

INFORMATION MEMORANDUM



ASHUGANJ POWER STATION COMPANY LTD.

(An Enterprise of Bangladesh Power Development Board)

ISO 9001 : 2015, ISO 14001 : 2015 & BS OHSAS 18001:2007



Ashuganj Power Station Company Limited
Ashuganj Brahmanbaria-3402
Bangladesh

" শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন "

"Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions."

Information Memorandum OF



ASHUGANJ POWER STATION COMPANY LIMITED

Issue Date of the Information Memorandum: 29.08.2019

Public Offer of 200,000 nos of Redeemable Non-Convertible Coupon Bearing bonds of BDT 5,000 each at par totaling BDT 1,000,000,000 (One Billion Taka)

Coupon Range: 8.50% - 10.50% (Reference Rate + Coupon Margin)

Trustee to the Issue: ICB Capital Management Limited

Green City Edge Bhaban (5th & 6th floor), 89 Kakrail, Dhaka 1000, Bangladesh

Face Value: BDT 5,000

Issue Price: BDT 5,000

Total Issue Amount: BDT 1,000,000,000 (divided into 200,000 numbers of securities)

Opening Date of Subscription: 23.09.2019

Closing Date of Subscription (Cut-off date): 06.10.2019

Manager to the Issue: BRAC EPL Investments Limited and ICB Capital Management Limited

Credit Rating of the Bond: AA for the Issue

| Rating Particulars | Long Term | Short Term |
|--------------------|--|------------|
| Entity Rating | AAA | ST-1 |
| Outlook | Stable | |
| Rated by | Credit Rating Information and Services Limited | |
| Validity | December 05, 2019 | |

- (i) **Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;**

| Name & Address | Contact Person | Contact Details |
|---|---|--|
| Issuer | | |
| Ashuganj Power Station Company Limited Navana Rahim Ardent (Level-8) 185 Shahid Syed Nazrul Islam Sarani (Old 39, Kakrail, Bijoy Nagar) Paltan, Dhaka | Md. Mahfuzul Haque, FCMA Executive Director (Finance) | Tel: +880-02-9330915 Fax: +880-02-9330918 Email: edirfin@apscl.com Web: www.apscl.gov.bd |
| Issue Managers | | |
| BRAC EPL Investments Limited Head Office Concord Baksh Tower Plot# 11/A, Road# 48, Block # CWN(A), (8th Floor), Kemal Attaturk Avenue, Gulshan 2, Dhaka 1212 | Deedarul Huq Khan Chief Executive Officer | Tel: +(8802) 9849253 Fax: +(8802) 9849445 Email: sf@bracepl.com Web: www.bracepl.com |
| ICB Capital Management Limited Green City Edge (5th and 6th floor), 89 Kakrail, Dhaka 1000 | Md. Sohel Rahman Chief Executive Officer (Additional Charge) | Tel: +8300555 ,+8300367, +8300387, +8300395, +8300421 Fax: +8802-8300396 Email: ho_issue@icml.com.bd Web: www.icml.com.bd |
| Underwriters | | |
| BLI Capital Limited Eunoos Trade Centre (Level 18) 52-53 Dilkusha C/A, Dhaka | Debabrata Kumar Sarker Senior Vice President | Tel: 9559512, 9559523, Fax: 9559532 Email: debabratasarker@gmail.com Web: www.blicapitaltd.com |
| Janata Capital And Investment Limited Head Office 48, Motijheel (3rd floor) Dhaka | Md. Mosharref Hossain Khan Principal Officer | Tel: 47114375, 9585028, 95,850,299,584,979 Email: info@jcil.com.bd Website: www.jcil-bd.com |
| LankaBangla Investments Limited Safura Tower (Level 11) 20, Kemal Ataturk Avenue, Banani, Dhaka-1213 | Hassan Zaved Chowdhury Chief Executive Officer (Acting) | Tel: + 88 02 951 26 21 Fax: + 88 02 956 11 07 e-mail: info@lankabangla- investments.com Website: www.lankabangla- investments.com |
| BMSL Investment Limited Shareef Mansion (4th Floor) 56-57 Motijheel C/A Dhaka-1000 | Md. Riyad Matin Managing Director | Tel: 88 02 9577651, 9570624, Fax: 88 02 47117218 Email: info@bmslinvestment.com Web: www.bmslinvestment.com |
| GSP Investments Limited 1, Paribagh, Mymensingh Road, Dhaka-1000 | Mohammad Fazlul Hoque Senior Manager | Tel: 880-2-9674306 Fax: 880-2-9674194 Email: info@gsp-investmtnets.com Web: www.gsp-investments.com |
| Prime Bank Investment Limited Peoples Insurance Bhaban (11th Floor) 36 Dilkusha C/A Dhaka – 1000 | Rahat Ul-Amin Senior Executive Officer | Tel: +88 02 48810315-16 Fax: +88 02 48810314 Email: info@pbli.com.bd Website: www.primebank.com.bd |

| Name & Address | Contact Person | Contact Details |
|--|---|---|
| NBL Capital & Equity Management Limited Printers Building (8th floor), 5 Rajuk Avenue, Dhaka 1000 | Kamrun Naher Chief Executive Officer | Tel: 02-47118816, 02-47118807 Fax: 88-02-7118840 Email: cemd@nblbd.com Web: www.nblceml.com |
| Agrani Equity & Investment Limited Swantex Bhaban 4th Floor 9/I, Motijheel C/A, Dhaka | Ahmed Yousuf Abbas Deputy General Manager | Tel: 88 02 9566670 Fax: 88 02 9668668 Email: info@agraniequity.com Web: www.agraniequity.com |
| Rupali Investment Limited Sadharan Bima Tower 37-A Dilkusha C/A 7th Floor Dhaka,1000 | Md. Mamunur Rashid CEO | Tel: +88 027124488 Fax: +88 027124488 Email: rilbd.info@gmail.com Website:www.riltd.org |
| Trustee | | |
| ICB Capital Management Limited Green City Edge (5th and 6th floor), 89 Kakrail, Dhaka 1000 | Mr. Sohel Rahman Chief Executive Officer (Additional Charge) | Tel: +8300555 ,+8300367, +8300387, +8300395, +8300421 Fax: +8802-8300396 Email: ho_trustee@gmail.com Web: www.icml.com.bd |
| Auditor | | |
| S.F. AHMED & CO. | Farhad Hossain Bhuiya Director | Tel: 880 2 9894258 Fax: 880 2 8825135 Email: sfaco@sfahmedco.org Web: www.sfahmedco.org |
| Credit Rating Company | | |
| Credit Rating Information and Services Limited | Ms. Sarwat Amina Executive Vice President | Tel: 880 2 9530991-4 Fax: 880 2 9530995 Email: info@crislbd.com Web: www.crislbd.com |

(i) "If you have any query about this document, you may consult the issuer, issue manager and underwriter"

(ii) "A person interested to get a information memorandum may obtain from the issuer and the issue managers"

(iii) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE or OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

(v) "This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 5,000.00 (five thousand) and the issue price is Tk. 5,000, i.e. '1-time' of the face value. The issue price has been determined and justified by the issuer and the issue managers as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) "Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page numbers 173-178 of the Information Memorandum.

(vii) "The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this information memorandum contains all material information with regard to the issuer and the issue, that the information contained in the information memorandum are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

(b) Availability of the Information Memorandum

- (i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of Information Memorandum are available in hard and soft forms;**

The hard copy and soft copy of the Information Memorandum and abridged version of this Information Memorandum of Ashuganj Power Station Company Limited may be obtained from the following institutions:

| Name & Address | Contact Person | Contact Details |
|--|---|---|
| Issuer | | |
| Ashuganj Power Station Company Limited Navana Rahim Ardent (Level-8) 185 Shahid Syed Nazrul Islam Sarani (Old 39, Kakrail, Bijoy Nagar) Paltan, Dhaka | Mr. Md. Mahfuzul Haque, FCMA Executive Director (Finance) Mohammad Abul Mansur, ACS,FCMA Company Secretary | Tel: +880-02-9330915 Fax: +880-02-9330918 Email: apsc@apsc.com Web: www.apsc.gov.bd |
| Issue Managers | | |
| BRAC EPL Investments Limited Head Office Concord Baksh Tower Plot# 11/A, Road# 48, Block # CWN(A), 8th Floor Kemal Attaturk Avenue, Gulshan 2, Dhaka 1212 | Deedarul Huq Khan Chief Executive Officer | Tel: +(8802) 9849253 Fax: +(8802) 9849445 Email: sf@bracepl.com Web: www.bracepl.com |
| ICB Capital Management Limited Green City Edge (5th and 6th floor), 89 Kakrail, Dhaka 1000 | Md. Sohel Rahman Chief Executive Officer (Additional Charge) | Tel: +8300555 ,+8300367, +8300387, +8300395, +8300421 Fax: +8802-8300396 Email: ho_issue@icml.com.bd Web: www.icml.com.bd |
| Trustee | | |
| ICB Capital Management Limited Green City Edge (5th and 6th floor), 89 Kakrail, Dhaka 1000 | Mr. Sohel Rahman Chief Executive Officer (Additional Charge) | Tel: +8300555 ,+8300367, +8300387, +8300395, +8300421 Fax: +8802-8300396 Email: ho_trustee@gmail.com Web: www.icml.com.bd |
| Stock Exchanges | | |
| Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C.A., Dhaka-1000 | Library of DSE | Tel: +88-02-9564601 |
| Chittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road Chittagong 4100 | Library of CSE | Tel: +88-031-720871-3 |

The Information Memorandum is also available on the website of Ashuganj Power Station Company Limited (www.apscl.gov.bd), ICB Capital Management Limited (www.icml.com.bd), BRAC EPL Investments Limited (www.bracepl.com), Bangladesh Securities and Exchange Commission (www.sec.gov.bd), Dhaka Stock Exchange (www.dsebd.org), Chittagong Stock Exchange (www.csebd.com) and the Public Reference room of Bangladesh Securities and Exchange Commission for reading and studying.

| Name of the Newspaper | Date of Publication |
|-----------------------|---------------------|
| দৈনিক ইত্তেফাক | 29.08.2019 |
| দৈনিক বনিক বার্তা | 29.08.2019 |
| The Financial Express | 29.08.2019 |
| The Independent | 29.08.2019 |

Definitions and Acronyms/Elaborations

| | |
|---------------------------|--|
| Allotment | Letter of allotment for shares |
| APSCL | Ashuganj Power Station Company Limited |
| BAS | Bangladesh Accounting Standards |
| BEIL | BRAC EPL Investments Limited |
| BFRS | Bangladesh Financial Reporting Standards |
| BO A/C | Beneficial Ownership Account or Depository Account |
| BPDB | Bangladesh Power Development Board |
| BSA | Bangladesh Standards on Auditing |
| BSEC | Bangladesh Securities and Exchange Commission |
| CDBL | Central Depository Bangladesh Limited |
| CIB | Credit Information Bureau |
| Certificate | Bond Certificate |
| COD | Commercial Operation Date |
| Commission | Bangladesh Securities and Exchange Commission |
| Companies Act | Companies Act 1994 (Act No. XVIII of 1994) |
| CSE | Chittagong Stock Exchange |
| DESCO | Dhaka Electric Supply Company |
| DSE | Dhaka Stock Exchange |
| EGCB | Electricity Generation Company of Bangladesh |
| FC Account | Foreign Currency Account |
| GOB | Government of Bangladesh |
| ICML | ICB Capital Management Limited |
| IPP | Independent Power Producer |
| Issue | Public Issue |
| Market for the Securities | Share Market |
| MOPEMR | Ministry of Power, Energy and Mineral Resources |
| NAV | Net Asset Value of the Company |
| NBR | National Board of Revenue |
| NRB | Non Resident Bangladeshi |
| NWPGCL | North-West Power Generation Company Limited |
| Offering Price | Price of the securities being offered |
| PPA | Power Purchase Agreement |
| RJSC | Registrar of Joint Companies & Firms |
| RPCL | Rural Power Company Limited |
| Securities | Bonds of Ashuganj Power Station Company Limited |
| SND Account | Short Notice Deposit Account |
| Sponsors | Sponsors of Ashuganj Power Station Company Limited |
| Stockholder | Shareholder |
| Subscription | Application Money |
| The Company/Issuer | Ashuganj Power Station Company Limited |
| WASA | Water Supply & Sewerage Authority |
| WPPF | Workers Profit Participation Fund |

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| (m) | Break down of all expenses related to the public issue | 95 |
| (n) | If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission | 96 |
| (o) | Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the Information Memorandum or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor | 96 |
| (p) | Financial Information of Group Companies: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors: | 96 |
| (q) | Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the Information Memorandum stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer | 96 |
| (r) | A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares | 97 |
| (s) | Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public | 97 |
| (t) | Business strategies and future plans - Projected Financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary | 97 |

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| (u) | <p>Discussion on the results of operations shall inter-alia contain the following:</p> <ol style="list-style-type: none"> (1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure (2) A summary of major items of income and expenditure (3) The income and sales on account of major products or services (4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring (5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations (6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed | 97-98 |
| (v) | <p>Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:</p> <ol style="list-style-type: none"> (1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc. (2) Significant economic changes that materially affect or are likely to affect income from continuing operations (3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations (4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known (5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices (6) Total turnover of each major industry segment in which the issuer operated (7) Status of any publicly announced new products or business segment (8) The extent to which the business is seasonal | 99-100 |
| (w) | Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. | 100 |
| (x) | Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors | 100 |
| (y) | Injunction or restraining order, if any, with possible implications | 100 |
| (z) | Technology, market, managerial competence and capacity built-up | 100-101 |
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| (bb) | Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months | 102 |
| (cc) | If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer | 102 |
| (dd) | Factors that may affect the results of operations | 102 |

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| | (b) SWOT ANALYSIS | 104 |
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| d) | Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer | 110 |
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| i) | Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included | 114-115 |
| j) | Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed | 115 |
| k) | A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position | 116 |

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| | l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc. | 116 |
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| | (b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the information memorandum | 121 |
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| | (2) If such options are held by any person other than the directors, and the officers of the issuer company, the following information shall be given in the information memorandum, namely:- i. The total number of shares or stock covered by all such outstanding options ii. The range of exercise prices iii. The range of expiration dates iv. Justification and consideration of granting such option | 126 |
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| | e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer | 183-184 |
| | f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus | 184-185 |
| | g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection | 185 |
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| | i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented | 185 |
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| g) | All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share | 237 |
| h) | Quarterly or half yearly EPS should not be annualized while calculating the EPS | 237 |
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SECTION I:

Executive Summary

a) About the Industry

Electricity is a key ingredient for socio-economic development of the country. Adequate and reliable supply of electricity is an important pre-requisite for attracting both domestic and foreign investment. The Government has given top priority to the development of this sector considering its importance in overall development of the country and has set the goal of providing electricity to all citizens by 2020.

Reliable supply of electricity is a pre-condition for poverty reduction and economic development. To alleviate poverty in the face of resource limitations and high population density, Bangladesh requires an economic growth rate of more than 7% p. a. In order to achieve this growth rate, electricity growth by 10% needs to be achieved. By best utilizing the natural, human and agricultural resources the desired pace of GDP growth could be attained by increasing electricity generation to a much higher rate, which is the key target for development.

Electricity is the major source of power for most of the country's economic activities. Bangladesh's installed electric generation capacity was 15,953 MW in June, 2018. About 91% of the population has access to electricity with a per capita availability of 464 kWh per annum. Obstacles in the Bangladesh's electric power sector include 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. According to Power Sector Master Plan - 2010 Study, year-wise peak demand forecast is given 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 |

Source of Information:

www.bpdb.gov.bd; BPDB Annual Report 2017-18; Power Sector Master Plan – 2010

b) About the Issuer

Ashuganj Power Station Company Limited is one of the largest power stations in Bangladesh having a capacity of about 19% (as on August, 2018) of total electricity generation capacity in the public sector of the country. At present, the total capacity of its eight (8) units is 1,690 MW. As part of the Power Sector Development and Reform Program of the Government of Bangladesh (GoB), Ashuganj Power Station Company Limited (APSCL) has been incorporated under the Companies Act 1994 on June 28, 2000. The registration No. of APSCL is 40630 (2328)/2000. Ashuganj Power Station (APS) Complex (with its assets and liabilities) had been transferred to the APSCL through a provisional vendor's agreement signed between BPDB and APSCL on May 22, 2003. All the activities of the company started formally on June 1, 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 (Technical), Executive Director (Finance) and Executive Director (Project & Planning). Its registered office is situated at Ashuganj, Brahmanbaria. The Company also purchased a fixed asset (owned flat) at Bijoy Nagore, Dhaka in 2012 having 4200 sqf worth of BDT 5.83 Crore. The flat is being used for various official purposes such as Board Meeting, Committee Meetings, and Meetings with Foreign Delegates etc. According to the Memorandum and Articles of the Association of the company most of the shares are held by BPDB and rest of the shares are distributed among Ministry of Finance, Ministry of Planning, Power Division, MOPEMR & Energy Division.

