement	Ashuganj Power Station Co. Ltd	
Share Purchase Agreement	Ashuganj Power Station Co. Ltd.	
Gas Supply Agreement	Bakhrabad Gas Distribution Co. Ltd	19 Feb 2014

The project is being constructed inside Ashuganj Power Station Complex on 6.48 acres of land.

The EPC Contract for the project has been awarded to Neptune Commercial Ltd. (NCL) on a Turnkey Basis. NCL specializes in Power Plant EPCs and has an overall EPC experience of over 500 MW.

The power plant is natural gas fired, the fuel will be supplied from Bakhrabad Gas Distribution Co. Ltd (BGDCL)'s nearest DRS. A dedicated 1 km long, 10" dia line has been constructed to transport gas at 1000 psi from Gas Transmission Co. Ltd (GTCL)'s Valve Station to UAEL's RMS. The Gas RMS, supplied by Emerson Process Management on turn-key basis, has a capacity of 50 MMSCFD and will regulate the pressure to 70 psi. Gas will be supplied to the engines through 3" dia houseline from the Gas RMS.

The simple cycle portion comprises of 20 nos. of W20V345G gensets. The engines are supplied by Wärtsilä Finland OY. They are all spark ignited, reciprocating engines operating on Otto Cycle. Each has a capacity of 9.73 MW and are coupled with ABB alternators. The Plant has a modular configuration allowing it to provide a greater flexibility in operation as well as maintaining uniform efficiency at variable load. As the plant is gas engine based, a higher efficiency can be achieved across variable load. W20V345G gensets also provide 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 will be used to fuel the secondary cycle. 20 Units of horizontal, single drum, natural circulation, water tube Waste Heat Recovery Boilers (WHRB) have been supplied by M. E. Energy, India. Each boiler can produce steam at a rate of 4.12 tonnes per hour at 22 bar and 350 °C from a total flue gas flow of 55,440 kg/hr.

The steam produced is fed to one unit of multistage, condensing steam turbine supplied by Triveni Turbines, India. The turbine will be coupled to an alternator generating 16.1 MW power at 11 kV. The turbine has an open cycle condenser cooling arrangement.



A barge mounted floating pump house will be placed at a suitable location on Meghna River. Dockyard & Engineering Works Ltd. has been contracted for the construction of barge and Pivot Engineering Ltd. will provide the River Water Cooling System. The intake and discharge pipes are of Fiberglass Reinforced Plastic (FRP) and have diameter of 1.2 m. The water fed to the boilers will be treated by a separate Water Treatment System supplied by Pivot Engineering Ltd.

Power is generated at 11 kV, 50 Hz and will be evacuated through 4 nos. of 70/80 MVA, 11/230 kV OLTC power transformers. The transformers have delta-wye configuration. Four units of 1250 A, 40 kA, 230 kV, SF6 breakers will be installed at the HT side. The auxiliary transformers have 630A/1250A, 50kA, 11 kV SF6 breakers. The power that will be stepped up to 230 kV at the substation at UAEL's premises will be transported to APSC's 230 kV GIS substation via 4 nos of steel lattice towers each having height of 40 m. The current carrying conductors are Twin Mallard having size 795 MCM and capable of conducting 795 amperes. The substation and all related equipment have been supplied by Energypac Engineering Ltd. on turnkey basis.

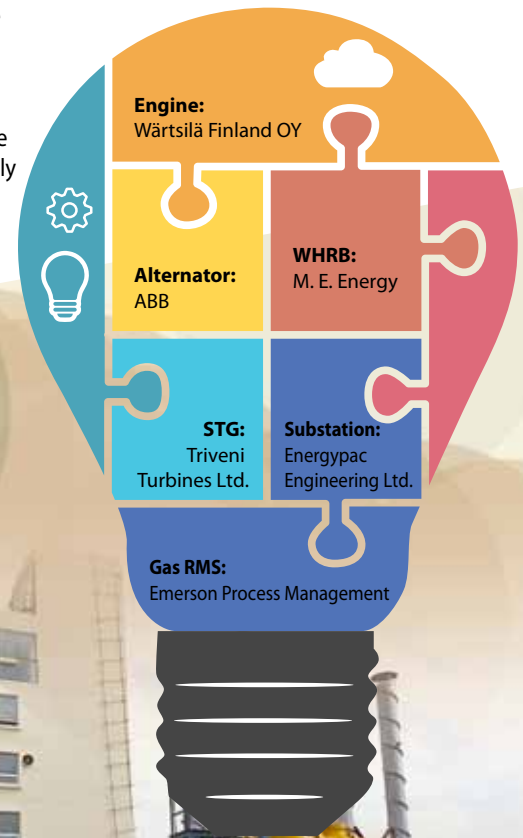
Additionally, sandwich panels will be installed for sound attenuation. Automated fire, safety and protection arrangements has been made. VRS air conditioning system with energy recovery system has been installed. There are diverter dampers with WHRB.

The power plant will be environment friendly. The engines, Wärtsilä 20V34SG, use lean burn technology resulting in

reduced NOx emissions. Emission dispersion modelling was done and it was found that all criteria pollutants will be within BD NAAQS & Bank Group. Sound Absorbing Sandwich Panel were installed to comply with the noise level of DoE standard. The emission levels will be low and will not harm the neighbouring community. There will be a negligible impact on the river water temperature from the secondary cycle portion as the contribution of 16.1 MW from UAEL, out of total 841 MW steam portion of APSC can be deemed insignificant.

The 6.48 acres of land in which the plant is located was uninhabited low land. Hence, the construction of the plant did not require any relocation of human habitat. The land had been leased to the project company by APSC. The construction of plant involves no impact on flora, fauna, terrestrial species and/or endangered species.

The project effective date is 19 February 2014 and the required commissioning date (RCOD), as per PPA, is 15 months from the effective date, i.e. 19 May 2015. The plant was successfully commissioned on 8 May 2015



The Shareholders

ASHUGANJ POWER STATION COMPANY LIMITED

Ashuganj Power Station Company Limited is a Government owned public limited company and the second largest power station in Bangladesh. At present the total installed capacity of its nine (9) units is 777 MW and de-rated capacity is 671 MW. As a part of the Power Sector Development and Reform Program of the Government of Bangladesh (GoB), Ashuganj Power Station Company Limited (APSC) has been incorporated under the Companies Act 1994 on June 28, 2000. The registration number of APSC is 40630 (2328)/2000. Ashuganj Power Station (APS) Complex (with its assets and liabilities) had been transferred to APSC throughout a provisional vendor's agreement signed between BPDB and APSC on 22 May 2003. All the activities of the company started formally on 1 June 2003. From that day, the overall activities of the company along with operation, maintenance and development of the power sector are vested upon a management team consisting of the Managing Director, Executive Director (Engineering), Executive Director (P&P) and Executive Director (Finance). APSC'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 remain-



der of the shares are distributed among Ministry of Finance, Ministry of Planning, Power Division and Energy Division, MPEMR.

Electricity generated at APSC 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 10% of the total generation of the electricity in the country. Natural Gas from Bakhrabad Gas Distribution Company Ltd. 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. It is known that about 36,000 acres of land of Ashuganj are irrigated by this water.

APSC's Ongoing Projects are:

- Ashuganj 450 MW Combined Cycle Power Plant (North) Project
- Ashuganj 200 ± 10% MW Combined Cycle Modular Power Plant Project
- Ashuganj 450 MW Combined Cycle Power Plant (South)
- Ashuganj 225MW Combined Cycle Power plant.

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

The financial Disclosures of APSC as per 30 June 2014 are as follows:

Turnover	BDT 6,971 Million
Total Asset	BDT 55,122 Million
Net Worth	BDT 15,643 Million

UNITED ENTERPRISES & CO. LTD.

United Enterprises & Co. Ltd. was formed in 1978 by the founding directors who envisioned firm with set of core values including innovative thinking, commitments to its stakeholders and being ethical and accountable in all its practices. Today, after over three decades of pioneering business, it is now well known as United Group – one of the most recognized business houses of the nation. 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 helped it, to branch out in a number of commercial ventures. Power generation, hospitality, healthcare, real estate, construction, spinning yarn, education and land port services are only a few areas the company is directly involved in. The Group has a present valuation of almost BDT 82 billion, a very honorable achievement in a span of only thirty six years.

UECL was incorporated under the Companies' Act 1994 on 31 December 1979 as a limited liability company. The registration number of UECL is C-7668/527. The Group started its journey by working as contractors for the Trading Corporation of Bangladesh. In 1983, the Group entered into a deal with Koopers Inc., USA to become the latter's exclusive representative in Bangladesh for their wood treating chemicals as well as wooden poles for the Rural Electrification Board (REB). During the late 80s the Group acquired oil tankers for transportation of furnace oil and molasses between Chittagong and Khulna. During the same time the Group also engaged with several government projects of the Water Development Board for river training and coastal embankment protection of rivers vulnerable to erosion. In 1992 the Group acquired Summit United Tank Terminals from foreign owners and in the latter half of the 90s acquired Van Omeron Tank Terminals. By 1996

the Group has taken yet another bold step and entered into the yarn manufacturing market, investing in Comilla Spinning Mills Ltd., which to date, is one of the finest mixed yarn manufacturer in the market. In 1997, the Group took a giant leap to its future development by establishing the country's first independent power plant in Khulna, a 110 MW HFO-fired modular power plant, Khulna Power Company Ltd., in partnership with Wärtsilä, Coastal Oil & Summit. This established the ground work for the Group on which they continued investment in the power sector, having set up several small power plants for REB thereafter as the major shareholder.