APSCL has taken the initiative to raise the fund from the local capital market through Bond Issuance. Initially, in the first phase APSCL has targeted to raise BDT 5,000 million by issuing unlisted Coupon Bearing Redeemable Non-Convertible Bond and BDT 1,000 million by issuing listed Coupon Bearing Redeemable Non-Convertible Bond; and later BDT 4,000 million will be raised in another phase. To facilitate this, the APSCL Board has already approved the scheme and decided to appoint Investment Corporation of Bangladesh, BRAC EPL Investments Limited and ICB Capital Management Limited to fulfill the roles of arranger, issue manager and trustee.

c) Financial Information

| Sl. | Particulars | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 | 30-Jun-14 | 30-Jun-13 |
|-----|-----------------------|----------------|----------------|----------------|----------------|----------------|
| | | BDT | BDT | BDT | BDT | BDT |
| 1 | Turnover | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| 2 | Gross profit | 6,025,890,111 | 1,455,446,764 | 1,521,700,085 | 1,513,806,470 | 1,787,223,481 |
| 3 | Net profit before tax | 1,602,169,470 | 318,963,556 | 467,634,407 | 801,179,955 | 968,594,879 |
| 4 | Net profit after tax | 1,507,187,203 | 240,617,081 | 367,634,407 | 681,179,955 | 718,594,879 |
| 5 | Total assets | 98,108,867,184 | 90,719,006,926 | 77,516,624,833 | 55,122,428,169 | 43,264,051,182 |
| 6 | Paid up capital | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 |
| 8 | Retained earnings | 5,061,685,665 | 3,653,723,463 | 3,446,181,383 | 3,111,621,975 | 2,463,517,020 |
| 9 | Number of Shares | 66,150,000 | 66,150,000 | 66,150,000 | 66,150,000 | 66,150,000 |
| 10 | Face Value | 100 | 100 | 100 | 100 | 100 |
| 11 | NAV per share | 265.96 | 244.68 | 241.54 | 236.48 | 210.20 |
| 12 | Earnings per share | 22.78 | 3.64 | 5.56 | 10.30 | 10.86 |

d) Features of the issue and its objects

| | |
|-------------------------------|--|
| Face Value of each bond | BDT5,000 |
| Public Offering Price | BDT5,000 |
| Number of Bonds to be Offered | 200,000 |
| Total Issue Size | BDT1,000,000,000 |
| Issue Manager | ICB Capital Management Limited and BRAC EPL Investments Limited |
| Objectives of the Issue | The amount raised will be used for the purpose of construction, commissioning and operation of the upcoming 400 MW (East) CCPP Power Plant project. Detail break down of utilization of proceeds has been provided in Section XXII |

e) Legal and other Information

| Name of Certificate/ License/ Registration/ NOC | License Issuer / Issuing Authority | Certificate / License Number | Expiry Date | Renewal |
|---|--|------------------------------|-------------|------------|
| Certificate of Incorporation | Registrar of Joint Stock Companies, Bangladesh | C-40630 (2328)/2000 | N/A | |
| E-TIN Certificate | National Board of Revenue | 194838663327 | N/A | |
| VAT Certificate | National Board of Revenue | 23161011989 | N/A | |
| Trade license | Ashuganj Union Council | 726 | 30.06.2019 | Every year |

| Name of Certificate/License/Registration/NOC | License Issuer / Issuing Authority | Certificate / License Number | Expiry Date | Renewal |
|---|---|------------------------------|-------------|--|
| Environment clearance plant wise: | | | | |
| 450 MW CCPP (South) | Department of Environment | 18-08361 | 01.05.2019 | Application for renewal has been submitted on 13.05.2019 |
| 50 MW | | 18-08360 | 22.05.2019 | |
| Unit 3, 4 & 5, 200 MW Modular | | 18-08362 | 26.06.2019 | |
| 225 MW | | 18-08363 | 01.09.2019 | Every year |
| 450 MW CCPP (North) | | 19-17137 | 09.10.2019 | Every year |
| Fire License | Fire Service and Civil Defense | AD/Comilla/7751/2016-2020 | 30.06.2019 | Every year |
| Bangladesh Energy Regulatory Commission License | Bangladesh Energy Regulatory Commission | PSPGC-001 | 30.08.2019 | Every year |
| ISO 9001:2015 | Bureau Veritas | IND 19.8850U/Q/E/HS | 14.09.2021 | |
| ISO 140001:2015 | Bureau Veritas | IND 19.8850U/Q/E/HS | 14.09.2021 | |
| BS OHSAS 18001:2007 | Bureau Veritas | IND 19.8850U/Q/E/HS | 11.03.2021 | |

f) Promoters' background

When the company was incorporated, following persons/institutions were the subscriber to the memorandum:

| SL. | Name |
|-----|---|
| 1 | Bangladesh Power Development Board (BPDB) |
| 2 | Power Division, GOB |
| 3 | Energy & Mineral Resources Division, GOB |
| 4 | Finance Division, GOB |
| 5 | Planning Division, GOB |

Brief profiles of all promoters are given below:

Bangladesh Power Development Board (BPDB)

Bangladesh Power Development Board (BPDB) is a statutory body was created as a public sector organization to boost the country's power sector in May 1, 1972. The organization is responsible for planning and developing the nation's power infrastructure and for operating much of its power generation facilities. The BPDB is responsible for major portion of generation and distribution of electricity mainly in urban areas of the country. The Board is under the Power Division of the Ministry of power, Energy and Mineral Resources, Government of Bangladesh.

BPDB has taken a massive capacity expansion plan to add about 11600 MW Generation capacities in next 5 years to achieve 24000 MW Capacity according to PSMP-2010 by 2021 with the aim to provide quality and reliable electricity to all the people of Country for desired economic and social development. The power system has been expanded to keep pace with the fast growing demand.

Power Division

Power Division is one of the two divisions of the Ministry of Energy & Mineral Resources. Power Division is responsible for all policies and matters relating to electricity generation, transmission and distribution from conventional and non-conventional energy sources including hydro electricity. Power Sector is unbundled with generation, transmission and distribution. It has six (6) generation, one (1) transmission and five (5) distribution entities.

Energy & Mineral Resources Division

Energy & Mineral Resources Division is one of the two divisions of the Ministry of Energy & Mineral Resources. This division deals with the import, distribution, exploration, extraction, pricing and other policy related details of the primary fuels. It has separated entities for oil, gas and coal.

Finance Division:

Finance Division (FD) is one of the four divisions of the Ministry of Finance (MoF), Government of the People's Republic of Bangladesh. The other three divisions of the Ministry of Finance are: 1) Economic Relations Division (ERD); 2) Financial Institutions Division (FID) and 3) Internal Resources Division (IRD). FD is one of the important Divisions of the Government of Bangladesh deals with the subjects pertaining to finance of the Government and financial matters affecting the country as a whole preparation of annual budget statements and supplementary budget statements for the consideration of the parliament accounts and audits of the Government Organizations. Moreover, FD maintains financial discipline through financial advisors organization attached to each ministry.

Planning Division:

Planning Division is one of the three divisions of the Ministry of Planning, Government of the People's Republic of Bangladesh. The other two divisions of the Ministry of Planning are 1) Statistics and Informatics Division and 2) Implementation, Monitoring & Evaluation Division.

Planning Division has three units, 1) Bangladesh Institute of Development Studies (BIDS); 2) Planning commission; 3) National Planning and Development Academy (NPDA).

g) Capital structure and history of capital raising**Authorized Capital:**

| Particulars | No. of Ordinary Shares | Nominal Value in BDT | Total Amount in BDT |
|--------------------|------------------------|----------------------|---------------------|
| Authorized Capital | 300,000,000 | 100 | 30,000,000,000 |

Paid-up Capital:

| Date of Allotment | Nominal Price (BDT) | Issue Price (BDT) | Number of Shares Issued | | | Amount of Share Capital |
|-------------------|---------------------|-------------------|-------------------------|--------------------|-------------|-------------------------|
| | | | In cash | Other than in cash | Bonus Share | (BDT) |
| 4th June 2000 | 100 | 100 | | 10,000 | | 1,000,000 |
| 8th June 2012 | 100 | 100 | | 66,140,000 | | 6,614,000,000 |
| Total | | | | | | 6,615,000,000 |

Paid-up capital before and after the Public Issue:

| Particulars of Paid-up Capital | No. of Ordinary Shares | Amount in BDT |
|--------------------------------|------------------------|---------------|
| Before Initial Public Offering | 66,150,000 | 6,615,000,000 |
| After Initial Public Offering | 66,150,000 | 6,615,000,000 |

Note: As the company is issuing bonds, there will be no changes to the paid-up capital before and after the Initial Public Offering (IPO) process.

h) Summary of Valuation Report of securities

| Valuation Method | BDT |
|------------------------------------|--------|
| Historical Earning Based Valuation | 150.54 |
| NAV Based Valuation | 265.96 |

APSCL is not issuing shares. The company is issuing debt securities (bonds) of BDT 1,000,000,000 through public issue. The face value of each bond has been fixed at BDT 5000/-.

SECTION - II

Conditions imposed
by the Commission in
the consent letter:

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Ashuganj Power Station Company Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 200,000 Coupon Bonds of Tk. 5,000.00 each at par totaling to Tk. 100,00,00,000.00 (Taka One hundred Crore only) following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012, the Depository Act, 1999 and rules made there under.
2. The abridged version of the **Information Memorandum (IM)**, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full IM, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, the issue managers and the trustee, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges, the issue managers and trustee a diskette containing the text of the vetted IM in "MS-Word" format.
3. The company shall submit **40 (Forty)** copies of the printed IM to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the IM in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the IM and its abridged version for non-resident Bangladeshis (NRBs) through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the IM in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the IM.
5. The following declaration shall be made by the company in the IM, namely: -

"Declaration about Listing of Bond with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this IM shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission **within 07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money."

6. All applicants shall apply for a minimum lot of 1 bond worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী. In case of under-subscription under any of sub-categories of eligible investors category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of over subscription in the eligible investors category, securities shall be allotted on pro-rata basis. No eligible investor shall apply for more than 2% (two percent) of the total securities reserved for the eligible investors.**
9. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission**

and the balance amount will be refunded to the applicant.

10. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.**
11. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of bond (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the bonds will be listed, within **24 (Twenty Four) hours** of allotment.
13. **The company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.**
14. The company shall ensure the compliance of Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012;
15. **The issuer shall execute the deed of trust as approved by the Commission in favor of the trustee and register the same under the Registration Act, 1908 (XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the issuer and the trustee to the Commission before opening of subscription;**
16. All transactions excluding petty cash expenditures shall be effected through the company's bank accounts;
17. Financial statements shall be prepared in accordance with International Financial Reporting Standards (IFRS)/ International Accounting Standards (IAS) and audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;
18. Annual General Meeting (AGM) of the company shall be held in each year of the Gregorian Calendar;
19. A copy of audited financial statements and a copy of annual report and the minutes of annual general meeting shall be submitted to the Commission within fourteen days (14) of the completion of the audit or, as the case may be, holding of the annual general meeting;
20. The company shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the company;
21. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank;
22. **The issuer shall ensure periodic coupon payment and principal redemption to the investors/bond holders within 15 (fifteen) days of the due date as per the terms and conditions of the Coupon Bond mentioned in the Information Memorandum (IM). Both the issuer and the trustee shall submit a report on such payment and/or redemption to the Commission and the stock exchanges within 21 (twenty one) days of the due date.**

PART-B

Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of IM.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - (a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - (b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
 - (c) **Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).**

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date;
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts **and certificates** received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted bonds to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (**FC account which has been debited to apply by NRB or foreign applicants**) through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Trustee, Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of IM.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue manager shall carefully examine and compare the published IM and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the IM. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the IM.**
4. **While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:**
 - (a) **Whether IPO proceeds have been utilized for the purposes/heads as specified in the IM;**
 - (b) **Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;**
 - (c) **Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published IM;**
 - (d) **Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published IM; and**
 - (e) **The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.**
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. **Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the IM without any valid ground. Any material deviation in this respect must have prior approval in a general meeting through Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the board of directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.**
7. If any quarter or half-year of the financial year ends after publication of the abridged version of IM and before listing of its

securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.

8. In the event of arising issues concerning Price Sensitive Information as defined under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা 1995 after publication of the abridged version of IM and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & Regulations made there under, securities will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL).
2. The issuer, the issue manager and trustee shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015', Securities and Exchange Commission (Private Placement of Debt Securities) Rule, 2012 and the listing regulations of the Exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

SECTION III:

Declaration and
due diligence as per
Annexure(s) A, B, C:

Declaration about the responsibility of the directors, including the CEO of the Company in respect to the information memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the information memorandum, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and information memorandum have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this information memorandum to enable the investors to make a well informed decision for investment.

Sd/-
Khaled Mahmood
 Chairman
 (nominated by BPDB and Power
 Division)

Sd/-
Professor Dr. Md. Quamrul Ahsan
 Director
 (nominated by BPDB and Power
 Division)

Sd/-
Professor Mamtaz Uddin Ahmed
 Director
 (nominated by BPDB and Power
 Division)

Sd/-
Sheikh Faezul Amin
 Director
 (nominated by BPDB and Power
 Division)

Sd/-
S.M. Tarikul Islam
 Director
 (nominated by BPDB and Power
 Division)

Sd/-
Kamal Ahmed
 Director
 (nominated by BPDB and Power
 Division)

Sd/-
Md. Abu Alam Chowdhury
 Director
 (nominated by BPDB and Power
 Division)

Sd/-
Md. Azharul Islam
 Director
 (nominated by BPDB)

Sd/-
Md. Abul Monsur
 Director
 (nominated by Energy and Mineral
 Resources Division)

Sd/-
Sayed Ahmed
 Director
 (nominated by BPDB)

Sd/-
Tahmina Yeasmin
 Director
 (nominated by Power Division)

Sd/-
A M M Sazzadur Rahman
 Managing Director

Declaration about filing of Information Memorandum with the Registrar of Joint Stock Companies and Firms

A dated and signed copy of the Information Memorandum has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994 before the date of publication of this information memorandum in the newspaper.

For Issuer,

Sd/-
A M M Sazzadur Rahman
Managing Director

Declaration by the Issuer about the approval from BSEC for any material change

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Information Memorandum subsequent to the preparation of the Information Memorandum and prior to its publication, shall be incorporated in the Information Memorandum and the said Information Memorandum should be published with the approval of the Commission.

For Issuer,

Sd/-
A M M Sazzadur Rahman
Managing Director

Due Diligence Certificate from the Manager to the Issue ([Rule 4(1)(d)])

To: The Bangladesh Securities and Exchange Commission

Sub: Public offer of 200,000 Bond of TK. 1,000,000,000.00 of Ashuganj Power Station Company Limited.

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the Information Memorandum pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The Information Memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in Information Memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the Information Memorandum are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the Information Memorandum;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the Information Memorandum where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

| Sl. | Issue Month/Year (July to June) | Issue FY | Issue Price | Dividend Payment History |
|-----|----------------------------------|----------|-------------|--|
| 1 | Generation Next Fashions Limited | 2012-13 | 10 | 2016-2015 10% B, 2014- 15% B, 2013- 15% B, 2012- 20% B |
| | Unique Hotel and Resorts Ltd. | | 75 | 2016-2015 22% C, 2014- 20% C, 2013- 25% C, 2012- N/A |

Place: Dhaka
Date: 22-10-2017

Sd/-
Deedarul Huq Khan
Chief Executive Officer
BRAC EPL Investments Limited

To: The Bangladesh Securities and Exchange Commission

Sub: Public offer of 200,000 Bond of TK. 1,000,000,000.00 of Ashuganj Power Station Company Limited.

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the Information Memorandum pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The Information Memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in Information Memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the Information Memorandum are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the Information Memorandum;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the Information Memorandum where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

| Sl. | Issue Month/Year (July to June) | Issue FY | Issue Price | Dividend Payment History |
|-----|--|----------|-------------|--|
| 1 | Orion Pharma Limited | 2012-13 | 60 | 2016- 15% C, 2014- 15% C, 2013- 15% C, 2012- 20% C, 20% B. |
| | Bengal Windsor Thermoplastics Limited | | 40 | 2016- 10% C, 2015- 10% B, 2014- 23% C, 2013- 8% B, 14% C |
| 2 | Apollo Ispat Complex Limited | 2013-14 | 22 | 2016- 15% C, 10% B, 2015- 3% C, 12% B, 2014- 15% B |
| | Shurwid Industries Limited | | 10 | 2014- 15% B |
| | Saif Powertec Limited | | 30 | 2016- 5% C, 27% B, 2015- 29% B, 2014- 27% B |
| | Western Marin Shipyard Limited | | 35 | 2014- 5% C, 10% B |
| 3 | National Feed Mills Limited | 2014-15 | 10 | 2016- 15% B, 2014- 10% B |
| | Hamid Fabrics Limited | | 35 | 2015- 15% C, 5% B, 2014- 10% C, 10% B |
| 4 | The ACME Laboratories Limited | 2015-16 | 77 | 2016- 35% C, 2015- 35% C, 2014- 35% C |
| | Doreen Power Generations and Systems Limited | | 29 | 2016- 10% C, 20% B |
| 5 | BBS Cables Limited | 2016-17 | 10 | - |

Place: Dhaka
Date: 22-10-2017

Sd/-
Md. Sohel Rahman
Chief Executive Officer
(Additional Charge)
ICB Capital Management Limited

Due Diligence Certificate from the Underwriters to the Issue**To: The Bangladesh Securities and Exchange Commission****Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited**

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision, and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer Company.

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the undertaking activities. Our present paid up capital stands at Tk. 100,000,0000 (One Hundred Crore) and we have the capacity to underwrite a total amount of Tk. 500,000,0000 (Five Hundred Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000 (Five Crore) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|---------|------------------------|------------------------------|
| 1. | M.L Dyeing Limited | 20,000,000 |
| 2. | Beach Hatchery Limited | 50,000,000 |

- c. All information as are relevant to our underwriting decision has been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- d. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For Rupali Investment Limited:

Sd/-

Md. Mamunur Rashid
CEO

To: The Bangladesh Securities and Exchange Commission

Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision, and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer Company.

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the undertaking activities. Our present paid up capital stands at Tk. 250,000,000 (Taka Two Hundred Fifty Million) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000 (Taka One Billion Two Hundred Fifty Million) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000 (Five Crore) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|--------------|------------------------------------|------------------------------|
| 1. | Ananda Shipyard & Slipways Limited | 13,640,000 |
| 2. | Aman Cotton Fibrous Limited | 7,500,000 |
| 3. | Energypac Power Generation Limited | 6,520,000 |
| 4. | Supreme Seed Company Limited | 22,000,000 |
| 5. | Cutting Edge Industries Limited | 25,000,000 |
| 6. | ADN Telecom Limited | 25,800,000 |
| 7. | AB Bank Limited-Rights | 150,000,000 |
| 8. | Delta Hospital Limited | 8,000,000 |
| 9. | Esquire Knit Composite Limited | 10,000,000 |
| 10. | Zaheen Spinning Limited-Rights | 228,490,000 |
| 11. | Electro Battery Company Limited | 39,375,000 |
| Total | | 536,325,000 |

- c. All information as are relevant to our underwriting decision has been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- d. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For GSP Investments Limited:

Sd/-

Mohammad Kamrujjaman
Chief Executive Officer (CC)

To: The Bangladesh Securities and Exchange Commission

Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision, and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer Company.

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the undertaking activities. Our present paid up capital stands at Tk. 135,00,00,000 (Taka One Hundred Thirty Five Crore) and we have the capacity to underwrite a total amount of Tk. 675,00,00,000 (Taka Six Hundred Seventy Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 5,00,00,000 (Five Crore) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|---------|------------------------------------|------------------------------|
| 1. | Express Insurance Ltd. | 1,500,000 |
| 2. | AB Bank Ltd. | 50,000,000. |
| 3. | Dhaka Regency Hotel & Resorts Ltd. | 9,999,000 |
| 4. | Southeast Bank Ltd. | 953,125,000 |

- c. All information as are relevant to our underwriting decision has been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- d. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For BLI Capital Limited

Sd/-

Md. Lutfur Rahman

Managing Director (C.C.)

To: The Bangladesh Securities and Exchange Commission

Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision, and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer Company.

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the undertaking activities. Our present paid up capital stands at Tk. 400.00 Cr (Four Hundred Crore) and we have the capacity to underwrite a total amount of Tk. 1200 Cr (One Thousand Two Hundred Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 2.5 Cr (Two Crore Fifty Lac) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|---------|----------------------------------|------------------------------|
| 1. | Navana Real Estate Limited | 7.80 Cr. |
| 2. | Bangladesh Commerce Bank Limited | 15.91 Cr. |
| 3. | Karim Spinning Mills Limited | 16.00 Cr. |
| | Total | 39.71 Cr. |

- c. All information as are relevant to our underwriting decision has been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- d. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For Agrani Equity & Investment Limited:

Sd/-

Ahmed Yousuf Abbas

Deputy General Manager

To: The Bangladesh Securities and Exchange Commission

Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision, and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer Company.

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the undertaking activities. Our present paid up capital stands at Tk. 427.40 Cr (Four Hundred Twenty Seven Crore Forty Lac only) and we have the capacity to underwrite a total amount of Tk. 2,137.00 Cr (Two Thousand One Hundred Thirty Seven Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 3,00,00,000 Cr (Three Crore Taka only) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|--------------|---|------------------------------|
| 1. | Rupsha Fish & Allied Industries Limited | 30,000,000 |
| 2. | MP Spinning Mills Limited | 30,000,000 |
| 3. | Amulet Pharmaceuticals Limited | 15,000,000. |
| 4. | Dhaka Regency Hotel and Resorts Limited | 25,000,000 |
| 5. | IFIC Bank Ltd | 20,000,000 |
| 6. | Indo- Bangla Pharmaceuticals Limited | 17,500,000 |
| 7. | Nahee Aluminum Composite Panel Limited | 15,000,000 |
| Total | | 152,500,000 |

- c. All information as are relevant to our underwriting decision has been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- d. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For Janata Capital and Investment Limited:

Sd/-

Dina Ahsan

Chief Executive Officer

To: The Bangladesh Securities and Exchange Commission

Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Taka Twenty Five Crore) and we have the capacity to underwrite a total amount of Tk.1,250,000,000.00 (Taka One Hundred Twenty Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 60,000,000.00 (Taka Six Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|--------------|--------------------------------------|------------------------------|
| i | Aftab Hatchery Limited | 12,60,00,000.00 |
| ii | STS Holdings Limited | 2,00,00,000.00 |
| iii | Dhaka Regency Hotel & Resort Limited | 2,10,00,000.00 |
| iv | AB Bank Limited | 30,00,00,000.00 |
| v | Indo-Bangla Pharmaceuticals Limited | 1,75,00,000.00 |
| vi | Popular Pharmaceuticals Limited | 1,00,00,000.00 |
| vii | Esquire Knit Composite Limited | 2,00,00,000.00 |
| viii | Delta Hospital Limited | 80,00,000.00 |
| ix | M. L. Dyeing Limited | 3,00,00,000.00 |
| x | Energypac Power Generation Limited | 2,50,00,000.00 |
| Total | | 57,75,00,000.00 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For NBL Capital and Equity Management Limited:

Sd/-

Kamrun Naher

Chief Executive Officer

To: The Bangladesh Securities and Exchange Commission

Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision, and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer Company.

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the undertaking activities. Our present paid up capital stands at Tk. 3,000,000,000 (Taka Three Hundred Crore) and we have the capacity to underwrite a total amount of Tk. 15,000,000,000 (Taka Fifteen Hundred Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 10,000,000 (Taka One Crore) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|--------------|-------------------------------------|------------------------------|
| 1. | Ananda Shipyards & Slipways Limited | 18,180,000 |
| 2. | Alliance Holdings Limited | 41,250,000 |
| 3. | GQ Ball Pen Industries Limited | 40,200,000 |
| 4. | Aman Cotton Fibrous Limited | 20,000,000 |
| 5. | Genuity Systems Limited | 50,000,000 |
| Total | | 169,630,000 |

- c. All information as are relevant to our underwriting decision has been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- d. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For Prime Bank Investment Limited:

Sd/-

Md. Tabarak Hossain Bhuiyan
Managing Director & CEO

To: The Bangladesh Securities and Exchange Commission

Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision, and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Issuer Company.

WE CONFIRM THAT:

- a. We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the undertaking activities. Our present paid up capital stands at Tk. 420,000,000 (Forty Two Crore) and we have the capacity to underwrite a total amount of Tk. 2100,000,000 Cr (Two Hundred and Ten Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 5,000,000 (Fifty Lac) for the upcoming issue.
- b. At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|--------------|---------------------------------------|------------------------------|
| 1. | Dhaka Regency Hotel & Resorts Limited | 21,000,000 |
| 2. | Bashundhara Paper Mills Limited | 50,000,000 |
| 3. | Delta Hospital Limited | 8,000,000 |
| 4. | Advent Pharma Ltd. | 15,000,000 |
| 5. | M.L. Dyeing Ltd. | 10,000,000 |
| 6. | Esquire Knit Composite Ltd. | 20,000,000 |
| 7. | Silva Pharmaceuticals Ltd. | 20,000,000 |
| 8. | S K Trims & Industries Ltd. | 25,000,000 |
| 9. | S.S. Steel Mills Ltd. | 50,000,000 |
| 10. | AB Bank Limited | 50,000,000 |
| 11. | CMC Kamal Textile Mills Ltd. | 100,000,000 |
| 12. | Ratanpur Steel Re-Rolling Mills Ltd. | 50,000,000 |
| Total | | 419,000,000 |

- c. All information as are relevant to our underwriting decision has been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- d. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- e. This underwriting commitment is unequivocal and irrevocable.

For BMSL Investment Limited:

Sd/-

Md. Riyad Matin
Managing Director

To: The Bangladesh Securities and Exchange Commission

Sub: Public Offer of BDT 1,000,000,000 Bonds issued by Ashuganj Power Station Company Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,670,000,000.00 (Taka One Hundred Sixty Seven Crore only) and we have the capacity to underwrite a total amount Tk. 8,350,000,000.00 (Taka Eight Hundred Thirty Five Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 70,000,000.00 (Taka Seven Crore only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

| Sl. No. | Name of the Company | Amount Underwritten (in BDT) |
|--------------|--|------------------------------|
| 1 | VFS THREAD DYEING LIMITED | 20,000,000.00 |
| 2 | STS HOLDINGS LIMITED | 60,800,000.00 |
| 3 | DHAKA REGENCY HOTEL AND RESORT LIMITED | 52,500,000.00 |
| 4 | BASHUNDHARA PAPER MILLS LIMITED | 50,000,000.00 |
| 5 | AB BANK LIMITED | 800,000,000.00 |
| 6 | AMAN COTTON FIBROUS LIMITED | 20,000,000.00 |
| 7 | BENGAL POLY AND PAPER SACK LIMITED | 10,000,000.00 |
| 8 | DELTA HOSPITAL LIMITED | 8,000,000.00 |
| 9 | RUNNER AUTOMOBILES LIMITED | 15,000,000.00 |
| 10 | ESQUIRE KNIT COMPOSITE LIMITED | 20,000,000.00 |
| 11 | SHAMSUL ALAMIN REAL ESTATE LIMITED | 30,000,000.00 |
| 12 | DESH GENERAL INSURANCE COMPANY LIMITED | 5,600,000.00 |
| 13 | ENERGYPAC POWER GENERATION LIMITED | 410,000,000.00 |
| 14 | RATANPUR STEEL RE-ROLLING MILLS LTD | 100,000,000.00 |
| Total | | 1,601,900,000.00 |

- c) All information as are relevant to our underwriting decision have been received by us and the draft information memorandum forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For Lanka Bangla Investments Limited:

Sd/-

Hassan Zabed Chowdhury

Chief Executive Officer (Acting)

Due Diligence Certificate from the Trustee to the Issue

Chairman

Bangladesh Securities and Exchange Commission

Sub: **Issuance of 200,000 (Two lac) Non convertible & Fully Redeemable coupon Bearing Bond of Tk 100 (One hundred) crore face value each of Tk. 5000 (Five thousand) by Ashuganj Power Station Company Limited (APSCL) for Public Issue.**

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the eligible investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer;-

WE CONFIRM THAT:

- (a) All information and documents as are relevant to the issue have been received and examined by us and the draft IM and draft Deed of Trust forwarded to the Commission has been approved by us;
- (b) We have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) While examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012 have been complied with;
- (d) We shall act as trustee to the issue as mentioned above as per provisions of the deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) We shall also abide by the Securities and Exchange Commission (private Placement of Debt Securities) Rules, 2012 and conditions imposed by the Commission as regards of the issue; and
- (f) The above declarations are unequivocal and irrevocable.

For Trustee:

Sd/-

Md. Sohel Rahman

Chief Executive Officer


(Additional Charge)

ICB Capital Management Limited

SECTION IV:

About the Issuer

- a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address.

| | |
|---|---|
| Name of the Issuer | Ashuganj Power Station Company Limited |
| Date of Incorporation | June 28, 2000 |
| Logo |  |
| Commencement of commercial operation | June 01, 2003 |
| Registered and Factory Office | Ashuganj, Brahmanbaria-3402, Bangladesh |
| Corporate Office | Navana Rahim Ardent, Level-8 185, Shahid Syed Nazrul Islam Sarani Paltan, Dhaka |
| Other Office (plant) | Currently, no other offices/plant |
| Telephone Number | +880852874647 |
| Fax Number | Fax: +880-02-9330918 |
| Contact person | Md. Mahfuzul Haque, FCMA, Executive Director (Finance) |
| Website Address | www.apscl.gov.bd |
| E-mail Address | edirfin@apscl.com |

- b) Names of the Sponsors and Directors of the Issuer

Sponsors of the Company:

| Sl. | Names of Sponsors | Representative |
|-----|------------------------------------|---|
| 1 | BPDB | Chairman, Member (Generation), Member (P&D) |
| 2 | Power Division | Secretary, Power Division |
| 3 | Energy & Mineral Resource Division | Secretary, Energy & Mineral Resource Division |
| 4 | Finance Division | Secretary, Finance Division |
| 5 | Planning Division | Secretary, Planning Division |

Directors of the Company:

| Sl. | Names of Directors | Designation |
|-----|--|-------------|
| 1 | Khaled Mahmood (nominated by Power Division and BPDB) | Chairman |
| 2 | Professor Dr. Md. Quamrul Ahsan (nominated by Power Division and BPDB) | Director |
| 3 | Professor Mamtaz Uddin Ahmed (nominated by Power Division and BPDB) | Director |
| 4 | Sheikh Faezul Amin (nominated by Power Division and BPDB) | Director |
| 5 | S.M. Tarikul Islam (nominated by Power Division and BPDB) | Director |
| 6 | Kamal Ahmed (nominated by Power Division and BPDB) | Director |
| 7 | Md. Abu Alam Chowdhury (nominated by Power Division and BPDB) | Director |
| 8 | Md. Azharul Islam (nominated by BPDB) | Director |

| Sl. | Names of Directors | Designation |
|-----|--|-------------------|
| 9 | Md. Abul Monsur (nominated by Energy and Mineral Resources Division) | Director |
| 10 | Sayeed Ahmed (nominated by BPDB) | Director |
| 11 | Tahmina Yeasmin (nominated by Power Division) | Director |
| 12 | A M M Sazzadur Rahman (Ex-officio Director) | Managing Director |

- c) The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses is as follows:

| Auditor | |
|------------------|---|
| Name | S.F.AHMED & CO. |
| Logo | S. F. AHMED & CO Chartered Accountants — Established : 1958 |
| Address | House 51 (3rd Floor), Road 9, Block F, Banani, Dhaka 1213, Bangladesh |
| Telephone Number | (880-2) 989-4258, 987-1018, 987-0619, 987-0561, 881-6467 & 881-5101 |
| Fax Number | (880-2) 882-5135 |
| Contact person | Farhad Hossain Bhuiya, Director |
| Website Address | www.sfahmedco.org |
| E-mail Address | sfaco@citechco.net; sfaco@sfahmedco.org |

Registrar to the Issue: N/A

- d) The name(s) of the stock exchange where the specific securities are proposed to be listed:

| | |
|--|---|
|  |  |
| Dhaka Stock Exchange Limited (DSE) Stock Exchange Building 9/F Motijheel C/A Dhaka 1000, Bangladesh Telephone: +88-02-9564601 Fax: +88-02-9564727 | Chittagong Stock Exchange Limited (CSE) CSE Building 1080 Sheikh Mujib Road, Chittagong – 4100 Telephone: +88(0) 31-714632-3 Fax: +88(0) 31-714101 |

SECTION V:

Corporate Directory of
the Issuer

| Directory Title | Corporate Directory Detail |
|---|---|
| Date of Incorporation | June 28, 2000 |
| Commercial Operation | June 01, 2003 |
| Authorized Capital | BDT 30,000,000,000 |
| Issued, Subscribed & Paid-up Capital | BDT 6,615,000,000 |
| Addresses of the Registered Office | Ashuganj, Brahmanbaria-3402, Bangladesh |
| Corporate Office | Navana Rahim Ardent, Level-8 185, Shahid Syed Nazrul Islam Sarani, Paltan, Dhaka |
| Factory | Ashuganj, Brahmanbaria-3402, Bangladesh |
| Board of Directors | 12 |
| Auditor | S. F. Ahmed & Co. Address: House 51 (3rd Floor), Road 9, Block F, Banani, Dhaka 1213, Bangladesh Telephone Number: (880-2) 989-4258 Fax Number: (880-2) 882-5135 Email Address: sfaco@citechco.net; sfaco@sifahmedco.org |
| Legal Advisor | Farooq and Associates Address: 3rd floor, Darus Salam Arcade, 14 Purana Paltan, Dhaka-1000. Contact person: Sharina Muzahid Chowdhury/partner Telephone Number: +88-029566100 Email Address: sharina@farooqandassociates.com |
| Tax Consultant | Hoda Vasi Chowdhury & Co, Chartered Accountants Address: 7-9 Kawran Bazar C/A, Dhaka-1215. Contact person: Abul Khair Chowdhury FCA/partner. Telephone Number: +88-02-8121114, 9120090, 9140094 Fax Number: 880-2-8119298 Email Address: tax@hodavasi.com |
| Managers to the Issue | BRAC EPL Investments Limited Head Office, Concord Baksh Tower Plot# 11/A, Road# 48, Block # CWN(A), 8th Floor Kemal Attaturk Avenue, Gulshan 2, Dhaka 1212 ICB Capital Management Ltd. Green City Edge (5th& 6th Floor) 89, Kakrail, Dhaka-1000 |
| Trustee to the Issue | ICB Capital Management Ltd. Green City Edge (5th& 6th Floor) 89, Kakrail, Dhaka-1000 |
| Telephone and Fax number | Tel: +88-02-9330915 Fax: +88-02-9330918 |
| Website and E-mail Address | Website: www.apscl.gov.bd Email: apscl@apscl.com |
| Company Secretary | Mohammad Abul Mansur, ACS, FCMA |
| Banker for IPO | BRAC Bank Limited |

All investors are hereby informed by the Company that the Company Secretary would be designated as Compliance Officer who will monitor the compliance of the Acts, Rules, Regulations, Notifications, Guidelines, Conditions, Orders/Directions issued by the Commission and/or Stock Exchange(s) applicable to the conduct of the business activities of the Company, so as to promote the interest of the investors in the security issued by the Company, and for redressing investors' grievances.

SECTION VI:

Description of the
Issuer

a) Summary of the Industry**(i) The summary of the industry and business environment of the issuer:****Summary of the Industry**

Electricity is a key ingredient for socio-economic development of the country. Adequate and reliable supply of electricity is an important pre-requisite for attracting both domestic and foreign investment. The Government has given top priority to the development of this sector considering its importance in overall development of the country and has set the goal of providing electricity to all citizens by 2020.

Reliable supply of electricity is a pre-condition for poverty reduction and economic development. To alleviate poverty in the face of resource limitations and high population density, Bangladesh requires an economic growth rate of more than 7% p. a. In order to achieve this growth rate, electricity growth by 10% needs to be achieved. By best utilizing the natural, human and agricultural resources the desired pace of GDP growth could be attained by increasing electricity generation to a much higher rate, which is the key target for development.

Electricity is the major source of power for most of the country's economic activities. Bangladesh's installed electric generation capacity was 15,953 MW in June, 2018. About 91% of the population has access to electricity with a per capita availability of 464 kWh per annum. Obstacles in the Bangladesh's electric power sector include 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. According to Power Sector Master Plan - 2010 Study, year-wise peak demand forecast is given 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 |

Source of Information: www.bpdb.gov.bd, BPDB Annual Report 2017-18, Power System Master Plan – 2010, Power System Master Plan - 2016

Business environment of the issuer

The Issuer's business environment is favorable. As the company generates power, there is a huge demand for the product throughout the country throughout the year. Further generation can also be easily sold as the country has a deficit in the demand and supply of electricity. The Government has prioritized this sector as households and industries are all reliant on power, and the country's economic growth and activities are all reliant on power generation.

The Government's focus on this sector is continuously increasing and the power sector was the second highest receiver of ADB allocation in the National Budget 2017-18. GOB has allocated 5.36% or Tk. 249 billion of National budget for Power and Energy sector for the year 2018-19. This is 2.72 % higher than that of previous year's allocation. Experts believe that the size of the budget will give momentum to the growth. Such momentum is intended to accommodate 24,000 MW of capacity by 2021, 40,000 MW by 2030 and 60,000 MW by 2041.

(ii) Summary of consolidated financial, operating and other information:

APSCL currently has no subsidiary or associate companies. Hence, summary of consolidated financial, operating and other information is not applicable.

b) General Information**(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer:**

| Registered Office | |
|---|---|
| Address | Ashuganj, Brahmanbaria-3402, Bangladesh |
| Telephone | +880-8528-74004 |
| Fax | +880-8528-74014 |
| Corporate Office | |
| Address | Navana Rahim Ardent (Level 8), 185, Shahid Sayed Nazrul Islam Sharani, Paltan, Dhaka-1000, Bangladesh |
| Telephone | +880-02-9330915 |
| Fax | +880-02-9330918 |
| Factory | |
| Address | Ashuganj, Brahmanbaria-3402, Bangladesh |
| Telephone | +880-8528-74004 |
| Fax | +880-8528-74014 |
| Other Offices | |
| APSCL does not currently have any other offices or outlets. | |

(ii) The board of directors of the issuer:

| Name | Designation |
|--|-------------------|
| Khaled Mahmood (nominated by BPDB and Power Division) | Chairman |
| Professor Dr. Md. Quamrul Ahsan (nominated by BPDB and Power Division) | Director |
| Professor Mamtaz Uddin Ahmed (nominated by BPDB and Power Division) | Director |
| Sheikh Faezul Amin (nominated by BPDB and Power Division) | Director |
| S.M. Tarikul Islam (nominated by BPDB and Power Division) | Director |
| Kamal Ahmed (nominated by BPDB and Power Division) | Director |
| Md. Abu Alam Chowdhury (nominated by BPDB and Power Division) | Director |
| Md. Azharul Islam (nominated by BPDB) | Director |
| Md. Abul Monsur (nominated by Energy and Mineral Resources Division) | Director |
| Sayeed Ahmed (nominated by BPDB) | Director |
| Tahmina Yeasmin (nominated by Power Division) | Director |
| A M M Sazzadur Rahman | Managing Director |