Since 2000, United Group has seen a number of new doors open up to further possibilities in the commercial world including their 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. In 2006 United Land Port Teknaf Ltd was established on a Build, Own, and Operate (BOO) basis.

By this time, the Group's experience in the power sector eventually led to the formation of United Power Generation & Distribution Co. Ltd. (UPGD), formerly known as Malancha Holdings Ltd., in 2007. UPGD is the 1st commercial IPPs of the country supplying quality power by their two power plants in Dhaka and Chittagong EPZs. Subsequently 2011 saw launching of United Maritime Academy, United College of Nursing, United Ashuganj Power Ltd., commissioned in a record time of 4 months, Khulna Power Company Ltd. – Unit II and Khan Jahan Ali Power Company Ltd. with NCL doing all the Engineering, Procurement and Construction works.

2013 was another year of significant growth for the Group. Capacity of UPGD's both the power plants of UPGD's both the power plants was increased. In the same year, Shajahanullah Power Generation Company Ltd., another CIPP 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 branded sewing thread. Unimart, a Mega Shopping Mall

was also inaugurated at Gulshan Centre Point in the same year. The Group has also undertaken the construction of a 280,000 square meter Hotel and Retail Project, IPCO Development Ltd., in the heart of Dhaka City which includes a 72000 square meter shopping mall.

The financial Disclosures of UECL as per 31st December 2014 are as follows:

Turnover	BDT 25,000 Million
Total Asset	BDT 120,000 Million
Net Worth	BDT 95,000 Million

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

- United Hospitals Ltd*
- Neptune Land Development Ltd*
- United Land Port Teknaf Ltd*
- United Ashuganj Energy Ltd*
- United Power Generation & Distribution Co Ltd*
- United Property Solutions Ltd*
- Comilla Spinning Mills Ltd*
- United Ashuganj Power Ltd*
- United Makkah Madina Travels & Associate Co. Ltd*
- Khan Jahan Ali Power Co Ltd*
- Khulna Power Company Ltd*
- Shajahanullah Power Generation Co. Ltd*
- United International University*
- United Polymers Ltd*
- Khulna Power Company Ltd. Unit Ii*
- IpcO Development Ltd*
- United Maritime Academy*

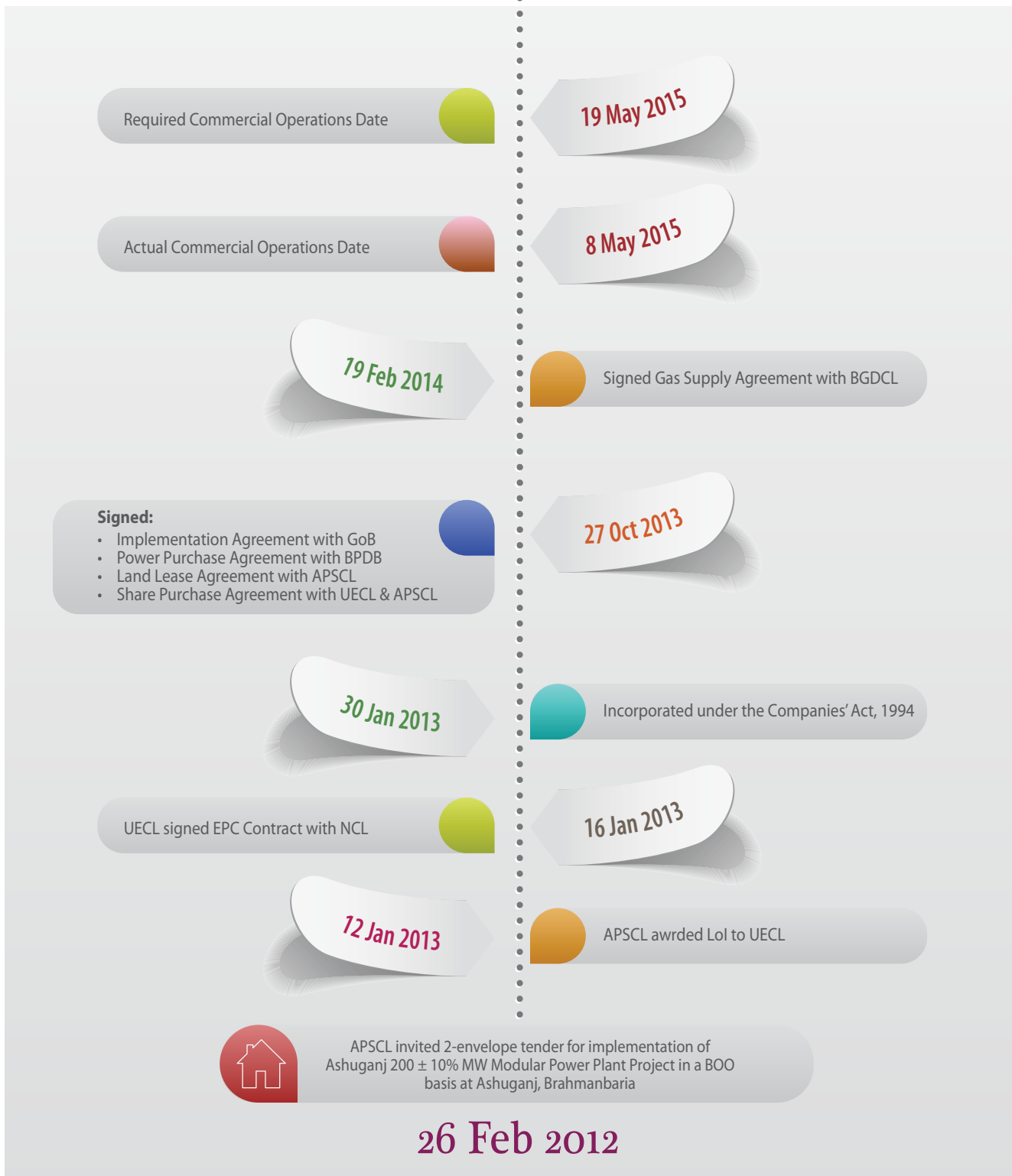


UAEL - Project Snapshot

Company Name	: United Ashuganj Energy Ltd.
Date of Incorporation	: 30 January 2013
Registration No.	: C-107069
Shareholding Structure	: Ashuganj Power Station Co. Ltd. – 29% United Enterprises & Co. Ltd. – 71%
Registered Office	: Gulshan Center Point, Plot No. 23-26, Road No. 90-90, Gulshan – 2, Dhaka - 1212
Project Location	: Ashuganj Power Station Complex, Ashuganj, Brahmanbaria – 3402
Land Area	: 6.48 Acres
Project Type	: Combined Cycle, Modular Reciprocating Engine Based
Generating Units	: 20 units of Reciprocating Engines 1 unit of Steam Turbine
Fuel	: Natural Gas
Installed Capacity	: 210.7 MW
Term	: 15 years
Project Cost	: US\$ 170 million
Status	: Private Limited Company
E-mail	: uael200mw@gmail.com; uael@united.com.bd
Company Website	: www.united.com.bd



Timeline



Corporate Directory

CHAIRMAN

Md. Anwar Hossain

DIRECTORS

Md. Shahinul Islam Khan
Md Nurul Alam, PEngg.
Faridur Rahman Khan
Rear Admiral Bazlur Rahman (Retd.)
Kayes Khalil Khan
Moinuddin Hasan Rashid

EPC CONTRACTORS

Neptune Commercial Ltd.

AUDITORS

Hoda Vasi Chowdhury & Co.
BTMC Bhaban, 7-9 Kazi Nazrul Islam Avenue
Dhaka – 1217, Bangladesh

MAIN BANKERS

Standard Chartered Bank
Dutch-Bangla Bank Limited

MANAGEMENT TEAM

Moinuddin Hasan Rashid
Managing Director

Rear Admiral Bazlur Rahman (Retd.)
Director

Md. Mahfuzul Haque, FCMA
Company Secretary &
Chief Financial Officer

O&M TEAM

United Engineering & Power Services Ltd.

REGISTERED OFFICE

Gulshan Center Point
Plot No. 23-26, Road No. 90-90, Gulshan – 2,
Dhaka – 1212, Bangladesh

PLANT LOCATION

Ashuganj Power Station Complex
Ashuganj, Brahmanbaria - 3402



Engineering, Procurement & Construction Team: Neptune Commercial Ltd. (NCL)

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 capacity 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.



Operations & Maintenance Team:

United Engineering & Power Services Ltd. (UEPSL)

United Engineering & Power Services Ltd (UEPSL) was established on 29 August 2011 with the primary goal of facilitating maintenance of generators/engines of various power plants under United Group. A fully equipped and functional maintenance workshop has been constructed at Sarkar Market, Norosinhopur, Ashulia, Savar, located beside the Ashulia-EPZ Highway, with top-quality logistic supports.

UEPSL is currently undertaking operation and maintenance services for United Power Generation & Distribution Company Ltd for both of its DEPZ & CEPZ power plants. It is also responsible for Operation and Maintenance of United Ashuganj Power Ltd, a 53 MW gas based quick rental power plant in Ashuganj, Brahmanbaria and Shajahanullah Power Generation Co. Ltd 28 MW gas based commercial independent power plant at Kumargaon, Sylhet.

In addition, UEPSL shall soon be entering into a long term Operation & Maintenance Agreement with United Ashuganj Energy Ltd. (UAEL) 195 MW Combined Cycle Modular Power Plant at Ashuganj, Brahmanbaria, Bangladesh.