(iii) Names, addresses, telephone number, fax number and email address of the chairman, managing director, whole time directors, etc. of the issuer:

| Name | Position | Address, Telephone Number, Fax Number and Email Address |
|--|----------|---|
| Khaled Mahmood (nominated by BPDB and Power Division) | Chairman | Address: ½ Banglu, Hatirpul Power House, Dhanmondi, Dhaka Tel: +880-02-9330915 Fax: +880-02-9330918 Email: chairman@bpdb.gov.bd |
| Professor Dr. Md. Quamrul Ahsan (nominated by BPDB and Power Division) | Director | Address: 3/D, BUET Teachers' Quarter, Dhaka Tel: +880-02-9665650 Fax: +880-02-9330918 Email: qahsan@eee.buet.ac.bd |
| Professor Mamtaz Uddin Ahmed (nominated by BPDB and Power Division) | Director | Address: 37/F North Folar Road, University Res. Area, Dhaka Tel: +880-02-9661920 Fax: +880-02-9330918 Email: mamtaz_uddinahmed58@yahoo.com |
| Sheikh Faezul Amin (nominated by BPDB and Power Division) | Director | Address: 35/A, Flat # 4B, Road # 4, Dhanmondi R/A, Dhaka. Tel: +880-02-9513509 Fax: +880-02-9330918 Email: faez_1965@hotmail.com |
| S.M. Tarikul Islam (nominated by BPDB and Power Division) | Director | Address: 4/904, NAM Garden officers' quarter, Mirpur-13, Dhaka. Tel: +880-02-9139782 Fax: +880-02-9330918 Email: tarik6872@yahoo.com |
| Kamal Ahmed (nominated by BPDB and Power Division) | Director | Address: Apartment No: 1B, House: 46/1, Road: 5, Dhanmondi R/A, Dhaka-1205. Tel: +880-02-8917931 Fax: +880-02-9330918 Email: benfish@banlga.net |
| Md. Abu Alam Chowdhury (nominated by BPDB and Power Division) | Director | Address: Eastern Rokeya Tower, Flat-701, 98 Boro Mogbazar, Dhaka. Tel: +880-02-9330915 Fax: +880-02-9330918 Email: apscl@apscl.com |
| Md. Azharul Islam (nominated by BPDB) | Director | Address: 1/F, Paribag Officers Quarter, Bangladesh Power Development Board, Dhaka. Tel: +880-02-9564666 Fax: +880-02-9330918 Email: member.pnd@bpdb.gov.bd |
| Md. Abul Monsur (nominated by Energy and Mineral Resources Division) | Director | Address: Sagorika 3, Eskaton Garden Officers Quarters, Old Elephant Road, Ramna, Dhaka. Tel: +88-02-9576570 Fax: +88-02-9545110 Email: md.abul_m@yahoo.com |
| Sayeed Ahmed (nominated by BPDB) | Director | Address: 8/18, Sir Syed Road, Mohammadpur, Dhaka-1207 Tel: +880-02-9564667 Fax: +880-02-9330918 Email: member.generation@bpdb.gov.bd |
| Tahmina Yeasmin (nominated by Power Division) | Director | Address: House# 98/D (2nd Floor), Azimpur Govt. Officers' Quarter, Azimpur, Dhaka Tel: +880-02-9513364 Fax: +880-02-9330918 Email: oronnay@yahoo.com |

| Name | Position | Address, Telephone Number, Fax Number and Email Address |
|----------------------------|-------------------|--|
| AMM Sazzadur Rahman | Managing Director | Address: Meghna, B-type Residence Area, APSCL, Ashuganj, Brahmanbaria Tel: +880-02-9330915 Fax: +880-02-9330918 Email: md@apscl.com |

(iv) **Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer:**

| Sl. | Name | Position | Address, Telephone Number, Fax Number and E-mail Address |
|-----|---------------------------------|--|--|
| 1 | Md. Mahfuzul Haque, FCMA | Executive Director (Finance) | Address: Navana Rahim Ardent, Level 8, 185 Shahid Sayed Nazrul Islam Sharoni, Paltan Dhaka 1000 Contact Number : 01711594958 Fax Number : +880-0852874014 Email Address : edirfin@apscl.com |
| 2 | Mohammad Abul Mansur, ACS, FCMA | Company Secretary & Compliance Officer | Address: Navana Rahim Ardent, Level 8, 185 Shahid Sayed Nazrul Islam Sharoni, Paltan Dhaka 1000 Contact Number : 01711547573 Fax Number : +880-2-9330918 Email Address : companysecretary@apscl.com |
| 3 | S.F. Ahmed & Co. | Auditors | Address: House 51 (3rd Floor), Road 9, Block F, Banani, Dhaka 1213, Bangladesh Telephone : (880-2) 989-4258, 987-1018, 987-0619, 987-0561, 881-6467 & 881-5101 Fax Number : +880-2 882-5135 Email Address : sfaco@citechco.net; sfaco@sfahmedco.org |
| 4 | Farooq and Associates | Legal Advisor | Address: 3rd floor, Darus Salam Arcade, 14 Purnan Paltan. Dhaka-1000. Telephone Number : +88-029566100 Email Address : sharina@farooqandassociates.com |

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc:

| Name & Address | Contact Person | Telephone, Fax, Email and Website |
|--|---|---|
| Issue Managers | | |
| BRAC EPL Investments Limited Concord Baksh Tower Plot# 11/A, Road# 48, Block # CWN(A), (8th Floor), Kemal Attaturk Avenue, Gulshan 2, Dhaka 1212 | Deedarul Huq Khan Chief Executive Officer | Tel: +(8802) 9849253 Fax: +(8802) 9849445 Email: deedarul@bracepl.com Website: www.bracepl.com |
| ICB Capital Management Limited Green City Edge (5th and 6th floor), 89 Kakrail, Dhaka 1000 | Md. Sohel Rahman Chief Executive Officer (Additional Charge) | Tel: +(8802) 8300555 Fax: +(8802) 8300396 Email: ho_issue@icml.com.bd Website: www.icml.com.bd |
| Registrar to the Issue | | |
| Registrar to the issue is not applicable for this issue | | |

(vi) Details of credit rating:**a) The names of all the credit rating agencies from which credit rating has been obtained:**

So far APSCL has obtained 1 credit rating. A detail of the rating is given below:

| Name of the Credit Rating Agencies | Rating Date |
|--|-------------------|
| Credit Rating Information and Services Limited (CRISL) | December 06, 2018 |

b) The details of all the credit ratings obtained for the issue and the issuer

| Year | Entity Rating | | | | Outlook |
|------|---------------|------------|-------------------|-------------------|---------|
| | Long Term | Short Term | Rating Date | Rating Validity | |
| 2018 | AAA | ST-1 | December 06, 2018 | December 05, 2019 | Stable |

CRISL has performed shadow rating of Ashuganj Power Stations Company Limited (APSCL) from two distinct perspectives, firstly, as Government Support Entity (GSE) and secondly, as a commercial entity on stand-alone basis. CRISL has assigned "AAA" (Triple A) rating in the Long Term and "ST-1" rating in the Short Term to APSCL, a state owned power station. The above ratings have been assigned in consideration of the implied commitment of the Government of the People's Republic of Bangladesh to the entity. In addition, Government has been providing support both in financial and policy matters and in other areas to handle adverse situation which has been factored in the rating process.

CRISL has also assigned the Long Term rating "AA+" (pronounced as double AA plus) and Short Term rating 'ST-2' to APSCL, as a stand-alone commercial entity without considering the Government support or intervention on its commercial prudence.

The Long Term rating (AA+) indicates that entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

The short term rating indicates High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL also views the company with "Stable Outlook" believing that the company will be able to maintain its fundamentals with the same trend in the foreseeable future.

c) The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s)

CRISL has assigned "AA (Indicative)" rating (pronounced as double AA) to "APSCL Non-convertible coupon bearing bond" of Ashuganj

Power Stations Company Limited (APSCL). The above rating has been assigned on the basis of the fundamentals of the issue as well as the issuer that includes attractive coupon rate, provision of additional payment for late coupon payment, improving profitability, good liquidity, good debt servicing capacity, good infrastructural facilities etc. However, the above factors are moderated, to some extent, by the feature of the issue which includes unsecured debt instrument, exposure to market risk, late payment risk etc.

Securities rated in this category are judged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

The indicative rating means the bond has been rated based on the draft legal documents as well as term sheet. However, after finalizing the above documents, the final rating will be assigned.

d) Observations and risk factors as stated in the credit rating report.

| | |
|---|---|
| <p>Rating Comforts:</p> <p>Issue:</p> <ul style="list-style-type: none"> Provision of additional payment for late coupon payment Attractive coupon rate <p>Issuer:</p> <ul style="list-style-type: none"> Profitability improved during FY 2016-17 Good liquidity Good debt servicing capacity One of largest power station of Bangladesh Government Supported entity Experienced top management Good infrastructural facilities <p>Business Opportunities:</p> <p>Issue:</p> <p>Development of financial market in Bangladesh</p> <p>Changes in Govt. regulations</p> <p>Issuer:</p> <p>Significant deficit of electricity generation</p> <p>Implementation of coal based power plant</p> | <p>Rating Concerns:</p> <p>Issue:</p> <ul style="list-style-type: none"> Unsecured debt instrument Exposure to market risk Exposure to late payment risk Exposure to transferability risk Ensuring effective utilization of bond fund and earning higher interest compared to coupon rate <p>Issuer:</p> <ul style="list-style-type: none"> Debt based capital structure Low return on assets High finance cost burden Liquidated damage risk Operation & maintenance risk <p>Business Challenges:</p> <p>Issue:</p> <ul style="list-style-type: none"> Lower market depth of Bangladesh financial market Mostly dependent on institutional investor for subscription <p>Issuer:</p> <p>Scarcity of natural gas</p> |
|---|---|

Issue Related Risk

Market risk

Demand risk of bond will arise due to lack of demand in the market to buy the instrument. The target buyers of the bond are different bank, non-bank financial institutions, corporate houses, insurance companies etc. The coupon rate will be between 8.50%-10.50% per annum (coupon ceiling rate is 10.50% and coupon floor rate is 8.50%). The financial institutions or non banking financial institutions may offer more interest rate on deposit which will be higher than the coupon rate. Thus the issue is exposed to market risk.

Unsecured debt instrument

There is no specific charge creation over the fixed or floating assets of the company against the bond issue whereas the other lenders will get priority on first charge basis over the fixed and floating assets of the company. In this case, the bond holders are strategically becoming subordinated to those lenders. So, for any default in loan repayment, bondholders will not get priority over other lenders.

Late Payment Risk

Late payment risk arises from delay in payment of bond redemption amount. In case of late repayment, the issuer shall pay a late payment penalty of 2% higher than the coupon rate and be payable on the amount not paid on the due date up till the date of actual payment. Hence, the issue is less exposed to late payment risk.

Bond Repayment Risk

Redemption risk arises from the failure of the issuer to redeem the bond at the end of the 4th, 5th, 6th and 7th year from the issue date. APSCL has to pay off the bond subscribers with an amount of Tk.150 crore each at the end of mentioned year. Significant amount of cash outflow from the bank at one time may create pressure on its cash flow as well as liquidity. However, it has been estimated that the

company may be able to manage the situation with its regular inflow of cash.

Utilization Risk of Issue Proceeds

The issue proceeds of the bond will be used in upcoming power projects and repayment of loan. The estimated issue proceeds have been planned to utilize in FY 2018. Under the above backdrop, the company has to invest this newly injected fund in such area or economic sector wherefrom return from investment has to be higher than coupon payment.

Transferability Risk

Transferability risk arises when the bondholder faces difficulty to sell the bond. The company will collect Tk. 5,000.00 million through Private placement. As the bond is issued under private placement and is not proposed to be listed, the bondholders are exposed to easy transferability risk. Moreover, the company will collect Tk. 1,000.00 million through public offer and it will be listed in DSE/CSE.

Issuer Related Risk

Receivable Collection Risk

APSCL supplies power to BPDB from its plants and APSCL's ability to service its both existing and future debt obligations rest on buyer's ability to meet the tariff payments under the PPA. As on June 30, 2017 the account receivable of the company stood at Tk. 3,851.44 million. However, if receivable to BPDB becomes higher, liquidity of the company may be affected in future, which will also hamper the repayment of financial obligation duly. Hence, APSCL is exposed to receivable collection risk to some extent.

Liquidated Damage Risk

If the initial dependable capacity is set at a level that is below the contracted facility capacity, liquidated damage will be paid by the company and initial dependable capacity shall be deducted from the monthly invoice; the liquidated damage is only applicable if the difference is above 5% of the contracted facility capacity.

Operation & Maintenance Risk

Among the 8 power plant units, Unit- 3, 4, 5 are very old plants. The unit 3,4 and 5 were commissioned in 1986. Therefore these plant and machineries are required regular maintenance and overhauling which is very costly. Moreover, the tariff rate of these power plants is reviewed after two years of operation. During FY 2016-17, the company incurred Tk. 309.76 million as repair and maintenance expense against Tk. 253.01 million in FY 2015-16.

Gas supply risk

As per the agreement with Bangladesh Power Development Board, the Bakhrabad Gas Distribution Company Limited is responsible for the supply of gas in appropriate specifications and quantity to the projects. The company is guaranteed by BPDB for gas supply agreement with required quantity and pressure. The company is yet to face any shortage of gas supply or required gas pressure from its inception. Again, availability of gas, being a natural resource is not fully dependent on supplier's commitment. Therefore, project has dependency risk for availability of natural gas. However, as the scarcity of natural gas is going on, like other the power plants in the country, APSCL might face the shortage of gas in near future which will ultimately affect its business operation.

(vii) Details of underwriting:

- a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them:

| Name and Address | Contact Person | Telephone, Fax and Email | Amount Underwritten (BDT) |
|--|--|--|---------------------------|
| BLI Capital Limited Eunoos Trade Centre (Level 18) 52-53 Dilkusha C/A, Dhaka | Debabrata Kumar Sarker Senior Vice President | Tel: +9559512, 9559523, Fax: +9559532 Email: debabratasarker@gmail.com Web: www.blicapitaltd.com | 50,000,000 |
| Janata Capital And Investment Limited Head Office 48, Motijheel (3rd floor) Dhaka | Md. Mosharref Hossain Khan Principal Officer | Tel: 47114375, 9585028, 95,850,299,584,979 Fax: +88 02 Email: info@jcil.com.bd Website: www.jcil-bd.com | 30,000,000 |
| LankaBangla Investments Limited Safura Tower (Level 11) 20, Kemal Ataturk Avenue, Banani, Dhaka-1213 | Hassan Zabeed Chowdhury Chief Executive Officer (Acting) | Tel: + 88 02 951 26 21 Fax: + 88 02 956 11 07 e-mail: info@lankabangla-investments.com Website: www.lankabangla-investments.com | 70,000,000 |
| BMSL Investment Limited Shareef Mansion (4th Floor) 56-57 Motijheel C/A Dhaka-1000 | Md. Riyad Matin Managing Director | Tel: 88 02 9577651, 9570624, Fax: 88 02 47117218 Email: info@bmslinvestment.com Web: www.bmslinvestment.com | 5,000,000 |
| GSP Investments Limited 1, Paribagh, Mymensingh Road, Dhaka-1000, | Mohammad Fazlul Hoque Senior Manager | Tel: 880-2-9674306 Fax: 880-2-9674194 Email: info@gsp-investmets.com Web: www.gsp-investments.com | 50,000,000 |
| Prime Bank Investment Ltd. Peoples Insurance Bhaban (11th Floor) 36 Dilkusha C/A Dhaka – 1000 | Rahat Ul-Amin Senior Executive Officer | Tel: +88 02 48810315-16 Fax: +88 02 48810314 Email: info@pbli.com.bd Website: www.primebank.com.bd | 10,000,000 |
| NBL Capital & Equity Management Limited Printers Building (8th floor), 5 Rajuk Avenue, Dhaka 1000 | Kamrun Naher Chief Executive Officer | Tel: 02-47118816, 02-47118807 Fax: 88-02-7118840 Email: cemd@nblbd.com Web: www.nblceml.com | 60,000,000 |
| Agrani Equity & Investment Limited Swantex Bhaban 4th Floor 9/I, Motijheel C/A, Dhaka | Ahmed Yousuf Abbas Deputy General Manager | Tel: 88 02 9566670 Fax: 88 02 9668668 Email: info@agraniequity.com Web: www.agraniequity.com | 25,000,000 |
| Rupali Investment Limited Sadharan Bima Tower 37-A Dilkusha C/A 7th Floor Dhaka, 1000 | Md. Mamunur Rashid CEO | Tel: +88 027124488 Fax: +88 027124488 Email: rilbd.info@gmail.com Website: www.riltd.org | 50,000,000 |
| Total | | | 350,000,000 |

b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations:

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 60,000,000 (BDT Six Crore) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Kamrun Naher

Chief Executive Officer

NBL Capital and Equity Management Limited

Date: October 22, 2017

Place: Dhaka

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 50,000,000 (BDT Five Crore) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Md. Lutfur Rahman

Managing Director

BLI Capital Limited

Date: October 22, 2017

Place: Dhaka

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 30,000,000 (BDT Three Crore) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Dina Ahsan

Chief Executive Officer

Janata Capital and Investment Limited

Date: October 21, 2017

Place: Dhaka

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 50,000,000 (BDT Five Crore) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Mohammad Kamrujjaman

Chief Executive Officer
GSP Investments Limited

Date: October 22, 2017

Place: Dhaka

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 25,000,000 (BDT Two Crore Fifty Lakh) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Ahmed Yousuf Abbas

Deputy General Manager
Agrani Equity and Investments Limited

Date: October 23, 2017

Place: Dhaka

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 10,000,000 (BDT One Crore) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Md. Tabarak Hossain Bhuiyan

Managing Director and CEO
Prime Bank Investments Limited

Date: October 22, 2017

Place: Dhaka

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 5,000,000 (BDT Fifty Lakhs) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Md. Riyad Matin

Managing Director

BMSL Investment Limited

Date: October 23, 2017

Place: Dhaka

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 70,000,000 (BDT Seven Crore) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Hassan Zabeed Chowdhury

Chief Executive Officer (Acting)

Lanka Bangla Investments Limited

Date: October 22, 2017

Place: Dhaka

DECLARATION BY THE UNDERWRITER

We are one of the underwriters of the Public Issue (Bonds) of Ashuganj Power Station Company Limited (APSCL). We will underwrite BDT 50,000,000 (BDT Five Crore) only for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For the Underwriter:

Sd/-

Md. Mamunur Rashid

Chief Executive Officer

Rupali Investment Limited

Date: October 21, 2017

Place: Dhaka

c) Major terms and conditions of the underwriting agreements:

1. In case of under-subscription in any category by up to 35% in an Initial Public Offer, the undersubscribed portion of securities shall be taken up by the underwriter.
2. In case of failure to deposit the remaining amount by the eligible investors, the unsubscribed securities shall be taken up by the underwriter.
3. The issuer, in the event of under subscription, shall send notice to the underwriter(s) within ten days of closure of subscription calling upon them to subscribe the securities and pay for this in cash in full within fifteen days of the date of said notice and the said amount shall be credited into securities subscription account within the said period. If payment is made by Cheque/ Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this agreement, until such time as the Cheque/ Bank Draft has been encased and the Company's account credited. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit of money by the underwriter to the Commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this Agreement.

In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

4. The Company shall pay to the underwriter an underwriting commission at the rate of 0.50% of the amount underwritten hereby agreed to be underwritten by it.

c) Capital Structure**(i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration):**

| Particulars | No. of Ordinary Shares | Allotment Dates** | Nominal Price/ Face Value* | Issue Price | Amount in Tk. |
|--|------------------------|---------------------------------|----------------------------|-------------|----------------|
| Authorized Capital | 300,000,000 | Allotment Dates are given below | 100 | 100 | 30,000,000,000 |
| Issued, Subscribed and Paid up capital | 66,150,000 | | 100 | 100 | 6,615,000,000 |
| Total Paid-up Capital before IPO | 66,150,000 | | | | 6,615,000,000 |
| After IPO: | | | | | |
| To be issued as IPO (Bonds) | 200,000 | | 5,000 | 5,000 | 1,000,000,000 |
| Paid-up Capital after IPO | 66,150,000 | | 100 | - | 6,615,000,000 |

Note: Since the public offer is a non convertible, fully redeemable bond issue, i.e. debt security, there is no change in paid-up capital before and after the issue.