Presently consisting of 315 members, UEPSL's maintenance highlights include successful 16000 hours, 20000 hours 24000 hours and 32000 hours major maintenance works in DEPZ and CEPZ Commercial IPP Power Plants of United Power Generation & Distribution Co. Ltd. This team also successfully extended its services to multiple private clients with existing workshop facilities.

UEPSL plans to increase the strength of its service team, broaden its service scope and develop & modernize its workshop facilities to international standards. Along with serving United Group, UEPSL wishes to extend its private clientele and become one the most reputed service and power solution provider companies in Bangladesh.

Highlights

- Provides best-of-class service & maintenance services and facilities for power plants under the banner of United Group.
- Has a fully equipped and functional maintenance workshop at Ashulia, Savar
- Offers broad range of maintenance services (including critical services like Cylinder Liner Honing, Cleaning, etc.) to in-house companies and outside clients
- Successfully completed 16000 hours, 20000 hours, 24000 hours and 32000 hours major maintenance of Wartsila 20V34SG engines.

At-a-Glance

Personnel strength:	315	
O&M Service:	UPGD DEPZ 88 MW	UPGD CEPZ 72 MW
	UAPL 53 MW	SPGCL 28 MW
Genset Experience:	Wärtsilä Finland 20V34SG	MTU Germany AOE20V4000L62
	Rolls-Royce Norway B35:40V20AG2	MWM Germany TCG2032V16
	Wärtsilä Finland 20V32	Wärtsilä Finland 18V32
	Wärtsilä Finland 18V46	



Notice of the 2nd Annual General Meeting

Notice is hereby given that the 2nd Annual General Meeting of the Shareholders of United Ashuganj Energy Ltd. will be held on Sunday, 17 May 2015 at 7:00 pm at LOHORI, RADISSON BLU DHAKA WATER GARDEN, Dhaka to transact the following business:

AGENDA:

1. To receive and adopt the Director's Report and the audited financial statements for the year ended 31 December 2014 together with auditor's report thereon.
2. To appoint Auditors for the year 2015 and fix their remuneration
3. Any other business.

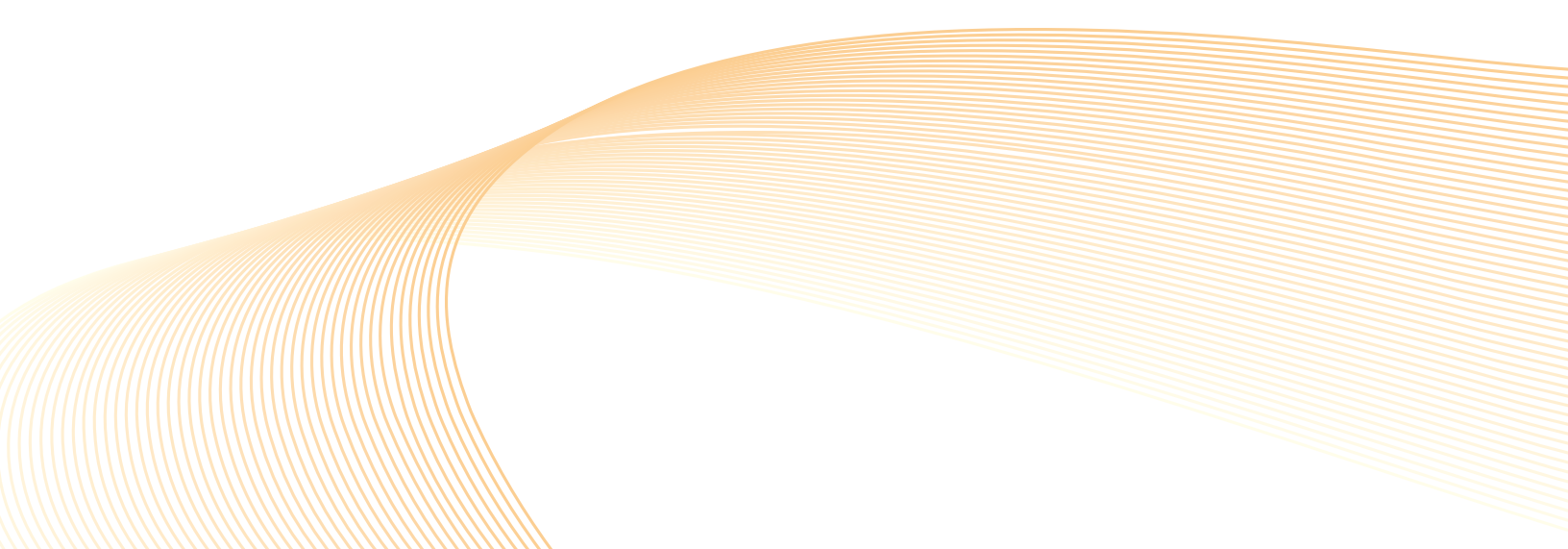
By order of the Board

Md. Mahfuzul Haque, FCMA
Company Secretary

Dhaka, 26 April 2015

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.



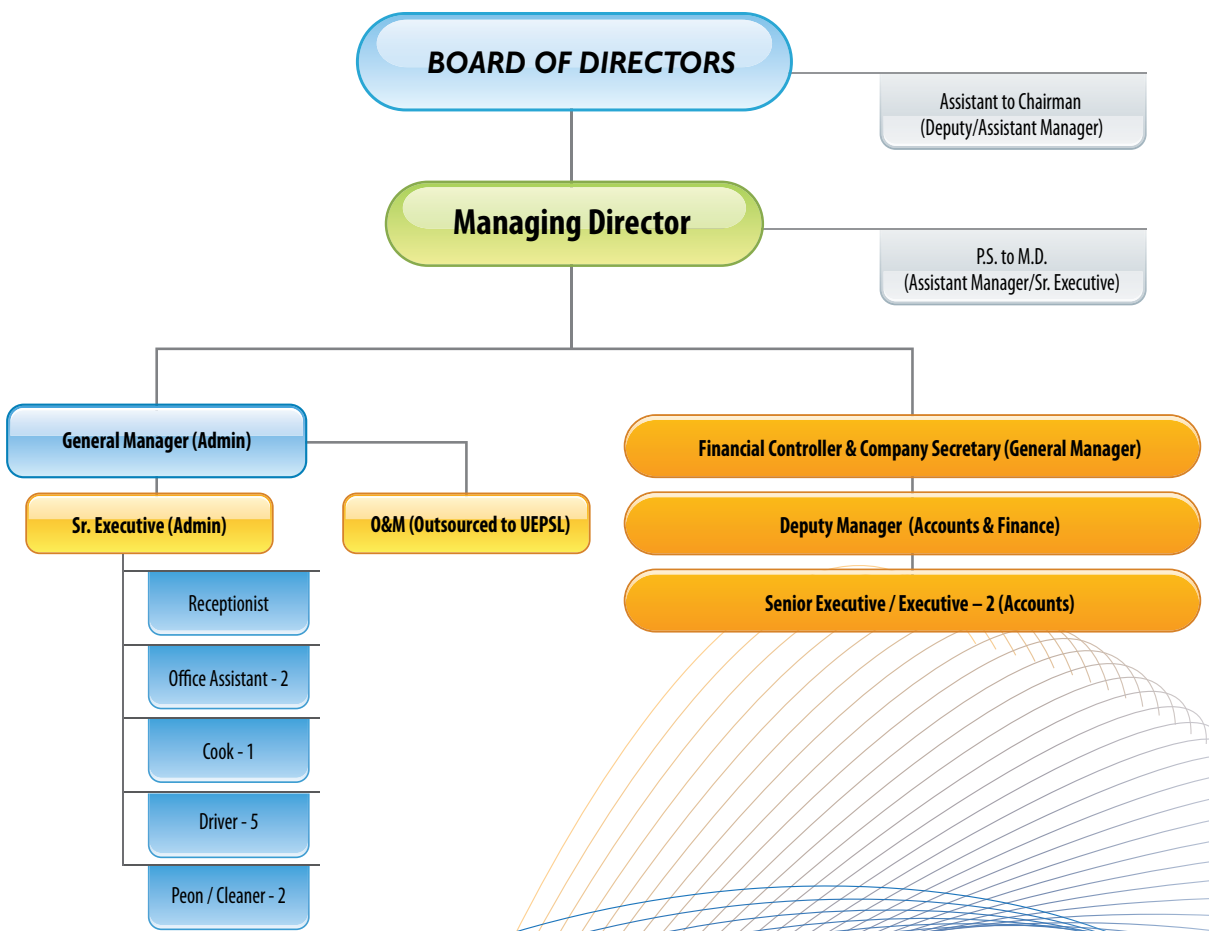
The Board





from left to right : Rear Admiral Bazlur Rahman (Retd.) – Director, Kayes Khalil Khan – Director, Md. Nurul Alam, P.Engg. - Director, Moinuddin Hasan Rashid – Managing Director, Md. Anwar Hossain – Chairman, Md. Shahinul Islam Khan - Director, Faridur Rahman Khan – Director, Md. Mahfuzul Haque, FCMA , – Company Secretary

Organogram of UAEL



Director's Profile



Md. Anwar Hossain – Chairman

Additional Secretary (Development), Power Division, Ministry of Power, Energy and Mineral Resources, Government of Bangladesh

Engr. Md. Anwar Hossain, born in 1962 in the district of Kushtia, Bangladesh, pursued his graduation in Mechanical Engineering from Bangladesh University of Engineering and Technology (BUET). He has also obtained an MBA degree majoring in Finance, has been privileged to take part in many high profile training courses, seminars and symposiums both home and abroad. He has significant experience in serving in the key positions in various ministries of the Government of Bangladesh. He possesses demonstrated exceptional engineering and bureaucratic skills and managerial standpoint. He started his career in 1986 as a BCS (Railway, Engineering) Cadre and thus established a long glistening track of profession in Bangladesh Railway for about two decades. He got promoted as Deputy Secretary in 2006 and subsequently placed at Ministry of Public Administration. Later on, he worked in Cabinet Division. Afterwards he was posted in Power Division as Deputy Secretary (Development) in 2008 and promoted as Joint Secretary of Power Division in 2012. His responsibility as Joint Secretary (Development) was to monitor, coordinate and processing of almost all development projects (Generation, Transmission and Distribution) in power sector of Bangladesh. In 2015 he was promoted to Additional Secretary, Power Division. At present he is co-chairman of the Joint Working Group (JWG) on Power Sector Cooperation between Bangladesh and India.

He is the first Chairman of Board of United Ashuganj Energy Ltd. (UAEL) since 2013. Presently, Mr. Hossain is the Chairman on the Board of Ashuganj Power Station Company Ltd. since 2012, a Director on the Board of Coal Power Generation Company Bangladesh Limited (CPGCBL) since April 2013, on the Board of Bangladesh India Friendship Power Company (Pvt.) Limited (BIFPCL) which is a joint venture company of BPDB and NTPC Limited India since 20 May 2013 and also on the Board of Dhaka Mass Transit Company Limited (DMTCL) which is going to implement the first project of Metro Rail in Bangladesh since April 2013. So far he actively participated in negotiation and finalization of financial closing for several Export Credit Agency (ECA) backed power generation projects at the ministerial level. He is presently negotiating several mega coal power projects with Government of India, Malaysia, China, South Korea and Singapore.

Director's Profile



Md. Shahinul Islam Khan - Director

Chairman, Bangladesh Power Development Board

Engr. Md. Shahinul Islam Khan joined Bangladesh Power Development Board as Assistant Engineer in 1979 after obtaining a Bachelor in Science degree in electrical Engineering from Bangladesh University of Engineering & Technology. During his tenure at BPDB, which spans over three decades, Mr. Khan was assigned in various key positions for instance as Sub-divisional Engineer, Executive Engineer at Ashuganj Power Station, Deputy Director, Superintendent Engineer, Project Coordinator (Chief Engineer), and Member (Generation). He has worked in multiple locations of the country such as Sylhet, Gazipur, Chittagong as well as Dhaka. He is a seasoned professional successfully accomplishing his assignment in Ashuganj Power Station, 18 Town Power Distribution Project, Central Equipment Repairing Workshop, O & M Circle Chatta Metro-East, Distribution Zone (Sylhet), Distribution Southern Zone (Chittagong), Solar Street Lighting Program in City Corporation and many other areas across the country. In 1986 Mr. Khan received Merit Award for outstanding performance in Distribution System while serving as Assistant Engineer.

Mr. Khan have also attended many national and international seminars and trainings. He has received training on operation of grid and power station, metering and testing, distribution engineering, power factor equipment etc. He has attended courses on management development, M.S. Excel, M.S. Word, Training of Trainers (TOT), senior management training etc. In addition to these national training and courses, Mr. Khan has attended seminar on Renewable Energy at Asian Institute of Technology (AIT) in Thailand and training on Electrical Power Distribution, System Management from Osaka International Center in Japan. Born in 1956, Mr. Khan was promoted to Chairman, BPDB on 1 January 2015 and subsequently joined the Board of UAEL as its Director. In addition to serving as the Chairman of BPDB he is also the Chairman of West Zone Power Distribution Company Ltd., Director of Coal Power Generation Company Bangladesh Limited, Bangladesh India Friendship Power Company (Pvt.) Limited, North West Power Generation Company Ltd., Titas Gas Transmission & Distribution Co. Ltd., Bangladesh Institute of Management, Ashuganj Power Station Company Ltd., Dhaka Power Distribution Company and DESCO.



Md. Nurul Alam, P.Engg. - Director

Managing Director, Ashuganj Power Station Company Ltd.

Md. Nurul Alam, a Professional Engineer registered from Bangladesh Professional Engineers Registration Board, took over the helm of Ashuganj Power Station Company Ltd. in 2011. He, being well experienced in operating Large CCPP, Thermal Power Plant, Diesel Power Plant, Multi Flash Desalination Plant and Electrical System, is the key architect to set the pace of this second largest power station for excellence. Today's APSCL manifests his crusading zeal for a sound power generation company who has thorough experience in overhaul of large Steam Turbine, Gas Turbine, Barrel cage, Horizontal Split, Ring Section High Pressure Boiler Feed Water Pump, Vertical Mixed Flow Circulating Water Pump, Vertical Condensate Extraction Pump and Multistage Higher Capacities Air Compressor. Prior to this assignment, Mr. Alam, who achieved BPDB Chairman Award (Gold Medal) for his scintillating performance, served as Director Technical of the same concern for about three years. In his long illustrative career of about thirty years, Mr. Alam, with proven track record of success, has significant contribution in the development of power sector of Bangladesh. He, a Fellow of IEB and elected Honorary Secretary of IEB twice, acted as Manager Turbine, Executive Engineer Turbine, Sub Divisional Engineer and Assistant Engineer on various key points at APSCL and BPDB as well, where he set many example of his excellence for instance Breakdown Maintenance and Major Overhauling of Steam Turbine in various plants for four times. Mr. Alam, who awarded several times for repair and overhauling of various Units across the country, is also well acquainted in Project Development since four ongoing projects of 1325MW are implementing under his direct supervision. Mr. Alam has profound expertise in project financing which were clearly displayed when he introduced innovative financing schemes, such as ECA financing etc. Born in 1962, Mr. Alam, a student of Mechanical Engineering of BUET, attended various training, inspection, factory testing, seminars & symposiums in home and abroad.



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 Louhojang, 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.



Rear Admiral Bazlur Rahman (Retd.) – Director

Chief Executive Officer, Power Division, United Enterprises & Co. Ltd.

Born in 1956, Rear Admiral Bazlur Rahman served in the Bangladesh Navy from 1975 to 2009, after completion of S.S.C and H.S.C. from Mirzapore Cadet College. He attended Naval Academy Training at Britannia Royal Naval College, UK and later attended various professional courses both home and abroad. Officers Basic Course and Clearance Diving Specialist Course from UK, Patrol Craft Gunnery Course from China, Surface Warfare Course from USA, Advanced Missile Command and Tactics Course from China, Peace Keeping Management Command and Staff Course from Canada, Executive Course from USA are the few to mention. He is a graduate of the Staff College and National Defense College, Mirpur.

In professional career, he commanded seven ships and crafts including two Frigates and three major Navy Establishments including the Naval Academy. He also commanded three of the Naval Areas and served as the Defense Adviser in Malaysia. He further served as the Senior Directing Staff at the National Defense College, and as the Assistant Chief of Naval Staff. After retirement he served as the Director General of the Department of Shipping.

He joined United Group in 2011 to pioneer the voyage of the United Maritime Academy as the Commandant. He is also the Advisor of United Makkah Madina Travel Assistance Co. Ltd. Besides being a Director of UAEL he is also the Chief Executive Officer of the Power Division of United Group.

Director's Profile



Kayes Khalil Khan – Director

General Manager, Corporate Affairs, United Enterprises & Co. Ltd.

Mr. Kayes Khalil Khan has over 14 years of professional experience in the financial sector of Bangladesh. Prior to joining United Enterprises & Co. Ltd. he served as the General Manager (Investment & Operations) of LR Global Bangladesh, AMC. He completed his post-graduation from department of Finance and Banking, University of Dhaka in 1998. Previously he had worked as the General Manager for Nordic Woods Ltd. (a joint venture between Bangladesh and Norway). Before Nordic, Mr. Khan was the Senior Assistant Vice President at EC Securities Ltd (a subsidiary of East Coast Group).

Mr. Khan started his career at Union Capital Limited as an Associate in the Share Sales & Trading Department before being promoted to Senior Associate. He completed his Masters in Commerce, majoring in Finance from the University of Dhaka.



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), United Ashuganj Power Ltd. (UAPL) 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).



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. Mr. Haque holds the charge of Group CFO and Company Secretary of United Ashuganj Energy Limited and United Power Generation and Distribution Company Limited. 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 Junior 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, insurance coverage, inventory management and so on. Moreover, Mr. Haque formulated various policies and strategies and implemented those accordingly. He is proficient in preparing and proof-reading various Vendors Agreement, Power Purchase Agreement, Gas Supply Agreement etc. Mr. Haque is also very proficient in finalizing 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). While serving as Company Secretary he was involved in supervision of legal and compliance issues of the company and make liaison with various stakeholders. He also conducted various corporate meetings as well as made liaison with various regulatory bodies and oversaw the compliance issues. It is worth full to mention here that, Padma Oil Company Ltd was awarded for Best Published Accounts by ICAB in 2008 during his tenure as General Manager (Finance & Accounts) & Company Secretary. He, who was two times General Secretary & Chairman of ICMA B Chittagong Branch, attended various training, workshop, seminar and symposiums in home and abroad on professional trips.



Message from the Chairman

... the present government has given utmost importance to improve the power crisis situation in the country. The GoB has adopted several policies for encouraging private sector to participate in unison with the public sector for the development of the power sector. As this was a test case where the private sector and public sector joined hands, to build an efficient power plant, we faced several unforeseen hurdles.



Honorable Shareholders, Respected Members of the Board and Management Team of United Ashuganj Energy Ltd.

Welcome to the 2nd Annual General Meeting of United Ashuganj Energy Ltd.

On this auspicious occasion I am privileged to express my sincere gratitude to you for gracing the ceremony with your presence. I am delighted to present to you the Directors Report and Audited Financial Statements for the year ended 31 December 2014 along with report of the Auditors.