The Company has raised its paid-up capital in the following phases:

| Date of Allotment | Nominal Price (BDT) | Issue Price (BDT) | Number of Shares Issued | | | Amount of Share Capital (BDT) |
|----------------------|---------------------|-------------------|-------------------------|--------------------|-------------|-------------------------------|
| | | | In cash | Other than in cash | Bonus Share | |
| 4th June 2000 | 100 | 100 | - | 10,000 | - | 1,000,000 |
| 8th July 2012 | 100 | 100 | | 66,140,000 | | 6,614,000,000 |
| Total | | | | 66,150,000 | | 6,615,000,000 |

(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount):

| Number of securities (Bonds) | Description of securities offered | Nominal Price (BDT) | Amount (BDT) |
|------------------------------|---|---------------------|---------------|
| 200,000 | Fixed income security (Redeemable Non-Convertible Coupon Bearing bonds) | 5,000/- | 1,000,000,000 |

(iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue):

| Particulars | Amount in BDT |
|--|---|
| Paid up capital before the present issue (as on June 30, 2017) | 6,615,000,000 |
| Paid up capital after the present issue | 6,615,000,000* |
| Paid up capital after conversion of convertible instruments (if any) | The Company has no convertible instrument |
| Share premium account before the present issue (as on June 30, 2018) | N/A |
| Share premium account after the present issue | N/A |

* Since the public offer is a non convertible, fully redeemable bond issue, i.e. debt security, there is no change in paid-up capital before and after the issue.

(iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any):

| Sl. | Name of Shareholder | Number of Shares Held (of BDT 100 each) | | Shareholding Percentage | |
|-----|------------------------------------|--|-------------------|-------------------------|-------------|
| | | Pre-IPO | Post-IPO | Pre-IPO | Post-IPO |
| 1 | BPDB | 66,147,098 | 66,147,098 | 99.996% | 99.996% |
| 2 | Power Division | 1,900 | 1,900 | 0.003% | 0.003% |
| 3 | Energy & Mineral Resource Division | 1 | 1 | 0.000% | 0.000% |
| 4 | Finance Division | 1,000 | 1,000 | 0.002% | 0.002% |
| 5 | Planning Division | 1 | 1 | 0.000% | 0.000% |
| | Total | 66,150,000 | 66,150,000 | 100% | 100% |

Note: Since the public offer is a non convertible, fully redeemable bond issue, i.e. debt security, there is no change in shareholding structure before and after the issue.

- (v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue:

| Date of Issue | Person to whom those shares are issued | Number of Shares Allotted | Relationship with the Issuer | Reasons for the Issue | Consideration and Valuation | whether any benefits have been accrued to the issuer out of the issue | Issue Price (BDT) |
|---------------|---|---------------------------|------------------------------|---|--|---|-------------------|
| 4-Jun-2000 | Bangladesh Power Development Board | 10,000 | Shareholder | First Allotment (Subscription to the Memorandum and Articles of Association at the time of Incorporation) | Other than Cash (transfer of assets and liabilities) | No benefit have been accrued to the issuer out of the issue | 100 |
| 8-Jul-2012 | Bangladesh Power Development Board | 66,137,098 | Shareholder | Second Allotment (Enhancement of Capital base) | Other than Cash (transfer of Assets and Liabilities) | No benefit have been accrued to the issuer out of the issue | 100 |
| | Power Division, GOB | 1,900 | Shareholder | | | | 100 |
| | Energy & Mineral Resource Division, GOB | 1 | Shareholder | | | | 100 |
| | Finance Division, GOB | 1,000 | Shareholder | | | | 100 |
| | Planning Division, GOB | 1 | Shareholder | | | | 100 |
| Total | | 66,150,000 | | | | | |

Note: Total ordinary 66,150,000 shares of BDT 100 each was allotted

- (vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted:

The Company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

- (vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued:

APSCL has not issued any equity shares under one or more stock option to its employees.

- (viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof:

The issuer has not issued any securities at a price lower than the issue price during the preceding two years.

- (ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue:

The issuer has no decision or intention, negotiation or consideration to alter the capital structure by way of issue of specific securities within a period of one year from the date of listing of the present issue.

- (x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them:

| Name & Position | Nature of Issue | Date of Allotment, Transfer and date when the shares were made fully paid up | No. of shares | Face Value & Issue Price | Consideration | Pre IPO % | Post IPO % | Lock in Period | Number and percentage of pledged shares |
|------------------------------------|-----------------|--|---------------|--------------------------|-----------------|-----------|------------|----------------|---|
| Bangladesh Power Development Board | Ordinary | 4-Jun-00 | 10,000 | 100 | Other than Cash | 99.996% | 99.996% | N/A | No pledged shares |
| | | 8-Jul-12 | 66,137,098 | | | | | | |
| Power Division | Ordinary | 8-Jul-12 | 1,900 | 100 | Other than Cash | 0.003% | 0.003% | N/A | No pledged shares |
| Energy & Mineral Resource Division | Ordinary | 8-Jul-12 | 1 | 100 | Other than Cash | 0.000% | 0.000% | N/A | No pledged shares |
| Finance Division | Ordinary | 8-Jul-12 | 1,000 | 100 | Other than Cash | 0.002% | 0.002% | N/A | No pledged shares |
| Planning Division | Ordinary | 8-Jul-12 | 1 | 100 | Other than Cash | 0.000% | 0.000% | N/A | No pledged shares |
| Grand Total | | | 66,150,000 | | | 100% | 100% | | |

Note: As APSCL is owned by government institutions and is issuing Bonds and not equity, the percentage will remain the same pre and post issue. There is no lock in period as the sponsors will own all equity. Also, there is no pledged share.

- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the information memorandum:

| Sl. | Name of Shareholder | Number of Shares Held (of BDT 100 each) | Shareholding Percentage |
|-----|------------------------------------|---|-------------------------|
| 1 | BPDB | 66,147,098 | 99.996% |
| 2 | Power Division | 1900 | 0.0028% |
| 3 | Energy & Mineral Resource Division | 1 | 0.000% |
| 4 | Finance Division | 1000 | 0.0015% |
| 5 | Planning Division | 1 | 0.000% |
| | Total | 66,150,000 | 100% |

There have been no securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the information memorandum.

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument:

| Sl. No | Name of the Shareholders | Address | Quantity of Securities Held | Pre-IPO percentage |
|--------|---|---------------------------------|-----------------------------|--------------------|
| 1 | Bangladesh Power Development Board (BPDB) | WAPDA Bhaban (Motijheel, Dhaka) | 66,147,098 | 99.996% |

As far as the existing information is concerned, there is neither any event occurred nor any intent of exercising warrant, option or right to convert any convertible instrument.

(xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned:

No shares of APSCL are owned by any of its officers or employees.

(xiv) Description of previously issued debt or equity securities:

APSCL has previously raised BDT 5,000 million privately through the issuance of 7 year non-convertible coupon bearing bonds. The coupon range of the bonds was 8.50% to 10.50%. The capital was raised from various banks and financial institutions.

d) Description of business

(i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in:

APSCL was incorporated under the Companies Act 1994 on 28 June 2000, as a part of the Power Sector Development and Reform Program of the Government of Bangladesh (GOB). Ashuganj Power Station Complex, Ashuganj Combined Cycle Power Plant, Ashuganj Power Plant Training Centre and Ashuganj Regional Accounting Office of BPDB were transferred to APSCL through a Provisional Vendor's Agreement signed between Bangladesh Power Development Board (BPDB) and APSCL on 22 May 2003.

All the activities of the company commenced formally on 01 June 2003. Since then, the overall activities of the Company including operation, maintenance and development of the Power Station have been vested upon a Management Team consisting of the Managing Director, the Executive Director (Engineering), Executive Director (P & P) and the Executive Director (Finance).

Nature of Business

The nature of business of APSCL is to set up power plants and produce electricity which is sold to BPDB and thereby distributed across the country through the national grid.

(ii) Location of the project:

APSCL's registered office and power plants are situated at Ashuganj, Brahmanbaria.

(iii) Plant, machinery, technology, process, etc:

Plants – The plants of Ashuganj Power Station Company Limited is located in Ashuganj, Brahmanbaria.

| Units | Year of Commissioning | Installed Capacity (MW) | Present Capacity (MW) |
|----------------------------|-----------------------|-------------------------|-----------------------|
| Unit 3,4 & 5 | 1986-88 | 450 | 394 |
| 50 MW | 2011 | 53 | 45 |
| 225 MW | 2015 | 223 | 223 |
| 200 MW Modular | 2015 | 195 | 199 |
| 450 MW CCPP (South) | 2016 | 383 | 359 |
| 450 MW CCPP (North) | 2017 | 386 | 360 |
| Total | | 1,690 | 1,580 |

Machinery – APSCL is committed to replace low efficient machines by high efficient machines to save the gas reserve of our country and reduce the per unit electricity generation cost. The company always procures machineries in brand new condition. The machineries are imported from Germany, Japan, Austria, Korea, Belgium and USA.

Technology – The primary technology currently used by APSCL is the combined cycle power plant (CCPP), which is on average around 50% more efficient than a single cycle power system.

Process- A combined cycle power plant (CCPP), on average, is around 50% more efficient than a single cycle power system. CCPP does this by capturing waste heat from gas turbine and increasing efficiency and electricity output. Initially, gas turbine burns the fuel by compressing air and mixing it with fuel. This is then heated to a very high temperature where by the hot air-fueled mixture moves through the turbine blades and make them spin. The fast spinning turbine drives a generator and this mechanical energy (spinning of

the turbine) is converted to electricity via the generator. This initial process produces both power and hot exhaust gases. Exhaust gases, which would normally be a waste product in a single cycle power plant, are captured in the CCPP using a heat recovery steam generator (HRSG) or some other form of heat exchanger. The hot exhaust gas is then converted to steam and delivered to the steam where it runs a steam turbine. The steam turbine then sends the energy to the generator drive shaft, where it is converted to additional energy, i.e. electricity. The steam is then condensed back to water and recycled.

(iv) Details of the major events in the history of the issuer, including details of capacity/facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc:

| | |
|--|--|
| Date of Incorporation as Private Limited Company | 28 June 2000 |
| Conversion from Private to Public | 01 June 2003 |
| Starting of Commercial Operation | 01 June 2003 |
| Capital Raise (Last) | 08 June 2012 |
| Installed Capacity | 1,690 MW |
| Capital raising through issuance of debt securities | BDT 5,000 million raised in 2019 by issuing non-convertible, fully redeemable bonds through private placement |
| Changes in Ownership | N/A |
| Change in key Management Personnel | The Managing Director of APSCL was changed in May 2015, when Md. Nurul Alam was replaced by AMM Sazzadur Rahman. |

Ashuganj Power Station Company Limited (APSCL) is one of the largest power stations in Bangladesh having a current total capacity of 1690 MW. Electricity generated in this power station 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 19% (as on August, 2018) of the total generation in the public sector in the country.

According to the Articles of Association of the Company, 99.99% of the total shares is held by BPDB and the rest of the shares are distributed among Ministry of Finance, Ministry of Planning, Power Division, MOPEMR & Energy Division.

Ashuganj Power Station (APS) Complex was initially commissioned in the year 1966 as the largest power plant of the country at the time, whereby the company started the process of establishing two units of a combined 128 MW capacity in the Ashuganj area. The area was chosen due to its proximity to required infrastructure facilities to establish a thermal power plant, like river, transportation for heavy equipment (highway, railway and waterway), fuel sourcing (Gas networks) etc. By July 1970 the two units were operational. After the post liberation period Ashuganj Power Plant played an important role in the reconstruction and economic development of Bangladesh. In December, 1986 and May, 1987 three more units having a capacity of 150 MW each were commissioned. Simultaneously, a combined cycle plant with a total capacity of 146MW (two gas turbine units having 56MW capacity each and one steam turbine unit having a capacity of 34MW) were commissioned in 1982, 1984 and 1986 respectively. In 2010, APSCL established a 50MW in 2010, commercially generating 53MW of electricity since 30th April 2011.

Since 2013, APSCL has undertaken 4 new projects (225MW CCPP, 450MW CCPP South, 450MW CCPP North, and 200MW Modular). Among these 225MW CCPP project having 223MW of generation capacity was commissioned on 09 December 2015. 200MW Modular Plant having 195MW of generation capacity was commissioned on 08 May 2015. Ashuganj CCPP (South) project having 360MW of generation capacity is completed and commissioned on 18 June 2016. Ashuganj 450MW CCPP (North) project was commissioned on 11 June 2017. Unit-1,2 and GT plants are no longer in operation as of 2018. As a result, total installed capacity of APSCL is 1690 MW.

(v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data:

Generation and supply of electricity is the only product of the Company. All the electricity generated is supplied to the sole purchaser, Bangladesh Power Development Board (BPDB) and the market of the product is the whole country, whereby the electricity generated is distributed throughout the country through the national grid.

Electricity is the major source of power for most of the country's economic activities. The BPDB is responsible for major portion of generation and distribution of electricity mainly in urban areas except Dhaka and West Zone of the country. BPDB has taken a massive capacity expansion plan to add about 11,600 MW Generation capacities in next 5 years to achieve 24,000 MW Capacity according to PSMP-2010 by 2021 with the aim to provide quality and reliable electricity to all the people of the Country for desired economic and

social development. The power system has been expanded to keep pace with the fast growing demand.

As per BPDB Annual Report 2017, the year wise peak demand and peak generation is presented below:

| Particulars | Fiscal Year | Maximum Demand (MW) | Maximum peak generation (MW) |
|-------------------|-------------|---------------------|------------------------------|
| Past Trend | 2011-12 | 7,518 | 6,066 |
| | 2012-13 | 8,349 | 6,434 |
| | 2013-14 | 9,268 | 7,356 |
| | 2014-15 | 10,283 | 7,817 |
| | 2015-16 | 11,405 | 9,036 |
| | 2016-17 | 12,644 | 9,479 |

Future prospects regarding local market

In the Power System Master Plan (PSMP) 2010 demand forecast was made based on 7% GDP growth rate. According to PSMP – 2010, year-wise peak demand forecast is presented below:

| Particulars | Fiscal Year | Maximum Demand (MW) |
|-------------------------|-------------|---------------------|
| Projected Demand | 2017-18 | 14,014 |
| | 2018-19 | 15,527 |
| | 2019-20 | 17,304 |
| | 2020-21 | 18,838 |
| | 2021-22 | 20,443 |

According to PSMP – 2016, year-wise additional supply forecast is presented below:

| Particulars | Fiscal Year | Additional Power Generation (MW) |
|--|-------------|----------------------------------|
| Projected additional power generation | 2017-18 | 2,252 |
| | 2018-19 | 5,099 |
| | 2019-20 | 3,414 |
| | 2020-21 | 4,269 |

(vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues:

APSCL only generates electricity which is supplied to the national grid and thereby distributed to the consumers throughout the whole country.

(vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof:

APSCL currently has no such associates or subsidiaries.

(viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any:

Electricity generated by the company is supplied to the national grid and thereby distributed to the consumers throughout the whole country through BPDB. The product of the company currently has no export possibilities and export obligation.

(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors:

| Other Power Producers | Installed Generation Capacity (MW) as on 28 October 2018 |
|-----------------------|--|
| Public Sector | |
| BPDB | 5,266 |
| EGCB | 839 |
| NWPGCL | 1,211 |
| RPCL | 77 |
| BPDB-RPCL JV | 149 |
| Private Sector | |
| IPPs | 5,099 |
| SIPPs (BPDB) | 99 |
| SIPPs (REB) | 251 |
| 15 YR. Rental | 169 |
| 3/5 YR. Rental | 1,576 |
| Power Import | 1,160 |

Source: BPDB website

(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption:

| Name | Address | Web Address | Telephone number |
|--|-------------------------|------------------|------------------|
| Bakrabadh Gas Distribution Company Limited | Chapapur, Comilla, 3500 | www.bgdcl.org.bd | 02-8165074 |

As per the PPA, if there is any disruption in gas supply, BPDB will pay the capacity payment which will cover the operating expense as well as financial payments. However, as APSCL is a government organization, there is very little chance of such a disruption. As per agreement with Bakhrabad Gas Distribution Company Limited, the supplier is responsible for the supply of gas in appropriate specifications and quantity to the company's projects. The company is guaranteed by BPDB for gas supply agreement with required quantity and pressure. The company is yet to face any shortage of gas supply or required gas pressure from its inception.

(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption:

| Power | Water | Gas |
|--|--|--|
| The company has two sources of power: Own power generation & BPDB | Water required is taken from the adjacent Meghna river | The company receives uninterrupted gas supply from Bakhrabad Gas Distribution Company Ltd. |
| Contingency plan: At present the company does not have any arrangement for any interruption in the supply of electricity except the above. | Contingency plan: At present the company does not have any arrangement for any interruption in the supply of water except the above. | Contingency plan: At present the company does not have any arrangement for any interruption in the supply of gas except the above. |

(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products /services with amount and percentage thereof:

All electricity generated by APSCL is sold to BPDB, a statutory body created in May 1, 1972, by presidential Order No. 59.

| Name | Address | Contact |
|------------------------------------|---|---|
| Bangladesh Power Development Board | Bidyut Bhaban, Abdul Ghani Road, Dhaka-1205 | Phone: 9566061 Fax: 880-2-9564765 E-mail: member.ca@bpdb.gov.bd Web: www.bpdb.gov.bd |

(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material/ finished goods with amount and percentage thereof:

All of the gas required for the production of energy is obtained from Bakhrabad Gas Distribution Company Limited.

| Name | Address | Telephone number |
|--|-------------------------|---|
| Bakhrabad Gas Distribution Company Limited | Chapapur, Comilla, 3500 | Phone: 02-8165074 Fax: 081-77199 E-mail: ho@bgdcl.org.bd Web: www.bgdcl.org.bd |

(xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract

| | | |
|---|---------------------------------------|---|
| PPA with the Bangladesh Power Development Board | Signing Date | 21 September, 2017 |
| | Tenure | 25 years |
| | Principal Terms and Conditions | <ul style="list-style-type: none"> No sale to third parties: Except to the extent that electric energy is required for the operation of any part of the Facility, the Parties agree that, during the Term, the Company shall not, without the prior written consent of BPDB: (a) sell or deliver electric energy produced by the Facility to any other person or entity than BPDB; Or (b) confer upon any entity other than BPDB any right in or to Dependable Capacity In accordance with the terms and conditions of the PPA, the Company agrees to maintain the Facility in accordance with the Technical Limits, Prudent Utility Practices and Prudent Electrical Practices and to make available and deliver exclusively to BPDB, and BPDB agrees to accept and purchase from the Company, the Dependable Capacity and, to the extent Dispatched, the Net Energy Output. From and after the Simple Cycle Commercial Operation Date and during the Simple Cycle Operation Period, the Capacity Payment and Energy Payment Payable to the Company for Dependable Capacity and Net Energy Output, respectively shall be calculated using 50% of the Reference Capacity Price for the 1st Contract Year Combined Cycle Unit Operation and 100% of the reference Energy Price From and after the Commercial Operations Date, the Capacity Payment and Energy Payment payable to the Company for Dependable Capacity and Net Energy Output, respectively, in any period, during the Term shall be calculated based on the Reference Capacity Price and the Reference Energy Price From and after the Commercial Operations Date, BPDS shall pay to the Company, for each Month, a Capacity Payment, in accordance with Section 13.2(a), for making available the Dependable Capacity in such Month The total reference tariff as per final tariff sheet is BDT 1.88 /kWh |

| | | |
|--|---------------------------------------|---|
| GSA with Bakhrabad Gas Distribution Company Ltd. | Signing Date | 3 August, 2016 |
| | Tenure | 25 Years |
| | Principal Terms and Conditions | <ul style="list-style-type: none"> Subject to the terms and conditions hereinafter set forth Seller agrees to sell/deliver to Buyer and Buyer agrees to buy/receive on a regular basis at a maximum rate of 1.84 Million SCM (65 Million SCF) of gas per day or 55.22 Million SCM (1950 Million SCF) per month or 672 Million SCM (23,725 Million SCF) per stream year at an maximum hourly flow rate of approximately 0.076 Million SCM 2.71 (Million SCF) subject to available of Gas in Gas Grid Line i.e. source. However, the total volume of gas consumption of APSCL shall be confined within 230 MMSCFD as per Ref. No.-4 1.01.13(2)l 13 1 dated 14.06.2011 of Bangladesh Oil, Gas & Mineral Corporation (Petrobangla) Natural gas consisting of hydrocarbons and other gases, consisting primarily of methane, which at a temperature of sixty (60) degrees Fahrenheit ,fifteen decimal six (15.6) degrees Celsius and at a pressure of fourteen decimal seven three (14.73) paiza, one decimal zero one three two five (1.01325) bar absolute are in a gaseous state but such term when applied to gas to be delivered under this Agreement to the Buyer at the Delivery Point shall not include the separate constituents which the Seller may or must extract to comply with and does in fact extract or cause to be extracted before delivery. Fuel cost as per the final tariff sheet is BDT 0.6157/ kWh. |