United Ashuganj Energy Ltd. is a 200 MW Modular, Combined Cycle Power Plant inside Ashuganj Power Station (APS) Complex sponsored by United Enterprises & Co. Ltd. (UECL) and Ashuganj Power Station Company Ltd. (APSCL). The project is being constructed on a Build-Own-Operate basis and Neptune Commercial Ltd. (NCL) is the EPC Contractor of the project. The project effective date is 19 February 2014. The Security Packages of the project includes Implementation Agreement (IA), Power Purchase Agreement (PPA), Gas Supply Agreement, Share Purchase Agreement (SPA) and Land Lease Agreement (LLA) with GoB, BPDB, BGDCL and APSCL respectively.

The Power Plant being constructed on 6.48 acres of land has a modular, combined cycle configuration. The simple cycle portion of the plant comprises of 20 units of Wärtsilä 20V34SG engines. To make the power plant more environment friendly, the Combined Cycle configuration has been adopted. The installed capacity of the project will be 210.7 MW but the contracted capacity (as per PPA) is 195 MW.

I am happy to inform you that the construction work of the project progressed steadily and at a fast pace. Till December 2014, 80% of the work was achieved. Even though the Required Commercial Operations Date was 19 May 2015, the plant has been commissioned on 8 May 2015.

In order to implement the project, USD 170 million will be incurred and by virtue of this project, UAEL, hopefully will play the protagonist role in the power sector of Bangladesh.

The present government has given utmost importance to improve the power crisis situation in the country. The GoB has adopted several policies for encouraging private sector to participate in unison with the public sector for the development of the power sector. As this was a test case where the private sector and public sector joined hands, to build an efficient power plant, we faced several unforeseen hurdles. It is with utter pride I 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 and more such models can be replicated in the near future.

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, Senior 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, Bakhrabad Gas Distribution Co. Ltd., United Enterprises & Co. Ltd., Ashuganj Power Station Company Ltd. Neptune Commercial Ltd., World Bank, IFC, DEG, Standard Chartered Bank 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.

I wish you all a prosperous 2015 and wellbeing for all of you and family members.

With Best Regards,

Sincerely Yours,



Md. Anwar Hossain

*Chairman, United Ashuganj Energy Ltd. &
Additional Secretary, Power Division, MPEMR*

Message from the Managing Director



... I am delighted to announce that all the challenges are now a thing of the past. The project was already at a very advanced stage by December 2014. The plant actually achieved Commercial Operations on 8 May 2015, well ahead of the Required Commercial Operations Date, as per PPA

Distinguished guests, Honorable Shareholders and Respected Members of the Board, it is my great pleasure to welcome you to the 2nd Annual General Meeting of United Ashuganj Energy Ltd. It is also an honor to present the Annual Report of the flagship project of United Enterprises & Co. Ltd.

UAEL's 200 MW Combined Cycle, Modular Power Plant Project is a true ground-breaker for both Bangladesh and United Group. Not only is it the first project in the nation's energy sector in partnership between a state-owned company and a private concern, it is also introducing a type of co-generation plant never before seen in the country.

Chronic constraints in fuel supply, coupled with outdated and inefficient infrastructure, have meant that blackouts and brownout are common in this country. To alleviate this problem, United Group, a Bangladeshi conglomerate that has long been a major player in the nation's power industry, participated in the tender floated by Ashuganj Power Station Company Ltd. for a 200 MW Modular Combined Cycle Power Plant on a Build, Own and Operate basis. UECL was awarded the Letter of Intent for implementing the project in January 2013. A new company, United Ashuganj Energy Ltd. was formed and incorporated.

A core demand of the project was meeting the government's strict guidelines for efficiency through implementing a more efficient and flexible modular co-generation system. The challenge was to cater to the pressing demand for high level of efficiency while combating the highly erratic load pattern. Accommodating a 200 MW plant within only 6.48 acres plot, an area about a third of what had initially been earmarked, added to the already existing challenge.

Together with the equipment suppliers and the EPC Contractor's design team, UAEL designed the project having an unprecedented combination of flexibility and efficiency making this new plant to serve as a model for the country's power sector. The facility has been designed as such that it has a thermal efficiency of about 47%. The plant comprises of 20 units of Wartsila's 20V345G gas engines, each producing about 9.73 MW. In addition, the facility has a co-generation element, whereby the exhaust heat from the generators will be run through the waste heat recovery boilers, fitted with each engine, to produce steam, which will turn a turbine-generator, boosting the power output by a further 16.1 MW. A lot of engineering had to go into designing the capacity of the boilers and the steam turbine and in ensuring that the project will eventually meet the guarantees given to the government regarding gas consumption and output, gas being a scarce natural resource. The engines were optimized for heat recovery operation. Designing the power plant itself was a very big challenge indeed. Engineering cooperation between all the parties involved, resulting in a compact plant that still met all technical demands and is environment friendly due to reduced emissions.

Just as crucial as being energy efficient, the plant meets the flexibility demands of the Bangladeshi grid, which has an extremely erratic load pattern due to weather and seasonal irrigation. The plant's modular setup allows operators to quickly change the output levels simply by changing the number of generators used, and it will do so while maintaining the same level of efficiency all the way down to 30% power output.

On a happy note, I am delighted to announce that all the challenges are now a thing of the past. The project was already at a very advanced stage by December 2014. The plant actually achieved Commercial Operations on 8 May 2015, well ahead of the Required Commercial Operations Date, as per PPA.

I would like to extend my gratitude to all members of the Board, my team, the Government of Bangladesh and all concerned Ministry for their continued support and encouragement that has led us here. I would also thank all the equipment suppliers and the EPC team for their relentless effort and unwavering commitment for the successful completion of this project.

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

Thanking you,

Sincerely yours,

Moinuddin Hasan Rashid

*Managing Director
United Ashuganj Energy Ltd.*

Directors' Report to the Shareholders

Dear Shareholders,

Assalamu Alaikum

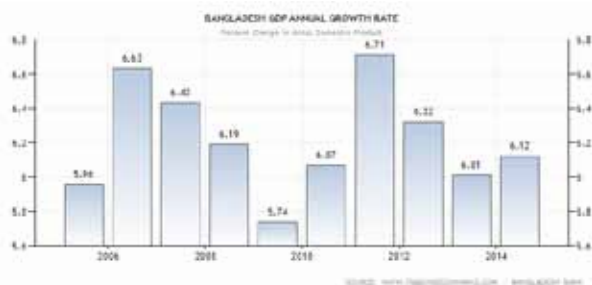
On behalf of the Board of Directors, I welcome you all to the 2nd Annual General Meeting of the company, and have the pleasure to submit before you the Operational Activities and Audited Financial Statement of the company for the year 2014, along with the auditor reports thereon.

Global Economy: An Overview

The global economic activities have gained momentum during the second half of 2013 only after a massive all round effort around the world to come out of the economic downturn that had set in earlier. This upward trend will gain strength in 2014-15, largely on account of revival of the advance economies. Global growth is now projected to be slightly higher than 2014. It is likely to be around 3.7 percent rising to 3.9 percent in 2015. But downward revisions to growth forecast in some economics highlight continued fragilities and downside risks. Emerging market and developing economies are likely to benefit from stronger external demand from advanced economies despite some domestic weaknesses. Some of these developing economies may need monetary policy support. In some economies, there is a need to manage vulnerabilities associated with weakening credit quality and larger capital outflows.

Economic Environment of Bangladesh

Despite the slow recovery of the Global Economy especially in developed countries and prevailing adverse internal situation in Bangladesh, economy has managed to consistently exceed growth rates of five per cent since 2009. The Gross Domestic Product (GDP) in Bangladesh expended by 6.12 percent in 2014 from the previous year. GDP Annual Growth Rate in Bangladesh averaged 5.64 percent from 1994 until 2014. Bangladesh achieved 6.7 percent Growth in the year 2011, which was the highest rate achieved since the year 1994 and the growth performance was possible due to strong rebound in export and the expansion of the manufacturing sector.



The year 2014 has been one of the most challenging year for the country's economy in recent times. However, against all odds, Bangladesh has been able to attain a GDP growth of 6.12% in the year 2014, whereas the projected growth of our neighboring developing countries has been below 6% in the fiscal year 2014.

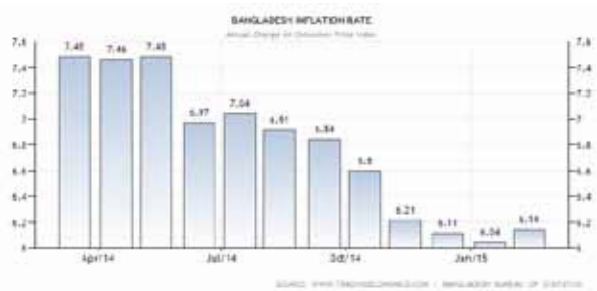
In longer timeframe, the economy has grown at a rate of 5-6% per year since 1996 despite poor infrastructure, insufficient power supplies, and slow implementation of economic reforms. The economy Consumer Price Index CPI in Bangladesh averaged 107.65 Index Points from 1993 until 2015, reaching an all-time high of 210.74 Index Points in February of 2015 and a record low of 51.99 Index Points in July of 1993.



Foreign Exchange Reserves in Bangladesh decreased to 1718.86 BDT Billion in December of 2014 from 1744.63 BDT Billion in November of 2014. Foreign Exchange Reserves in Bangladesh averaged 334.25 BDT Billion from 1990 until 2014, reaching an all-time high of 1744.63 BDT Billion in November of 2014 and a record low of 13.75 BDT Billion in May of 1990.