(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates:

| Name of Certificate/License/Registration/NOC | License Issuer / Issuing Authority | Certificate / License Number | Expiry Date | Renewal |
|--|--|-------------------------------------|--------------------|--|
| Certificate of Incorporation | Registrar of Joint Stock Companies, Bangladesh | C-40630 (2328)/2000 | N/A | |
| E-TIN Certificate | National Board of Revenue | 194838663327 | N/A | |
| VAT Certificate | National Board of Revenue | 23161011989 | N/A | |
| Trade license | Ashuganj Union Council | 726 | 30.06.2019 | Every year |
| Environment clearance plant wise: | | | | |
| 450 MW CCPP (South) | | 18-08361 | 01.05.2019 | Application for renewal has been submitted on 13.05.2019 |
| 50 MW | Department of Environment | 18-08360 | 22.05.2019 | |
| Unit 3, 4 & 5, 200 MW Modular | | 18-08362 | 26.06.2019 | |
| 225 MW | | 18-08363 | 01.09.2019 | Every year |
| 450 MW CCPP (North) | | 19-17137 | 09.10.2019 | Every year |
| Fire License | Fire Service and Civil Defense | AD/Comilla/7751/2016-2020 | 30.06.2019 | Every year |
| Bangladesh Energy Regulatory Commission License | Bangladesh Energy Regulatory Commission | PSPGC-001 | 30.08.2019 | Every year |
| ISO 9001:2015 | Bureau Veritas | IND 19.8850U/Q/E/HS | 14.09.2021 | |
| ISO 140001:2015 | Bureau Veritas | IND 19.8850U/Q/E/HS | 14.09.2021 | |
| BS OHSAS 18001:2007 | Bureau Veritas | IND 19.8850U/Q/E/HS | 11.03.2021 | |

(xvi) Description of any material patents, trademarks, licenses or royalty agreements:

The issuer does not have any material patents, trademarks, licenses or royalty agreements.

(xvii) Number of total employees and number of full-time employees:

The company has 716 full time employees as on December 31, 2017. The details are given below:

| Salary Range (Monthly) | Officers and Worker | | Total Employees | Number of Full time Employees |
|-------------------------|---------------------|---------|-----------------|-------------------------------|
| | Corporate Office | Factory | | |
| Not Less Than Tk. 5,000 | 20 | 792 | 812 | 716 |

(xviii) A brief description of business strategy:**APSCL's business strategies are:**

- Ensure maximum power generation to support the government's initiatives as per the Power System Master Plan (PSMP 2010 and 2016).
- Ensure sustainable growth and modernization of existing facilities with potential for success through increasing capacity and efficiency.
- replace low efficient machines by high efficient machines to save the gas reserve of our country and reduce the per unit electricity generation cost
- mitigate the dependency over the natural gas, APSCL aims to implement some other power plants based on alternative sources of energy including coal, HFO and renewable energy
- Through implementation of these power plants in addition to existing capacity the total generation capacity target of APSCL is 4,980 MW by 2025 and 7,047 MW by 2030. APSCL is committed to play the protagonist role in the power sector of Bangladesh.

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels:

| Actual Installed And Utilized Capacity | | | | | | | |
|--|------|-----------------------------|--------------|--------------|--|--------------|------------|
| Products (Plants) | Unit | Installed Capacity per year | | | Capacity Utilization for this products | | |
| | | 2016-17 | 2015-16 | 2014-15 | 2016-17 | 2015-16 | 2014-15 |
| Unit-1&2 | (MW) | 64 | 128 | 128 | 50 | 102 | 100 |
| Unit-3,4&5 | (MW) | 450 | 450 | 450 | 395 | 430 | 450 |
| CCPP(GT-1, ST) | (MW) | - | 56 | 90 | - | 40 | - |
| 50MW GE | (MW) | 53 | 53 | 53 | 46 | 51 | 53 |
| 225MW CCPP | (MW) | 223 | 225 | 150 | 222 | 223 | 144 |
| 200 MW Modular | (MW) | 195 | 195 | 195 | 195 | 195 | 195 |
| 450MW CCPP (South) | (MW) | 382 | 373 | - | 359 | 360 | - |
| 450MW CCPP (North) | (MW) | 389 | - | - | 360 | - | - |
| Total | (MW) | 1,756 | 1,480 | 1,066 | 1,627 | 1,401 | 942 |

| Forecast Installed And Utilized Capacity | | | | | | | |
|--|------|-----------------------------|---------|---------|--|---------|---------|
| Products (Plants) | Unit | Installed Capacity per year | | | Capacity Utilization for this products | | |
| | | 2017-18 | 2018-19 | 2019-20 | 2017-18 | 2018-19 | 2019-20 |
| Unit-3,4&5 | (MW) | 450 | 450 | 450 | 394 | 394 | 394 |
| 50MW GE | (MW) | 53 | 53 | 53 | 46 | 46 | 46 |

| Forecast Installed And Utilized Capacity | | | | | | | |
|--|------|-----------------------------|--------------|--------------|--|--------------|--------------|
| Products (Plants) | Unit | Installed Capacity per year | | | Capacity Utilization for this products | | |
| | | 2017-18 | 2018-19 | 2019-20 | 2017-18 | 2018-19 | 2019-20 |
| 225MW CCPP | (MW) | 223 | 223 | 223 | 223 | 223 | 223 |
| 200 MW Modular | (MW) | 195 | 195 | 195 | 199 | 199 | 199 |
| 450MW CCPP (South) | (MW) | 383 | 383 | 383 | 359 | 359 | 359 |
| 450MW CCPP (North) | (MW) | 386 | 386 | 386 | 360 | 360 | 360 |
| Total | (MW) | 1,690 | 1,690 | 1,690 | 1,580 | 1,580 | 1,580 |

The Units 1, 2 and GT-1 had been operating for several decades. Electricity production of Unit 1, Unit 2 and GT-1 has been shut down in 2017-2018. The 450 MW CCPP (South) was commissioned in the 2015-16 and 450 MW CCPP (North) was commissioned in 2016-2017, which are replacing the old power plants. In addition the 400 MW (East) and 1,320 MW coal-based power plants is currently under progress and will eventually replace the Units 3, 4 and 5.

The average capacity utilization for 2014-15, 2015-16 and 2016-17 was 88%, 95% and 93% respectively. The forecasted capacity utilization for the next three years is 93%. The capacity utilization has increased due to replacement of older plants with more efficient new plants.

e) Description of property

(i) Location and Area of Land, Building, Principle plants and other property of the Company and the condition thereof:

Auditors certificate regarding description of land

This is to confirm that land totaling 311.225 acres was leased out to Ashuganj Power Station Company Limited by Government of Bangladesh under a provisional vendor's agreement between Bangladesh Power Development Board and APSCL. The plant of APSCL is located on 263.55 acres of said leasehold land.

A summarized status of the said land area is given in Annexure 1 and 2.

Dhaka, Bangladesh
Dated, 19 February 2019

Sd/-
S. F. AHMED & CO.
Chartered Accountants

Annexure 1

Details of land acquired for and transferred to APSGL as per vendor's agreement (Provisional)

| LA case/ Transfer agreement no. | Mouza | Area of Land (acres) |
|---------------------------------|-----------------|----------------------|
| LA-30/64-65 | Sonarampur | 110.81 |
| LA-30(4) 64-65 | Sonarampur | 12.465 |
| LA-41/67-68 | Sonarampur | 0.2 |
| Rly-29/69/2018 | Sonarampur | 29 |
| 8/ 68-69 | Sonarampur | 2.39 |
| 40/ 67-68 | Sonarampur | 2.11 |
| 94/ 63-64 | Sonarampur | 1.48 |
| Do | Char Chartola | 6.1 |
| 30(1)/ 64-65 | Char Chartola | 5.29 |
| 30(2V) 64-65 | Shohagpur | 31.89 |
| 8/67-68 | Shohagpur | 10.08 |
| 30(3)/64-65 | Char Sonarampur | 33.27 |
| 30(3)/64-65 | Char Sonarampur | 55.23 |
| 39/67-68 | Char Sonarampur | 10.93 |
| Total | | 311.225 |

Annexure -2

| Sl. No | Location | Land area (Acres) | Land area under usage (acres) | Ownership title (**) | Mutation (***) | Rent Receipt (****) | Remarks |
|--------|---|-------------------|-------------------------------|----------------------|------------------|-----------------------------|--|
| 1 | Power plant and residential area (including 16.43 acres of land of Railway) | 167.405 | 167.405 | No | No mutation done | Yes | |
| 2 | River bank of east-west side of B-type residential area | 20 | 20 | No | No mutation done | Yes | |
| 3 | North-south side of B-type residential area (outside the boundary) (Currently inside the Boundary) | 10 | 10 | No | No mutation done | Yes | |
| 4 | Resumed portion of char land (Approximately 800 feet far from the boundary of power Plant in the river bed) | 47.03 | (*) - | No | No mutation done | No | |
| 5 | Unused portion of Char (Approximately 800 feet far from the boundary of power plant in the river bed) | 52.4 | 52.4 | No | No mutation done | Yes (only for 1.8984 acres) | Land development tax (খাজনা) against 50.5016 acres not claimed due to land under river bed |
| 6 | Acquired land returned by the Govt. to BPDB | 0.12 | (*) - | No | No mutation done | No | |
| 7 | Transferred land to the Ministry of Roads and Highways by BPDB | 0.52 | (*) - | No | No mutation done | No | |

| Sl. No | Location | Land area (Acres) | Land area under usage (acres) | Ownership title (**) | Mutation (***) | Rent Receipt (****) | Remarks |
|--------------|---|-------------------|-------------------------------|----------------------|------------------|---------------------|----------------------------------|
| 8 | Transferred land for school by BPDB | 3 | 3 | No | No mutation done | Yes | |
| 9 | Land used by BPDB (office, Kalabagan sub-centre and 800 square feet residential building) | 2.25 | 2.25 | No | No mutation done | Yes | |
| 10 | Land used for mosque | 1.5 | 1.5 | No | No mutation done | Yes | |
| 11 | Land used for public road | 7 | 7 | No | No mutation done | No | Due to land used for public road |
| Total | | 311.225 | 263.55 | | | | |

(*) Government has de-requisitioned the area of char and river side land of 47.67 (47.03 + 0.12 + 0.52) acres. Hence, these are not being used by APSCL.

(**) APSCL is not the owner of the land but is using the land for the purpose of electricity generation. As per provisional vendor's agreement between BPDB and APSCL, the assets and liabilities had been transferred to APSCL- except for the said leasehold land since land shall be transferred to the company after obtaining approval from relevant ministries/ authorities.

(***) No mutation was done during the transfer of the land from BPDB to APSCL, but APSCL paid the holding tax both for Ashuganj Tap Bidyut Kendra and APSCL. Besides APSCL also paid Union Parishad Tax

(****) APSCL has not paid any lease rent against the land, but has paid land development tax (খাজনা) of the land and Union Parishad Tax up to 1424 BS.

Buildings:

| Sl. | Other plants / Office Building: | Area (Sqm) |
|------------------|-------------------------------------|------------------|
| 1 | 128MW Pump Station | 30 |
| 2 | 128MW Water Treatment Plant | 569.3 |
| 3 | 300MW Laboratory | 330 |
| 4 | 300MW Pump House | 86 |
| 5 | 300MW Water Treatment Building | 786 |
| 6 | Auxiliary Supply Bulding | 341.86 |
| 7 | Hydrozen Plant | 16 |
| 8 | Work Shop | 420 |
| 9 | Central Diesel Plant | 85 |
| 10 | Canteen Building | 1,950.00 |
| 11 | Civil Maintenance Office (Tin Shed) | 190 |
| 12 | Garrage –Pacca | 113.49 |
| 13 | Garrage-(Tin Shed) | 380 |
| 14 | GEC Tin Shed Godown-1 | 241.12 |
| 15 | Store (Part) | 4,213.95 |
| 16 | Security Office Building | 40 |
| 17 | RAO- Office (Tin Shed) | 310 |
| 18 | Hospital | 157 |
| 19 | School Building | 1,488.37 |
| Total Sqm | | 11,748.09 |

| S.N | Residential Building: | Area (Sqm) |
|------------------|-------------------------------------|------------------|
| 1 | B-1 | 1,079.00 |
| 2 | B-2 | 1,079.00 |
| 3 | B-3 | 1,079.00 |
| 4 | B-4 | 1,079.00 |
| 5 | B-5 | 1,079.00 |
| 6 | C-1 (1250sft) | 558.14 |
| 7 | C-10 (1000sft) | 967.44 |
| 8 | C-11 (1000sft) | 725.58 |
| 9 | C-12 (1000sft) | 967.44 |
| 10 | C-13 (1000sft) | 967.44 |
| 11 | C-14 (1000sft) | 967.44 |
| 12 | C-15 (1000sft) | 967.44 |
| 13 | C-16 (1000sft) | 967.44 |
| 14 | C-17 (1000sft) | 967.44 |
| 15 | C-18 (1000sft) | 967.44 |
| 16 | C-19 (1000sft) | 725.58 |
| 17 | C-2 (1250 sft) | 837.18 |
| 18 | C-3 (1250 sft) | 837.18 |
| 19 | C-4 (1250 sft) | 837.18 |
| 20 | C-5 (1250 sft) | 837.18 |
| 21 | C-6 (1250 sft) | 837.18 |
| 22 | C-7 (1250 sft) | 837.18 |
| 23 | C- 8 (1250 sft) | 967.44 |
| 24 | C- 9 (1250 sft) | 967.44 |
| 36 | VIP Rest House | 2,310.00 |
| 37 | Moktab | 147.53 |
| 38 | Mosque | 460 |
| 39 | Officers Club | 480 |
| 40 | Officers Dormitory- (B. Area) | 558.14 |
| 25 | Doyal (9 building) | 6,503.21 |
| 26 | Anirban (4 building) | 2,526.96 |
| 27 | Tarulata (7 building) | 4,162.05 |
| 28 | Karabi (1 building) | 696.77 |
| 29 | Shapla (2 building) | 966.19 |
| 30 | Anamica (21 building) | 8,584.24 |
| 31 | Provati (4 building) | 1,393.55 |
| 32 | Durbar (5 building) | 1,839.48 |
| 33 | Kollol & D-compartment (3 building) | 2,489.80 |
| Total Sqm | | 55,219.70 |

Principal plants:

| Name of the Unit | Year of Commissioning | Installed Capacity (MW) | Present Capacity (MW) |
|--|-----------------------|-------------------------|-----------------------|
| Unit -3 | 1986 | 150 | 129 |
| Unit -4 | 1987 | 150 | 137 |
| Unit -5 | 1988 | 150 | 128 |
| 50MW | 2011 | 53 | 45 |
| 225MW | 2015 | 223 | 223 |
| 200 Modular (Co-owner with United Ashuganj Energy Limited) | 2015 | 195 | 199 |
| 450MW South | 2016 | 383 | 359 |
| 450MW North | 2017 | 386 | 360 |

(ii) Whether the property is owned by the company or taken on lease:

The Ashuganj Power Station Complex originally started its activities in 1966, when the government acquired land in the Ashuganj area for the construction of power plants. As part of the Power Sector Development and Reform Program of the Government of Bangladesh (GoB), Ashuganj Power Station Company Limited (APSCL) was incorporated under the Companies Act 1994 on June 28, 2000 and a provisional vendor's agreement was signed between Bangladesh Power Development Board (BPDB) and APSCL on May 22, 2003, whereby all assets (except for the land) and liabilities of Ashuganj Power Station Complex, Ashuganj Combined Cycle Power Plant, Ashuganj Power Plant Training Centre and Ashuganj Regional Accounting Office of BPDB were transferred to APSCL. The property is indirectly owned by the company. The land still belongs to Bangladesh Power Development Board (BPDB) which holds 99.996% shares of Ashuganj Power Station Company Limited (APSCL). While there is no formal agreement between these companies regarding the use of land, it is implicit that this land use arrangement is permanent in nature since APSCL produce electricity for BDPB.

(iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof:

The land belongs to BPDB; however APSCL has been provided permission to use the land at their discretion for the required electricity generation purpose. APSCL develops the land at their own cost which is Tk. 1,180,354 and pays all land related taxes on behalf of BPDB. The last খাজনা dated 8th May 2018 amounting to Tk. 1,573,845 was paid by APSCL on behalf of BPDB. Based on the provisional vendor's agreement, there is no purchase or mutation date.

(iv) The names of the persons from whom the lands has been acquired/ proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof:

The land is owned by Bangladesh Power Development Board (BPDB). APSCL has not acquired the land, but they have been provided authorization to use the land by BPDB to generate electricity.

(v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required:

This is not applicable for APSCL. The factory is situated in the land of BPDB and APSCL operates based on the Government's requirements for electricity. As such, no approvals pertaining to the use of land is required.

(vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee:

There is no such mortgage or charge on the property.

(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment:

There is no formal lease agreement. However, APSCL has authorization from BPDB to use the land to generate electricity, and while there is no formal agreement between these companies regarding the use of land, it is implicit that this land use arrangement is permanent in nature since APSCL produce electricity for BDPB.