The inflation rate in Bangladesh was recorded at 6.14 percent in February of 2015. Inflation Rate in Bangladesh averaged 6.64 percent from 1994 until 2015, reaching an all-time high of 12.71 percent in December of 1998 and record low of -0.02 percent in December of 1996.



In conclusion we may conclude that the performance of Bangladesh economy is quite well in terms of GDP (gross domestic product), Consumer Price Index (CPI), Foreign Exchange Reserves and Inflation Rate.

Power Sector Scenario in Bangladesh.

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. At present the installed electricity generation capacity was 13265 MW, including captive generation, in January 2015. Obstacles, in the Bangladesh’s electric power sector includes high system losses, delays in completion of new plants, low plant efficiencies, erratic power supply, electricity theft, blackouts, and shortages of funds for power plant maintenance. Overall, the country’s generation plants have been striving to meet system demand over the past decade.

Recognizing the fact the present government has prioritized the power sector right from its election manifesto. As per the manifesto, electricity generation in the country was supposed to be 5000 MW by the year 2011 and 7000 MW by 2013. The government has been successful in meeting these targets and has even been able to achieve higher level of precedents. The government aims to add additional 9600MW electricity generation capacity from 2014 to 2018 under medium and long term plan. This target is much higher than the one stated in the election manifesto. The government has further extended its vision targeting the upcoming years up to 2030 and prepared the Power System Master Plan 2010 (PSMP). This plan states that the generation capacity would be about 40,000 MW in 2030. According to the PSMP - 2010 year wise peak demand forecast is append below.

Fiscal Year	Peak Demand (MW)
2014	9,268
2015	10,283
2016	11,405
2017	12,644
2018	14,014
2019	15,527
2020	17,304
2021	18,838

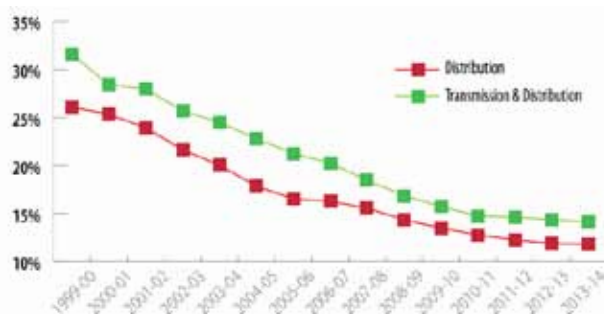
Directors' Report to the Shareholders ... (Cont.)

In 2014, the installed power generation capacity stood at 10,253 MW of which the public sector produced 58.5% and private sector produced 41.5% of the total electricity produced in the country. It is to be mentioned here that United Group contributes approximately 11% in its sector.

Public Sector	Installed Generation Capacity (MW)
BPDB	4,186
APSCL	777
EGCB	662
NWPGCL	300
RPCL	77
Sub Total	6,002 (58.5%)

Private Sector	Installed Generation Capacity (MW)
IPPs	1,330
SIPPs (BPDP)	99
SIPPs (REB)	226
15 yr. Rental	167
3/5 yr. Rental	1,929
Power Import	500
Sub Total	4,251 (41.5%)
Total	10,253

Considering the country's future energy security, the government has rightly given due importance on renewable energy, energy efficiency as well as energy conservation. Access to electricity has been raised from 47% to 70% (including Renewable Energy) and per capita electricity generation improved dramatically (from 220 kWh to 372 kWh). Around 3.45 million people have newly been connected and System Loss (distribution) reduced from 15.67% to 12.03%. Highest generation so far was 7712 MW recorded on 5 May 2015, and it is increasing gradually.



With proper load management, irrigation for agriculture has been given the fullest support which contributed to bumper harvests during the last crop seasons. Considering the country's future

energy security and low-carbon emission strategy, programs have been undertaken to promote use of renewable energy. 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 spear headed by a public infrastructure financing entity. A coal fired plant with capacity of 1,320 MW will be set up in Khulna, a joint venture project between Bangladesh Power Development Board and NTPC, India. In addition to this several other coal fired plants will be set up in different locations: Chittagong, Matarbari and Moheshkhali.

Realizing the ever increasing demand of electricity for socio-economic development and progress of the country, the government has 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 of the 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 500MW of electricity from India through grid interconnectivity with a process underway to bring in another 600MW.

A huge development plan has been taken up to ensure quality and uninterrupted power supply with production increases to resolve the problems of electricity. From April 2010 to April 2011, distribution line was been expanded from 2,66,460 km to 2,70,000 km. Government has undertaken a massive plan to strengthen the transmission system and fulfill the future demand of electricity with its aim to achieve its Vision 2021. The government has also been extremely successful in enhancing and increasing the performance of the distribution entities due to continuous monitoring and evaluation. It is expected that by 2017, 1,10,000 km new distribution line will be built to accommodate new customers.

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 a complete power hub.

Project in Progress

Work Progress

The construction of the project has made substantial progress. Total project progress in terms of civil work completion and

equipment delivery and installation of the principal components till December 2014 is 80%. Judging by the progress, it is expected that the Commercial Operations can be achieved by April 2015.

Progress in Debt Financing

As per Bid document the total project cost in BDT 14,280 million or USD 170 million (assuming Bid exchange rate of US\$ 1 = BDT 84) where the debt-equity ratio is 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 December 2014, debt financing is under progress and dialogue is ongoing with Dhaka Bank Ltd for the IPFF fund and Standard Chartered Bank as lead arranger of a consortium of financiers including IFC, DEG and ECA (Finnvera).

Capital Expenditure

Capital Expenditure, other than L/C paid as advance to EPC Contractor, Neptune Commercial Ltd, till December 2014 is BDT 2,781,553,000 (BDT Two Hundred Seventy Eight Crore Fifteen Lacs and Fifty Three Thousand) only and shipment against total L/C value USD\$ 120 million has almost been completed.

Share Money Deposit

As per the Share Purchase Agreement, United Enterprises & Co. Ltd. has to pay US\$ 36.21 million and APSCCL has to pay US\$ 14.79 million. Till December 2014 UECL has deposited USD\$ 36.21 million and APSCCL has adjusted BDT 304,080,000 as land lease rent.

Event after Reporting Period

Judging by the progress, it is expected that the Commercial Operations can be achieved by April 2015.

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. and 4 members represent United Enterprises & Co. Ltd. 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 & 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 a Finance and Audit Committee and a Recruitment and

Procurement Committee was formed.

Board of Directors' Meeting and Attendance

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

Seven Board Meetings took place during the year 2014. The attendance of the Directors are as follows:

Name	Designation	Attendance
Md. Anwar Hossain	Chairman	5
Md. Shahinul Islam Khan	Director	5
Md. Nurul Alam, P.Engg	Director	5
Faridur Rahman Khan	Director	5
Rear Admiral Bazlur Rahman (Retd)	Director	5
Engr. Mohammad Hanif / Kayes Khalil Khan	Director	5
Moinuddin Hasan Rashid	Managing Director	5

Various Board Committees

Finance & Audit Committee

1. Md. Shahinul Islam Khan – Head of Committee
2. Faridur Rahman Khan - Member
3. Kayes Khalil Khan - Member

Recruitment & Procurement Committee

1. Md. Anwar Hossain – Head of Committee
2. Md. Nurul Alam, P.Engg. - Member
3. Rear Admiral Bazlur Rahman (Retd.) - Member
4. Moinuddin Hasan Rashid - Member

The activities of the above committees are presented below:

Finance and Audit Committee: The Finance and Audit 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 member headed by the Committee Head with two other members.

The committee held 1 meeting in the year 2014.

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.

Directors' Report to the Shareholders ...(Cont.)

The committee held 1 meeting in the year 2014.

Appointment of Auditor

Hoda Vasi Chowdhury & Co., Chartered Accountants having their offices at BSEC Bhaban (level 10), Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka 1215, retires at the 2nd Annual General Meeting as Auditors of the Company. The retiring auditors are eligible for re-appointment and therefore offer themselves for reappointment for the year 2015.

Business Risk Management

United Ashuganj Energy Limited (UAEL), a 200MW 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. (APSCCL). UAEL is an Independent Power Producer, and will be Operated under Private Power Generation Policy 1996 (Revision 2004). UAEL is 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

The provision of the power purchase agreement guaranteed 100% of the monthly capacity payment of UAEL, minimizes 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 for two months minimum guaranteed payment.



The plant will be operated by a team of highly trained motivated and engineers who were with Wärtsilä, the leading power plant manufacturer and plant operator of the world. 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. The team possess sound technological knowledge to keep UAEL plant's out of any technology related risk.

Natural gas will be used as the fuel for the plant. Bakhrabad Gas Distribution Co. Ltd. will be 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.

The prudent insurance coverage which covers all risks, including fire, machinery, breakdown, business interruption and 3rd Party liability during the construction period (insured by the EPC contractor) and after Commercial operation date (COD).

Financial Risk has been mitigated as the Project is constructed by the EPC Contractor, Neptune Commercial Ltd on turnkey basis at a price of USD 159.24 million, subsequently it was enhanced to USD 164.28 for installing the additional one Engine. Installation of all the Engines, boilers, steam turbine has been completed and expected to commence commercial operation by April 2015.

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 these financial statement.

Human Resource Management:

Efficient manpower is the 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 that permits employees to work to the highest effectiveness and perform investing their full potential.