(viii) **Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value:**

| Plant/ set of Machineries | Date of Purchase | Sellers Name | Address of seller | Years of Sale | Conditions when Purchased | Country of Origin | Useful Economic Life | Remaining Economic Life | Purchase Price | Written Down Value |
|---------------------------|----------------------|--|-------------------|---------------|---------------------------|-------------------|----------------------|-------------------------|-----------------|--------------------|
| Unit-3,4&5 | By Vendors Agreement | STG- BBC, Germany , Boiler- IHI, Japan | Germany & Japan | Not sold | Brand New | Switzerland | 25 | 4,5&6 Year | Tk. 2,760 Crore | Tk. 647 Crore |
| 50MW GE | 2011 | Gas Engine-GE, Jenbacher, Austria | Austria | Not sold | Brand New | Austria | 15 | 9 Years | Tk. 350 Crore | Tk. 219 Crore |
| 225MW CCPP | 2013-15 | GT, ST, Generator-Siemens, Germany, HRSB-DKME, Korea | Germany & Korea | Not sold | Brand New | Germany | 25 | 23 Years | Tk. 1,814 Crore | Tk. 1,745 Crore |
| 450MW CCPP (South) | 2013-16 | GT, ST, Generator-Siemens, Germany, HRSB- CMI, Belgium | Germany & Belgium | Not sold | Brand New | Germany | 25 | 24 Years | Tk. 3,116 Crore | Tk. 3,005 Crore |
| 450MW CCPP (North) | 2014-17 | GT, ST, Generator-Siemens, Germany, HRSB- Nootter Ericson, USA | Germany & USA | Not sold | Brand New | Germany | 25 | 25 Years | Tk. 2,382 Crore | Tk. 2,376 Crore |

(ix) **Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.:**

The Engineering, Procurement and Construction (EPC) contractors which has been awarded to China National Technical Import & Export Corporation and China National Corporation for Overseas Economic Cooperation Consortium (CNTIC-CCOEC Consortium) will complete the project within 3 years from the effective date of contract (July 01, 2018) and it is their responsibility to have the machineries brought in and installed accordingly.

(x) **In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned:**

The price schedule was quoted by China National Technical Import & Export Corporation and China National Corporation for Overseas Economic Cooperation Consortium (CNTIC-CCOEC Consortium) on 20 March 2018, based on which the EPC contract has been agreed and awarded. The price for the machineries to be imported has been fixed and will not change.

(xi) **If plant is purchased in brand new condition then it should be mentioned:**

Auditor's Certificate Regarding Machinery

Ashuganj Power Station Company Limited (APSCL) is a power generation company requiring machineries to be imported to carry out its commercial activities. As per information provided to us by the management of APSCL during our audit, all the equipment of APSCL were purchased in brand new condition. There are no re-conditioned or second-hand equipment installed by the company as at 30 June 2017.

Dhaka, Bangladesh
Dated: 25 January 2018

Sd/-
S.F Ahmed & Co.
Chartered Accountants

(xii) **Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission:**

As APSCL purchases all machineries in brand new condition there is no second hand or reconditioned machinery being bought or proposed to be bought by the Company.

(xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission:

Physical verification report on Ashuganj Power Station Company Limited

Visited and accompanied by:

| Particulars | | |
|---|-------------------------------|--|
| On behalf of BRAC EPL Investments Limited | Mr. Deedarul Huq Khan | Chief Executive Officer |
| | Mr. Syed Rashed Hussain | Assistant Vice President |
| | Mr. Taskin Sadman | Analyst |
| On behalf of ICB Capital Management Limited | Md. Sohel Rahman | CEO (Additional Charge) |
| | Ms. Swapna Roy | Senior Executive Officer |
| | Mr. Md. Fazlul Hoque | Executive Officer |
| | Mr. Abu Dalim Md. Fazlullah | Executive Officer |
| On behalf of Ashuganj Power Station Company Limited | Engr. Md. Shah Alam Khan | Chief Engineer (450 MW CCPP North & 450 MW CCPP South) |
| | Mr. A.B.M Jakir Hussain, FCMA | Manager (Accounts) |
| | Mr. Giasuddin Mulla, ACCA | Manager (Finance) |
| Date of Visit | 3rd March, 2019 | |

Company overview:

APSCL was incorporated under the Companies Act 1994 on 28 June 2000, as a part of the Power Sector Development and Reform Program of the Government of Bangladesh (GOB Ashuganj Power Station Complex, Ashuganj Combined Cycle Power Plant, Ashuganj Power Plant Training Centre and Ashuganj Regional Accounting Office of BPDB were transferred to APSCL through a Provisional Vendor's Agreement signed between Bangladesh Power Development Board (BPDB) and APSCL on 22 May 2003.

Registered Office: Ashuganj Brahmanbaria- 3402**Corporate Office:**

Navana Rahim Ardent (Level-8), 185, Shahid Syed Nazrul Islam Sarani, (Old 39, Kakrail, Bijoy Nagar) Paltan, Dhaka.

Nature of business: Power Generation.**Products:** Electricity**Description of properties:**

| Particulars | Remarks |
|----------------------------------|---|
| Area of land used by the company | 263.55 acres |
| Location | Ashuganj, Brahmanbaria. |
| Ownership | Bangladesh Power Development Board (BPDB) |
| Boundary wall | Surrounded |
| Signboard in company's name | Yes |
| Road beside the land | Yes |

Description of equipments:**Ashuganj 450MW CCPP North Plant**

| SI | Name of equipment | Manufacturer/ Seller | Country of origin |
|----|--|------------------------------|-------------------|
| 1 | Gas Turbine | Siemens | Germany |
| 2 | Steam Turbine | Siemens | Germany |
| 3 | HRSB | Nooter Eriksen | Malaysia & China |
| 4 | Bypass Stack | Nooter Eriksen | Vietnam |
| 5 | Generator | Siemens | Germany |
| 6 | Step up Transformer | Hyosung Corporation | China |
| 7 | Gas Booster Compressor | Atlas Copco Comptec LLC | USA |
| 8 | Station Auxiliary transformer (s) | Hyosung Corporation | China |
| 9 | Unit Auxiliary Transformer(s) | Hyosung Corporation | China |
| 10 | Start up transformer | Hyosung Corporation | China |
| 11 | MV/LV Transformer | Hyosung Corporation | China |
| 12 | 400 KV GIS | Parque Cientifico Technology | India |
| 13 | Spares for Gas turbine, steam turbine & Generator (Initial spare parts for Siemens supplied equipment) | Siemens | Germany |
| 14 | Spares parts for Heat Recovery System | Nooter Eriksen | Malaysia & China |
| 15 | Feed Water Pump and Motor | Flowserve & Hyundai | Spain & Korea |
| 16 | Condensate Pump and Motor | Flowserve & Hyundai | Spain & Korea |
| 17 | Circulating Water Pump and Motor | Flowserve & Hyundai | Spain & Korea |
| 18 | Fire Fighting Pump and Motor | Grundfos X | USA |

Ashuganj 450MW CCPP South Plant

| SI | Name of equipment | Manufacturer/ Seller | Country of origin |
|----|--|--------------------------------------|-------------------|
| 1 | Gas Turbine | Siemens | Germany |
| 2 | Steam Turbine | Siemens | Germany |
| 3 | Generator | Siemens | Germany |
| 4 | HRSB | CMI | Belgium |
| 5 | Bypass Stack | CLIDE BERGEMANN Power Group | China |
| 6 | Step up Transformer | Siemens Transformer (Wuhan) Co. Ltd. | China |
| 7 | Gas Booster Compressor | Atlas Copco Comptec LLC | USA |
| 8 | Station Auxiliary transformer (s) | Siemens Transformer (Wuhan) Co. Ltd. | China |
| 9 | Unit Auxiliary Transformer(s) | Siemens Transformer (Wuhan) Co. Ltd. | China |
| 10 | Start up transformer | IMEFY | Spain |
| 11 | MV/LV Transformer | IMEFY | Spain |
| 12 | 230 KV GIS Sub-station including Generator Circuit Breaker(s), 7 bays equipments and associated CTs, VTs, surge arresters, disconnectors, and earthing switches, etc | Siemens Transformer (Wuhan) Co. Ltd. | China |
| 13 | Spares for Gas turbine, steam turbine & Generator (Initial spare parts for Siemens supplied equipment) | Siemens | Germany |
| 14 | Spares parts for Heat Recovery System (CMI supplied spares) | CMI | Belgium |

Ashuganj 3, 4, & 5 Units

| Sl | Name of equipment | Manufacturer/ Seller | Country of origin |
|----|---|--------------------------------|-------------------|
| 1 | Steam Turbine | ALSTOM / GE | Germany |
| 2 | Boiler | IHI | JAPAN |
| 3 | Generator | BBC | Germany |
| 4 | Boiler Feed Pump | EBARA | JAPAN |
| 5 | Booster Pump | EBARA | JAPAN |
| 6 | Condensor | ALSTOM / GE | Germany |
| 7 | Generator | BBC | Germany |
| 8 | A)Station Auxiliary transformer (s) | HYOSONG HEAVY INDUSTRIES LTD | SEOL, KOREA |
| 9 | B)Station Auxiliary transformer (s) | Green Power | Bangladesh |
| 10 | A)Unit Auxiliary Transformer(s) | HYOSONG HEAVY INDUSTRIES LTD | SEOL, KOREA |
| 11 | B)Unit Auxiliary Transformer(s) | Energypac | Bangladesh |
| 12 | Boiler Feed Pump Motor(BFP) | TOSHIBA CORPORATION | Tokyo, Japan |
| 13 | Condensate Pump Motor | TOSHIBA CORPORATION | Tokyo, Japan |
| 14 | Circulating Cooling Water Pump Motor(CCWP) | JEUMONT- SCHNEIDER | France |
| 15 | Variable Speed Coupling | VOITH | Germany |
| 16 | Cooling Water Pump | TOSHIBA CORPORATION | Tokyo, Japan |
| 17 | Vacuum Pump -Steam Side | SIHI/FLowsERVE | Germany |
| 18 | Vacuum Pump -Water Side | SIHI/FLowsERVE | Germany |
| 19 | Hydrogen Pump | ELB | Germany |
| 20 | Dosing Pumps | NIKKISHO | JAPAN |
| 21 | Electric Fire Fighting Pump Motor | BRUSH Electrical Machines Ltd. | England |
| 22 | Fire Fighting Pump and Motor | SPP | UK |
| 23 | DCS Control System for Unit # 3 & 4 (Dekontic system) | BBC | Germany |
| 24 | DCS Control System for Unit # 3 & 4 (ABB P14) | ABB | Germany |
| 25 | MV Switchgear | Fuji Electric | Japan |
| 26 | Forced Draft Fan Motor(FD) | TOSHIBA CORPORATION | Tokyo, Japan |
| 27 | cw Pump | EBARA | Japan |
| 28 | Excitation system | BBC | Germany |
| 29 | LV Switchgear | TERASAKI ELECTRIC CO. LTD | Japan |
| 30 | A)Battery system(220VDC,+24/-24VDC) | Mass tech controls Pvt Ltd | India |
| 31 | B)Battery system(220VDC,+24/-24VDC) | Gutor | Switzerland |
| 32 | Inverter | SAB NIFE | Korea |
| 33 | Automatic transfer system(ATS) | BBC | Germany |

Ashuganj 50MW Gas Engine Plant

| SI | Name of equipment | Manufacturer/ Seller | Country of origin |
|----|-------------------------------|----------------------|-------------------|
| 1 | Engine | GE Jenbacher | Austria |
| 2 | Generator | AVK/CGT | Romania |
| 3 | Turbocharger | ABB | Switzerland |
| 4 | Generator circuit breaker | Schneider | France |
| 5 | Generator step up transformer | OASA | Spain |
| 6 | Auxiliary transformer | Schneider | France |
| 7 | 132 kV circuit breaker | Siemens | Germany |
| 8 | 132 kV CT, PT, Bushing | Trench | France |
| 9 | 132 kV Isolator | SDCEM | France |
| 10 | 132 kV Lightning arrester | Tri delta | Germany |
| 11 | SCADA | Siemens | Germany |

Ashuganj 225MW CCGP Plant

| SI | Name of equipment | Manufacturer/ Seller | Country of origin |
|----|--|---|---------------------------|
| 1 | Gas Turbine | Siemens AG | Germany |
| 2 | Steam Turbine | Siemens AG | Germany |
| 3 | Generator | Siemens AG | Germany |
| 4 | HRS | Daekyung Machinery & Engineering Co., Ltd. (DKME) | Korea |
| 5 | Bypass Stack | Baltec IES | Australia |
| 6 | Step up Transformer | Hyosung | Korea |
| 7 | Gas Booster Compressor | N/A | N/A |
| 8 | Station Auxiliary Transformer (s) | Hyosung | Korea |
| 9 | Unit Auxiliary Transformer(s) | Hyosung | Korea |
| 10 | Start up Transformer | Siemens (Trafo-Union) | UK |
| 11 | Spares for Gas turbine, steam turbine & Generator (Initial spare parts for Siemens supplied equipment) | Siemens AG | Germany |
| 12 | Spares parts for Heat Recovery System (DKME supplied spares) | Daekyung Machinery & Engineering Co., Ltd. (DKME) | Korea |
| 13 | Feed Water Pump and Motor | Pump: CW-Hydro Inc., Motor: Hyundai | Pump: Korea, Motor: Korea |
| 14 | Condensate Pump and Motor | Pump: CW-Hydro Inc., Motor: Hyundai | Pump: Korea, Motor: Korea |
| 15 | Circulating Water Pump and Motor | Pump: Hyosung Goodsprings, Motor: Hyundai | Pump: Korea, Motor: Korea |
| 16 | Fire Fighting Pump and Motor | Pump: Patterson, Motor: GE | Pump: USA, Motor: Mexico |
| 17 | Auxiliary Circulating Water Pump and Motor | Pump: Hyosung Goodsprings, Motor: Hyundai | Pump: Korea, Motor: Korea |
| 18 | 132 KV AIS Sub-station | ABB | India |

Description of buildings:

| Sl. | Other plants / Office Building: | Area (Sqm) |
|-----|-------------------------------------|------------|
| 1 | 128MW Pump Station | 30 |
| 2 | 128MW Water Treatment Plant | 569.3 |
| 3 | 300MW Laboratory | 330 |
| 4 | 300MW Pump House | 86 |
| 5 | 300MW Water Treatment Building | 786 |
| 6 | Auxiliary Supply Bulding | 341.86 |
| 7 | Hydrozen Plant | 16 |
| 8 | Work Shop | 420 |
| 9 | Central Diesel Plant | 85 |
| 10 | Canteen Building | 1,950.00 |
| 11 | Civil Maintenance Office (Tin Shed) | 190 |
| 12 | Garrage –Pacca | 113.49 |
| 13 | Garrage-(Tin Shed) | 380 |
| 14 | GEC Tin Shed Godown-1 | 241.12 |
| 15 | Store (Part) | 4,213.95 |
| 16 | Security Office Building | 40 |
| 17 | RAO- Office (Tin Shed) | 310 |
| 18 | Hospital | 157 |
| 19 | School Building | 1,488.37 |
| | Total Sqm | 11,748.09 |

| S.N | Residential Building: | Area (Sqm) |
|-----|-----------------------|------------|
| 1 | B-1 | 1,079.00 |
| 2 | B-2 | 1,079.00 |
| 3 | B-3 | 1,079.00 |
| 4 | B-4 | 1,079.00 |
| 5 | B-5 | 1,079.00 |
| 6 | C-1 (1250sft) | 558.14 |
| 7 | C-10 (1000sft) | 967.44 |
| 8 | C-11 (1000sft) | 725.58 |
| 9 | C-12 (1000sft) | 967.44 |
| 10 | C-13 (1000sft) | 967.44 |
| 11 | C-14 (1000sft) | 967.44 |
| 12 | C-15 (1000sft) | 967.44 |
| 13 | C-16 (1000sft) | 967.44 |
| 14 | C-17 (1000sft) | 967.44 |
| 15 | C-18 (1000sft) | 967.44 |
| 16 | C-19 (1000sft) | 725.58 |
| 17 | C-2 (1250 sft) | 837.18 |
| 18 | C-3 (1250 sft) | 837.18 |
| 19 | C-4 (1250 sft) | 837.18 |

| S.N | Residential Building: | Area (Sqm) |
|-----|-------------------------------------|------------------|
| 20 | C-5 (1250 sft) | 837.18 |
| 21 | C-6 (1250 sft) | 837.18 |
| 22 | C-7 (1250 sft) | 837.18 |
| 23 | C- 8 (1250 sft) | 967.44 |
| 24 | C- 9 (1250 sft) | 967.44 |
| 36 | VIP Rest House | 2,310.00 |
| 37 | Moktab | 147.53 |
| 38 | Mosque | 460 |
| 39 | Officers Club | 480 |
| 40 | Officers Dormitory- (B. Area) | 558.14 |
| 25 | Doyal (9 building) | 6,503.21 |
| 26 | Anirban (4 building) | 2,526.96 |
| 27 | Tarulata (7 building) | 4,162.05 |
| 28 | Karabi (1 building) | 696.77 |
| 29 | Shapla (2 building) | 966.19 |
| 30 | Anamica (21 building) | 8,584.24 |
| 31 | Provati (4 building) | 1,393.55 |
| 32 | Durbar (5 building) | 1,839.48 |
| 33 | Kollol & D-compartment (3 building) | 2,489.80 |
| | Total Sqm | 55,219.70 |

Sd/-
Deedarul Huq Khan
CEO
BRAC EPL Investments Limited

Sd/-
Md. Sohel Rahman
CEO (Additional Charge)
ICB Capital Management Limited

(xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with:

The issuer is not entitled to any intellectual property right or intangible assets.

(xv) Full description of other properties of the issuer

| Name of Assets | Written down Value as on 30 June 2017 |
|----------------------|---------------------------------------|
| Building | 1,785,662,672 |
| Plant & Machinery | 10,328,187,678 |
| Office Equipments | 18,338,707 |
| Vehicles | 53,450,447 |
| Furniture & Fixtures | 3,767,626 |
| Overhauling Projects | 4,152,800,330 |

f) Plan of Operation and discussion of Financial Condition:

(i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:-

- Projected financial statements up to the year of commercial operation;
- Rationale behind the projection;
- Any expected significant changes in the issuer's policy or business strategies;

- (d) Detail plan of capital investment with break-up;
- (e) Summary of feasibility report, etc.

The issuer has started its commercial operation.