Corporate and Financial Reporting Framework:

The law required 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 ICAB and Bangladesh Financial Reporting Standards (BFRS). This has been completely followed to fairly present the financial position and performance of the company. While preparing the financial statement, the following points were considered:

1. Selection of suitable accounting policies and then applying them consistently.

2. Making judgement and estimates that are reasonable and prudent.
3. Ensuring that the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards.
4. Preparing the financial statements in an ongoing concern basis unless it is appropriate to presume that the company will no continue in Business.

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

Corporate Social Responsibility

The project site is located inside Ashuganj Power Station Company complex, about 89 km from the capital city, Dhaka. Considering transportation constraints, this distance is a considerable one. However, Ashuganj is the power hub of the nation with a large number of power plants being located at the place. Given the number of workers residing in that area the educational and healthcare facilities available is quite poor. In view of that UAEL has plans to establish a primary educational institute and free healthcare facilities right outside APSCL complex to facilitate education among the children of the workers.

Environmental and Social Obligation

United Ashuganj Energy Ltd. (UAEL) is committed to conduct its

Directors' Report to the Shareholders ...(Cont.)

business in socially responsible and environmentally sustainable manner. This commitment is consistent with our corporate objectives and is essential to continued business success. We

- Comply with all applicable environmental and social requirements.
- Seek to reduce energy use, harmful emissions, airborne pollutants, etc.
- Focus on conserving water to help preserve an increasingly scarce resource.
- Use resources responsibly, from purchase to use

The company is going to take steps to implement the Integrated Management System (IMS) to make it complaint to ISO 9001:2008-Quality Management System (QMS), ISO 14001-2004-Environmental Management System (EMS), BS 18001:2007 Occupational Health and Safety (OH&S).

Operation Maintenance & Management Service Provider

The overall Operation and Maintenance (O&M) of the plant will be outsourced to United Engineering & Power Services Ltd. (UEPSL), a sister concern of United Group, as per decision of the Board. UEPSL was formed in 2011 and is currently performing operation and maintenance of 4 (four) plants under the banner of United Group. UEPSL has O&M experience of over 240 MW with an average plant availability of over 95%. 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. It is strongly believed that engaging UEPSL for providing O&M services will benefit 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 will have 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. The agreement is expected to be signed before commercial operations of the plant and UEPSL will take over the O&M of the plant from COD.

Future Outlook

Electricity is the driving force of a nation's economic development. All development activities are directly or indirectly dependent on it. The trend of Generation Capacity of the country is running behind to meet the prevailing load demand of the country and the chasm between demand and supply of electricity poses to be a hindrance to the development activities in industrial, commercial, agricultural and social sectors. Keeping this view in mind UAEL is ready to expand its generation by another 200MW 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 and Ashuganj Power Station Company Ltd, EPC Contractor Neptune Commercial Ltd. and other Stakeholders of the company for their persistent support and guidance to the company that led to achieve such achievement.



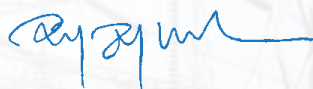
The Board also recognizes the attainment made during the year was possible because of the cooperation, positive support and guidelines that it had received from the Government of Bangladesh, Prime Minister's Office, Ministry of Power, Energy and Mineral Resources, Power Division, Energy Division, Ministry 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, Bangladesh Bank, Wärtsilä Finland OY, Energypac Engineering Ltd. Emerson Process Management, M. E. Energy Pvt. Ltd., Triveni Turbines Ltd., Standard Chartered Bank, World Bank, IFC, KFWDEG, FINNEVERA, Dhaka Bank Ltd. for their support and cooperation in construction and financing of the project.

We also extend our warmest greetings and felicitations to the Management and Employees of United Group 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 Director



Md. Anwar Hossain
Chairman



Memorable events



Inauguration Ceremony by Prime Minister Sheikh Hasina



Lenders visit to the plant



Training in Finland



Signing ceremony between United & Wartsila



GSA signing



Engines being transported

Financials



AUDITORS' REPORT TO THE SHAREHOLDERS OF

UNITED ASHUGANJ ENERGY LTD

Introduction

We have audited the accompanying financial statements of UNITED ASHUGANJ ENERGY LTD (the "Company"), which comprise the statement of financial position as at 31 December 2014, statement of changes in equity and statement of cash flows for the period then ended, 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 International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act (#18) 1994, 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 International Standards on Auditing (ISA) and Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance 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, prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the results of its operations and cash flows for the period then ended and comply with, the Companies Act (#18) 1994 and other applicable laws and regulations.

We also report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. The company's statement of financial position (balance sheet), statement of changes in equity and statement of cash flows together with notes 1 to 16 dealt with by the report are in agreement with the books of account and returns.

Dhaka, 19 APR 2015

Hoda Vasi chg S/W

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

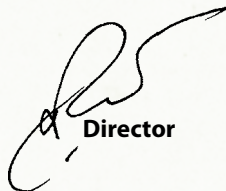
AS AT 31 DECEMBER 2014

	Note(s)	2014	2013
		Taka	Taka
Assets			
Non current assets:			
Property, plant and equipment - at cost	4	5,512	5,512
Preliminary Expense	5	3,073,105	3,073,105
Construction Work - In - Progress	6	31,588,172	134,178
Pre-Operating Expenses	7	15,091,081	6,223,170
		49,757,870	9,435,965
Current assets:			
Advances, deposits and prepayments	8	3,086,893,000	25,705,000
Inter company receivables and other receivables	9	-	497,199
Cash and cash equivalents	10	4,306,931	101,524,336
		3,091,199,931	127,726,535
Total assets		3,140,957,801	137,162,500
Equity and Liabilities			
Shareholders' equity:			
Share capital	11	100,000,000	100,000,000
Share money deposit	12	3,029,908,017	37,000,000
		3,129,908,017	137,000,000
Current liabilities:			
Provision for liabilities	13	375,000	162,500
Inter company payables	14	10,674,784	-
		11,049,784	162,500
Total equity and liabilities		3,140,957,801	137,162,500

The annexed notes 1 to 16 form an integral part of these financial statements.



Managing Director



Director



Company Secretary

As per our report of same date

Dhaka, 19 APR 2015

Hoda Vasi Chy & Co
Chartered Accountants

STATEMENT OF CASH FLOW

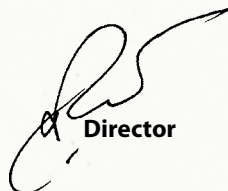
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	Taka	Taka
Cash flows from Operating Activities :		
Decrease/(Increase) in advances, deposits and prepayments	(3,061,188,000)	(25,705,000)
Decrease/(Increase) of Preliminary Expense	-	(3,073,105)
Decrease/(Increase) of Pre-Operating Expenses	(8,867,911)	(6,223,170)
Decrease/(Increase) in inter company receivables	497,199	(497,199)
(Decrease)/Increase in Inter company payable	10,674,784	-
(Decrease)/Increase in provision for liabilities	212,500	162,500
<i>Net cash used in operating activities</i>	(3,058,671,428)	(35,335,974)
Cash flows from Investing Activities :		
Acquisition of property, plant & equipment	-	(5,512)
Construction Work In Progress	(31,453,994)	(134,178)
<i>Net cash used in investing activities</i>	(31,453,994)	(139,690)
Cash flows from Financing Activities :		
Proceed from issue of Share Capital	-	100,000,000
Proceed from share money deposit	2,992,908,017	37,000,000
<i>Net cash flow from financing activities</i>	2,992,908,017	137,000,000
Net cash (decrease)/ increase during the period	(97,217,405)	111,295,000
Cash and cash equivalents at the beginning of the year	101,524,336	-
Cash and cash equivalents at the end of the year	4,306,931	101,524,336

The annexed notes 1 to 16 form an integral part of these financial statements.



Managing Director



Director



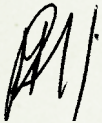
Company Secretary

STATEMENT OF CHANGES IN EQUITY

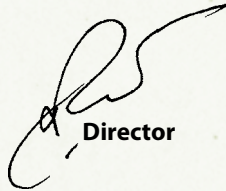
FOR THE YEAR ENDED 31 DECEMBER 2014

Particulars	Paid up share Capital	Money deposited for shares	Retained earnings	Total
	Taka	Taka	Taka	Taka
Balance at the beginning of the period	-	-	-	-
Addition during the year	100,000,000	37,000,000	-	137,000,000
Comprehensive Profit/ (loss) for the period	-	-	-	-
Balance as at 31 December 2013	100,000,000	37,000,000	-	137,000,000
Addition during the period	-	2,992,908,017	-	2,992,908,017
Comprehensive Profit/ (loss) for the period	-	-	-	-
Balance at 31 December 2014	100,000,000	3,029,908,017	-	3,129,908,017

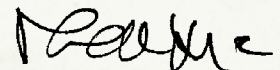
The annexed notes 1 to 16 form an integral part of these financial statements



Managing Director



Director



Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Reporting entity

1.1 Company profile

United Ashuganj Energy Ltd. (UAEL) ("the company") a Joint Venture between United Enterprises & Co. Ltd (71%) and Ashuganj Power Station Co. Ltd (29%) according to Share Purchase Agreement 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. 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). Currently the company is setting up a gas fired power plant with capacity of 195 MW (Net) at Ashuganj, B. Baria which is expected to be in operation from year 2015.

1.3 Registered office

The address of the company's registered office is Gulshan Centre Point, Plot # 23-26, Road # 90,91 Gulshan-2, Dhaka-1212, Bangladesh.

2 Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements have been prepared on going concern basis under historical cost convention and in accordance with applicable Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act (#18) 1994 and other applicable laws and regulations.

The title and format of these financial statements follow the requirements of BFRSs which are to some extent different from the requirement of the Companies Act, 1994; however such differences are not material and in the view of management, BFRSs format gives a better presentation to the shareholders.

Authorization for issue

The financial statements were authorised for issue by the Board of Directors of the Company on 19 April 2015.

2.2 Basis of presentation

The presentation of financial statements has been complied with the guidelines provided by BAS 1: Presentation of Financial Statements.

2.3 Basis of measurement

The financial statements except for cash flow information have been prepared on accrual basis of accounting.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

2.5 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is both functional currency and presentational currency of the company.

2.6 Level of precision

The amounts in these financial statements have been rounded off to the nearest taka.

2.7 Critical accounting estimates, assumptions and judgment

The preparation of financial statements in conformity with the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standard (BAS) requires management to use judgements, estimates and assumptions that affected the reported amounts of the assets and liabilities and disclosures of the contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 3.1.3 Depreciation

Note 3.3 Amortization of pre-operational expenses

2.8 Reporting Period

These financial statements cover the period from 01 January 2014 to 31 December 2014.

2.9 Comparative Information

As per BAS 1: "Presentation of Financial Statements" comparative information to be disclosed in respect of the previous period for all the amounts reported in the financial statements, both on the face of the financial statements and in the notes.

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 stated according to BAS 16 (Property, Plant and Equipment) at historical cost. The cost of asset includes expenses directly attributable to bringing the asset to the location and condition necessary for use.

The cost of an asset is measured at the cash price equivalent at the date of acquisition.

3.1.2 Subsequent costs

Subsequent costs includes in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

3.1.3 Depreciation

No depreciation on the fixed assets has been charged during the year under review as the company has not gone into commercial operation during the year ended as at 31 December 2014. The Depreciation on all assets will be charged at the applicable rates depending on the estimated useful lives of the assets after commencement of commercial operation.

3.1.4 Retirements and disposals

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use, whichever comes earlier. Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the same, and are recognised on net basis within 'other income' in the statement of comprehensive income.

3.2 Preliminary expenses

Preliminary expenses represents the expenses incurred relating to company formation, feasibility study and legal expenses and would be amortized within first financial year after the company goes into commercial operation.

3.3 Pre Operating Expenses

These represents expenses incurred before commencement of commercial operation of the company and it would be amortized (whichever is best for tax benefit) after the company goes into commercial operation.

3.4 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.

3.5 Financial instruments

Non derivative financial instruments comprises of cash and cash equivalents, accounts and other receivables, loans and borrowings and other payables.

3.5.1 Cash and Cash equivalent

Cash and cash equivalent comprise cash in hand, bank deposits which were held and available for use by the company without any restriction.

3.5.2 Inter-company balances

These assets include inter-company (loan) receivables which are stated at cost.

3.6 Financial risk management

The company has exposures to the following risks from its use of financial instruments:

- a. Credit risk
- b. Liquidity risk
- c. Market risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

3.7 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).

3.8 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 Statement of Cash flow

Considering the provisions of BAS 1 "Presentation of Financial Statements" and BAS 7, "Cash Flow Statements" cash in hand and bank balances have been stated as cash and cash equivalents.

The net cash flow from operating activities is determined by adjusting profit/(loss) for the year under indirect method as per BAS 7 "Cash Flow Statements".

3.10 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 comprehensive income as per BAS 21: The Effects of Changes in Foreign Exchange Rates..

3.11 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.

3.12 Related Party Transactions

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:

SI No.	Name of the related parties	Nature of Relationship	Nature of transactions	Outstanding amount in taka
1	United Enterprises & Co Ltd	Parent company	Inter company payable	10,674,784
2	Neptune Commercial Ltd.	Sister Concern	Advance for EPC work	2,781,553,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

4 Property, plant and equipment, at cost

Particulars	Cost					Rates %	Depreciation				Written Down Value as on 31 December 2014
	Balance as on 01 January 2014	Addition during the year		Disposal or adjustment during the year	Balance as on 31 December 2014		Balance as on 01 January 2014	Charged during the year	Adjustment during the year	Balance as on 31 December 2014	
		Purchase	Revaluation								
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		
Furniture & Fixture	5,512	-	-	-	5,512	-	-	-	-	5,512	
As at 31 December 2014	5,512	-	-	-	5,512	-	-	-	-	5,512	
As at 31 December 2013	-	5512	-	-	5512	-	-	-	-	5512	

Note: No depreciation on the fixed assets has been charged during the year under review as the company has not gone into commercial operation during the year ended as at 31 December 2014. The Depreciation on all assets will be charged at the applicable rates depending on the estimated useful lives of the assets after commencement of commercial operation.

Note(s)	2014	2013
	Taka	Taka

5 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

6 Construction Work - In - Progress

L/C margin	31,588,172	134,178
	31,588,172	134,178

7 Pre-Operating expenses

Administrative Expenses	7.1	3,144,030	866,140
Financial Expenses	7.2	11,947,051	5,357,030
		15,091,081	6,223,170

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note(s)	2014	2013
		Taka	Taka
7.1 Administrative Expenses			
Conveyance		15,410	15,410
Entertainment		63,465	28,465
Printing & Stationery		73,065	73,065
Audit fee		375,000	162,500
Mobile Bill		100	100
Trade License		31,005	16,500
Stamp Purchase		1,100	1,100
Board Meeting Fee		700,000	210,000
Sign Board & Banner		295,000	295,000
Overseas Travelling		318,000	-
Miscellaneous Expenses		64,000	64,000
Registration fee		200,000	-
Govt fee		30,000	-
Carrying Charge		950,385	-
Mobile purchase		27,500	-
		3,144,030	866,140
7.2 Financial Expenses			
Financial Charge		11,947,051	5,357,030
		11,947,051	5,357,030
<p>*As per Power Purchase Agreement (PPA) between Bangladesh Power Development Board and United Ashuganj Energy Ltd there is a written obligation for the company to make the compensation amounting USD 7,020,000 to BPDB if the company is unable to supply the power within the period of 15 months applicable from the date of Gas supply agreement between BPDB and UAEL. The Company manage a bank guarantee through Dutch Bangla Bank Limited to Bangladesh Power Development Board against the compensation. Finance charge include the charge @.15% on the guaranteed value.</p>			
8 Advance, Deposits and Prepayments:			
Advance to EPC contractor	8.1	2,781,553,000	25,500,000
Deposit	8.2	1,260,000	205,000
Prepayments	8.3	304,080,000	-
		3,086,893,000	25,705,000
8.1 Advance to EPC contractor			
Neptune Commercial Ltd		2,781,553,000	25,500,000
		2,781,553,000	25,500,000

As per "Turn Key Contract" between United Enterprises & Co. Ltd. (UECL) and Neptune Commercial Ltd (NCL), Neptune Commercial Ltd assigned for the purpose of EPC (Engineering, Procurement and Construction) Contract, where "Project Company" will be incorporated by the Sponsor Company (United Enterprises & Co. Ltd (UECL). United Ashuganj Energy Ltd give the amount tk 2,781,553,000 to NCL as advance for EPC work such as designing, engineering, equipment procurement, construction and installation, testing and commissioning of the facility.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

		Note(s)	2014	2013	
			Taka	Taka	
8.2	Deposits				
	Bangladesh Power Development Board		205,000	205,000	
	BERC License		1,055,000	-	
			1,260,000	205,000	
8.3	Prepayments				
	Prepaid Land lease rent (APSCL)		304,080,000	-	
			304,080,000	-	
9	Inter company Receivable				
	Loan to United Enterprises & Co Ltd		-	497,199	
			-	497,199	
10	Cash and cash Equivalent				
	Cash in Hand		22,984	22,984	
	Cash at Bank	10.1	4,283,947	101,501,352	
			4,306,931	101,524,336	
10.1	Cash at Bank				
	Dutch Bangla Bank Limited		1,984	1,984	
	Dutch Bangla Bank Limited		4,281,963	101,499,368	
			4,283,947	101,501,352	
11	Share Capital :				
11.1	Authorised Share Capital:				
	500,000,000 Ordinary Shares of Tk. 10 each		5,000,000,000	5,000,000,000	
11.2	Issued, subscribed and paid up capital				
	10,000,000 Ordinary Shares of Tk. 10 each		100,000,000	100,000,000	
11.3	Position of Share Holding				
Name of Shareholder	% of Holding	Number of Shares	Par Value	Amount (Tk.)	Amount (Tk.)
United Enterprises & Co.Ltd	99.97%	9997000	10	99970000	99970000
Md. Anwar Hossain	0.01%	1000	10	10000	10000
Md. Abduhu Ruhullah	0.01%	1000	10	10000	10000
Md. Nurul Alam	0.01%	1000	10	10000	10000
	100	10,000,000		100,000,000	100,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	Taka	Taka
12 Share Money deposit		
United Enterprises & Co Ltd	2,725,828,017	37,000,000
Ashuganj Power Station Company Ltd. (APSCL)	304,080,000	-
	3,029,908,017	37,000,000
13 Provision for liabilities		
Audit fees	300,000	130,000
Tax payable	30,000	13,000
Vat payable	45,000	19,500
	375,000	162,500
14 Inter company Loan Payable		
	10,674,784	-
	10,674,784	-
Inter company loan was taken from UECL for payment against EPC work.		
15 Events after reporting period		
There is 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.		
16 General		
i) Figures appearing in these financial statements have been rounded off to the nearest Taka.		
ii) Previous period/year's figures have been rearranged, wherever considered necessary to conform to the current period's presentation.		



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REGISTERED OFFICE

UNITED ASHUGANJ ENERGY LTD.

Gulshan Center Point
Plot No. 23-26, Road No. 90-90, Gulshan – 2,
Dhaka – 1212, Bangladesh