- (ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

**Income Statement
For the year ended-**

| Particulars | Jun-17 | Jun-16 | Jun-15 | Jun-14 | Jun-13 |
|---|-----------------|---------------|-----------------|---------------|---------------|
| Revenue | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| Gross profit | 6,025,890,111 | 1,455,446,764 | 1,521,700,085 | 1,513,806,470 | 1,787,223,481 |
| Operation and maintenance expenses | (1,114,503,520) | (825,144,992) | (1,054,811,956) | (763,412,747) | (651,435,723) |
| Operating profit | 5,040,595,293 | 717,907,435 | 552,855,273 | 750,393,723 | 1,135,787,758 |
| Finance Income | 41,137,027 | 190,175,309 | 104,116,223 | - | - |
| Financial Expense | (2,302,253,023) | (553,254,016) | (165,955,369) | (183,456,017) | (288,320,466) |
| Foreign currency fluctuation (gain)/loss | (1,252,962,811) | (19,077,616) | - | - | - |
| Profit before tax | 1,602,169,470 | 318,963,556 | 467,634,407 | 801,179,955 | 968,594,879 |
| Profit after tax | 1,507,187,203 | 240,617,081 | 367,634,407 | 681,179,955 | 718,594,879 |

**Statement of Financial Statements
For the year ended-**

| Particulars | Jun-17 | Jun-16 | Jun-15 | Jun-14 | Jun-13 |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assets | | | | | |
| Non-current assets | | | | | |
| Total non-current assets | 87,650,148,313 | 83,080,940,293 | 72,433,480,043 | 50,667,357,202 | 37,055,979,408 |
| Current assets | | | | | |
| Total current assets | 10,458,718,871 | 7,638,066,633 | 5,083,144,790 | 4,455,070,967 | 6,208,071,774 |
| Total assets | 98,108,867,184 | 90,719,006,926 | 77,516,624,833 | 55,122,428,169 | 43,264,051,182 |
| Equity and liabilities | | | | | |
| Total Equity | 17,593,482,629 | 16,185,520,427 | 15,977,978,347 | 15,643,418,939 | 13,905,051,184 |
| Debt service liabilities (DSL) | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 |
| Non-current liabilities | | | | | |
| Total non-current liabilities | 63,670,052,702 | 61,953,815,635 | 49,169,983,694 | 27,414,709,068 | 16,053,927,101 |
| Current liabilities | | | | | |
| Total current liabilities | 6,593,031,853 | 2,327,370,864 | 2,116,362,792 | 1,987,831,008 | 3,052,772,898 |
| Total Liabilities | 80,515,384,555 | 74,533,486,499 | 61,538,646,486 | 39,479,009,230 | 29,358,999,998 |
| Total Equity and liabilities | 98,108,867,184 | 90,719,006,926 | 77,516,624,833 | 55,122,428,169 | 43,264,051,182 |

**Statement of Cash Flow
For the year ended-**

| Particulars | Jun-17 | Jun-16 | Jun-15 | Jun-14 | Jun-13 |
|---|-----------------|------------------|------------------|------------------|------------------|
| Net cash received from operating activities | 5,326,056,092 | 2,871,149,722 | 2,132,619,055 | 4,047,999,142 | 3,285,320,979 |
| Net cash used in investing activities | (6,953,149,764) | (13,431,869,134) | (23,818,380,370) | (15,530,674,976) | (13,178,975,056) |
| Net cash from/(used in) financing activities | 3,190,685,187 | 12,736,883,944 | 21,623,700,561 | 12,127,602,208 | 9,201,341,644 |
| Net increase in cash and cash equivalents (A+B+C) | 1,563,591,515 | 2,176,164,532 | (62,060,754) | 644,926,374 | (692,312,433) |
| Closing cash and cash equivalents (D+E+F) | 5,160,571,223 | 3,542,819,398 | 1,385,732,416 | 1,447,793,170 | 802,866,795 |

a) Internal and external sources of cash:

The internal sources of cash are the share capital and retained earnings along with grants from the government. The external sources are short and long term borrowings.

| Internal Sources of Cash | Jun-17 | Jun-16 | Jun-15 | Jun-14 | Jun-13 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Equity and liabilities | | | | | |
| Share capital | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 |
| Equity of BPDB | 5,572,614,964 | 5,572,614,964 | 5,572,614,964 | 5,572,614,964 | 4,826,534,164 |
| Direct grant | 344,182,000 | 344,182,000 | 344,182,000 | 344,182,000 | - |
| Retained earnings | 5,061,685,665 | 3,653,723,463 | 3,446,181,383 | 3,111,621,975 | 2,463,517,020 |
| Total equity | 17,593,482,629 | 16,185,520,427 | 15,977,978,347 | 15,643,418,939 | 13,905,051,184 |

| External Sources of Cash | Jun-17 | Jun-16 | Jun-15 | Jun-14 | Jun-13 |
|--|----------------|----------------|----------------|----------------|----------------|
| Subordinated loan | | | | | |
| Debt service liabilities (DSL) | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 |
| Non-current liabilities | | | | | |
| Government loan | 3,677,538,723 | 3,436,558,853 | 3,046,322,919 | 2,894,298,607 | 2,588,956,460 |
| Loan from BPDB | 4,741,600,000 | 3,280,000,000 | - | - | - |
| Foreign loan | 22,546,976,270 | 15,663,052,949 | 9,621,169,871 | 3,200,907,696 | 2,912,221,050 |
| Export credit agency (ECA) loan | 31,140,113,886 | 38,212,169,715 | 35,221,123,234 | 20,136,635,611 | 9,627,176,447 |
| Advance lease | 283,780,000 | - | - | - | - |
| Provision for income tax | 1,024,812,189 | 1,141,952,686 | 1,085,300,338 | 1,007,036,308 | 925,573,144 |
| Liabilities for gratuity | 255,231,634 | 220,081,432 | 196,067,332 | 175,830,846 | - |
| Total non-current liabilities | 63,670,052,702 | 61,953,815,635 | 49,169,983,694 | 27,414,709,068 | 16,053,927,101 |

b) Any material commitments for capital expenditure and expected sources of funds for such expenditure:

The Company has no material commitment of capital expenditure other than as specified in the Use of Proceeds in this Information Memorandum.

c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income:

The Company's Revenue and Cost of Goods Sold, other operating expenses and net income have increased due to the commissioning of two new power plants which began operation in the year 2017.

| Name of the new plants | Date of Commercial Operation (COD) |
|---------------------------|--|
| 450MW(South) Plant | Combined Cycle, July 2017 (Dependable capacity 360.20MW) |
| 450MW(North) Plant | Simple Cycle, February 2017 (Dependable Capacity 243.61MW) |
| | Combined Cycle, June 2017 (Dependable capacity 360MW) |

The Cost of sales has increased in the year due to increases in the following:

- Cost of sales of the two new power plants has been added.
- Fuel cost has increased for the new power plants
- Additional Depreciation charges on 450 MW (South) and 450 (North) Plant.

The operating expense has increased in line with the rise in revenue which has also caused an increase in overall net income.

| Particular | June, 2017 | June, 2016 | June, 2015 | June, 2014 | June, 2013 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sales | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| Cost of Goods Sold | (9,634,141,942) | (6,957,617,482) | (5,573,002,554) | (5,457,215,490) | (5,750,586,330) |
| Operating and maintenance expenses | (1,114,503,520) | (825,144,992) | (1,054,811,956) | (763,412,747) | (651,435,723) |
| Finance cost | (2,302,253,023) | (553,254,016) | (165,955,369) | (183,456,017) | (288,320,466) |
| Net profit/ (loss) after tax | 1,507,187,203 | 240,617,081 | 367,634,407 | 681,179,955 | 718,594,879 |

Causes of changes in revenues: As it can be observed from the table above, overall revenue increased significantly in 2017 compared to 2016 mainly because the 450MW CCPP (South) power plant started its operation in 2017. Increase in revenue in 2016 from 2015 was mainly because the 225MW CCPP had commenced its operation.

Causes for change in cost of sales: The cost of sales increased significantly in 2017 compared to that in 2016 because the the 450MW CCPP (South) power plant started its operation in 2017. The increase in cost of sales in 2016 from 2015 was mainly because the 225MW CCPP had commenced its operation. The commencement of operation of these two plants increased the fuel cost, depreciation, repair and maintenance cost, etc. in their respective years.

Causes for change in Operation and maintenance expenses: Operation and maintenance expenses increased greatly in 2017 compared to 2016 due to the increase in number of personnel for the 450MW CCPP (South) power plant and the added repair and maintenance expense for the said power plant. Moreover, the 450MW CCPP (North) power plant had also started its operation in June 2017. So the number of employees increased which in turn increased operation and maintenance expenses. Increase in operation and maintenance expense in 2015 from 2014 was mainly due to increase in personnel expenses and increase in amortization of deferred expenditure.

Causes of changes in Finance cost: Finance cost increased significantly in 2016 and 2017 because the grace period for the ECA loans for the 225MW CCPP and the 450MW CCPP (South) power plants had ended respectively. Principal repayment and interest payments were made for the ECA loans.

d) Any seasonal aspects of the issuer's business:

APSCL generates electricity which is in demand throughout the year, hence having no seasonal aspects.

e) Any known trends, events or uncertainties that may have material effect on the issuer's future business:

The business is not affected by any known trends, events or uncertainties other than those specified in the Risk Factors in this Information Memorandum.

f) Any assets of the company used to pay off any liabilities:

The Company has not used any of its assets to pay off any liabilities.

g) Any loan taken from or given to any related party or connected person of the issuer with details of the same:

Statements of any loans given and received by APSCL, including loans
To related parties or connected persons

We certify that the following are the amounts of loans of Ashuganj Power Station Company Limited (APSCL) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017 as extracted from the audited financial statements as under:

| Name of the Party | Nature of Transaction | Loans received for the year ended 30 June 2017 | | | | | |
|---|-----------------------|--|--------------------------------|---------------|-------------------------------------|--|-----------------------|
| | | Payment during the year (BDT) | Addition during the year (BDT) | Interest rate | Interest paid during the year (BDT) | Interest accrued during the year (BDT) | Closing balance (BDT) |
| Bangladesh Power Development Board (BPDB) | Long term | - | - | - | - | - | 10,252,300,000 |
| Government of Bangladesh | Long term | 399,729,324 | 640,709,194 | 3% | 89,514,850 | 21,737,944 | 3,677,538,723 |
| BPDB | Long term | 800,000,000 | 2,261,600,000 | 3% | - | 122,293,151 | 4,741,600,000 |

| Name of the Party | Nature of Transaction | Loans received for the year ended 30 June 2016 | | | | | |
|---|-----------------------|--|--------------------------------|---------------|-------------------------------------|--|-----------------------|
| | | Payment during the year (BDT) | Addition during the year (BDT) | Interest rate | Interest paid during the year (BDT) | Interest accrued during the year (BDT) | Closing balance (BDT) |
| Bangladesh Power Development Board (BPDB) | Long term | - | - | - | - | - | 10,252,300,000 |
| Government of Bangladesh | Long term | 259,729,324 | 649,965,258 | 3% | 89,514,850 | - | 3,436,558,853 |
| BPDB | Long term | - | 3,280,000,000 | 3% | - | - | 3,280,000,000 |

| Name of the Party | Nature of Transaction | Loans received for the year ended 30 June 2015 | | | | | |
|---|-----------------------|--|--------------------------------|---------------|-------------------------------------|--|-----------------------|
| | | Payment during the year (BDT) | Addition during the year (BDT) | Interest rate | Interest paid during the year (BDT) | Interest accrued during the year (BDT) | Closing balance (BDT) |
| Bangladesh Power Development Board (BPDB) | Long term | - | - | - | - | - | 10,252,300,000 |
| Government of Bangladesh | Long term | 399,729,324 | 551,753,636 | 3% | 89,514,850 | - | 3,046,322,919 |

| Name of the Party | Nature of Transaction | Loans received for the year ended 30 June 2014 | | | | | |
|---|-----------------------|--|--------------------------------|---------------|-------------------------------------|--|-----------------------|
| | | Payment during the year (BDT) | Addition during the year (BDT) | Interest rate | Interest paid during the year (BDT) | Interest accrued during the year (BDT) | Closing balance (BDT) |
| Bangladesh Power Development Board (BPDB) | Long term | - | - | - | - | - | 10,252,300,000 |
| Government of Bangladesh | Long term | 116,110,798 | 421,452,945 | 3% | 412,000 | 89,514,850 | 2,894,298,607 |

| Name of the Party | Nature of Transaction | Loans received for the year ended 30 June 2013 | | | | | |
|---|-----------------------|--|--------------------------------|---------------|-------------------------------------|--|-----------------------|
| | | Payment during the year (BDT) | Addition during the year (BDT) | Interest rate | Interest paid during the year (BDT) | Interest accrued during the year (BDT) | Closing balance (BDT) |
| Bangladesh Power Development Board (BPDB) | Long term | - | - | - | - | - | 10,252,300,000 |
| Government of Bangladesh | Long term | 8,238,000 | 8,680,767 | 3% | 19,983,466 | - | 2,588,956,460 |

Dhaka, Bangladesh
Dated, 3 April 2018

Sd/-
S.F. AHMED & CO
Chartered Accountants

h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer:

Along with the bond to be issued as specified in the Debt Securities portion of a total of BDT 6,000 Million (Private Placement of BDT 5000 Million and Public Issue of BDT 1000 Million), APSCL will also go into contractual liabilities with ADB, IDB and the Government of Bangladesh in order to finance the 400MW combined cycle (East) power plant. The future cashflows will be enough to support both the bond payments and the loan payments.

i) The estimated amount, where applicable, of future capital expenditure:

The Company has no plans of future capital expenditure other than those mentioned in the Use of Proceeds Section of this Information Memorandum.

j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the information memorandum. Updated income tax status for the last 5 years or from commercial operation, which is shorter:

The company has no such unpaid VAT, income tax, custom duty or other tax liability.
Update income tax status for the last 5 years of the company is mentioned below:

| Income Year | Assessment Year | Status |
|-------------|-----------------|---|
| 2012-13 | 2013-14 | Assesment of the assessee company has been completed for the assessment year 2013-2014 under the universal self assessment (82BB) |
| 2013-14 | 2014-15 | Assesment of the assessee company has been completed for the assessment year 2014-2015 under the universal self assessment (82BB) |
| 2014-15 | 2015-16 | Assesment of the assessee company has been completed for the assessment year 2015-2016 under the universal self assessment (82BB) |
| 2015-16 | 2016-17 | Assesment of the assessee company has been completed for the assessment year 2016-2017 under the universal self assessment (82BB) |
| 2016-17 | 2017-18 | The taxpayer has submitted income tax return for the assessment year 2017-2018. It has completed universal self assessmntn (82BB) of Income Tax Ordinance, 1984 |

k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected:

There is no such financial commitment, including lease commitment that the Company has entered into during the last five years.

I) Details of all personnel related schemes for which the company has to make provision for in future years:

The following benefits and related scheme are applicable for company's payroll employees:

| | |
|---------------------------|---|
| Yearly Increment | @ 4% on Present Basic Pay. |
| Allowances | Power House Allowance, House Rent Allowance |
| Festival Bonus | 02 Festival Allowances (100% of Present Basic Pay for each), Baishakhi Allowance (20% of Present Basic Pay) for 01 year. |
| WPPF | 5% on Profit before Tax (All Employee are Equally distributed) |
| Group Insurance | Equivalent of 50 Months Present Basic Pay |
| Earn Leave Benefit | 1 day @ 11 days Which 33 days (approximately) in a year. |
| Maternity Benefit | 6 Months with Full pay (Maximum 02 times) |
| Medical Facilities | 10% of Basic Pay (All Staff & Junior Manager/SAE Or Equivalent Employee), Equivalent of 02 Months Basic Pay (Assistant Manager/Assistant Engineer Equivalent to Chief Engineer / General Manager or Equivalent), Equivalent 03 Months Basic Pay (Managing Director, Executive Directors), |

m) Break down of all expenses related to the public issue:

| Particulars | Rate | Amount in BDT (Approx.) |
|---|---|-------------------------|
| Issue Management Fee: | | |
| Manager to the issue Fee | 0.50% of the public offer amount | 5,000,000 |
| VAT against Issue Management Fee | @ 15% on the Issue Management Fee | 750,000 |
| Listing Related Expenses: | | |
| Application Fee for Stock Exchanges | Tk. 50,000 for each exchanges | 100,000 |
| Annual Fee for Stock Exchanges (DSE & CSE) for 7 years | 0.05% on Tk. 100 crore of issue size. minimum Tk. 50,000 and Maximum Tk. 6 lacs for each exchanges | 7,000,000 |
| Listing Fees for Stock Exchanges (DSE & CSE) | 0.25% on Tk. 100 million of issue size and 0.15% on the rest amount of issue size; minimum Tk. 50,000 and Maximum Tk. 10 million for each exchanges | 3,200,000 |
| Trustee Fee for 7 years | At actual | 10,500,000 |
| BSEC Fee: | | |
| Application Fee | Tk. 50,000 (non-refundable) | 50,000 |
| Consent Fee | @ 0.40% on the public offering amount | 4,000,000 |
| IPO Commission/Expenses: | | |
| Underwriting Commission | @ 0.50% on the underwritten amount | 1,750,000 |
| Credit Rating Fee | | 230,000 |
| Auditors' Certification Fee | | 1,788,250 |
| CDBL Fee and Expenses: | | |
| Security Deposit of Eligible Securities | At actual | 500,000 |
| Documentation Fee | At actual | 2,500 |
| Annual Fee for 7 years | At actual | 700,000 |
| Connection Fee | At actual | 6,000 |
| IPO Fees | @0.0175% of issue size+0.0175% of Pre-IPO paid up capital | 1,332,625 |
| Printing and Post IPO Expenses: | | |
| Publication of IM | Estimated | 500,000 |
| Abridged version of IM and Notice in 4 daily newspaper | Estimated | 700,000 |
| Notice for IM, Lottery, Refund etc. in 4 daily newspaper | Estimated | 500,000 |
| Lottery Conducting Expenses & BUET Fee | Estimated | 600,000 |
| Collection of Forms, Data Processing and Share Software Charge | Estimated | 2,500,000 |
| Allotment and Refund | | 300,000 |
| Stationeries and Other Expenses | Estimated | 100,000 |
| Grand Total | | 42,109,375 |

- n) **If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission:**

APSCL has not revalued any of its assets.

- o) **Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary/holding company, including transactions which had taken place within the last five years of the issuance of the information memorandum or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor:**

Currently there is no holding or subsidiary company of APSCL.

- p) **Financial Information of Group Companies: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:**

APSCL does not have any Group of Companies. APSCL is an independent entity of Bangladesh Power Development Board (BPDB).

- q) **Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the Information Memorandum stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;**

DECLARATION BY THE BOARD OF DIRECTORS REGARDING ADHERENCE RELEVANT LAWS AND REGULATORY REQUIREMENTS OF ITS PRIMARY REGULATOR

We hereby declare that all requirements of the relevant laws and regulatory requirements of our primary regulator, Bangladesh Energy Regulatory Commission (BERC) have been adhered to by us.

Sd/-
Khaled Mahmood
Chairman
(nominated by BPDB and Power Division)

Sd/-
Professor Dr. Md. Quamrul Ahsan
Director
(nominated by BPDB and Power Division)

Sd/-
Professor Mamtaz Uddin Ahmed
Director
(nominated by BPDB and Power Division)

Sd/-
Sheikh Faezul Amin
Director
(nominated by BPDB and Power Division)

Sd/-
S.M. Tarikul Islam
Director
(nominated by BPDB and Power Division)

Sd/-
Kamal Ahmed
Director
(nominated by BPDB and Power Division)

Sd/-
Md. Abu Alam Chowdhury
Director
(nominated by BPDB and Power Division)

Sd/-
Md. Azharul Islam
Director
(nominated by BPDB)

Sd/-
Md. Abul Monsur
Director
(nominated by Energy and Mineral Resources Division)

Sd/-
Sayeed Ahmed
Director
(nominated by BPDB)

Sd/-
Tahmina Yeasmin
Director
(nominated by Power Division)

Sd/-
A M M Sazzadur Rahman
Managing Director

- r) **A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;**

**Auditors' certificate regarding allotment of shares
to the directors and subscribers to the Memorandum
and Articles of Association for any consideration other than cash**

We certify that the paid-up capital of Ashuganj Power Station Company Limited as of 30 June 2017 was BDT 6,615,000,000 divided into 66,150,000 ordinary shares of BDT 100 each. Details are as under:

| Number of Shares Issued | | | | |
|---|-------------------|-----------------------|-------------------------------|--------------------------------|
| Particulars of allotment | Date of allotment | Consideration in cash | Consideration other than cash | Amount of share capital in BDT |
| First Allotment(Subscription to the Memorandum and Articles of Association at the time of incorporation) | 04 June 2000 | - | 10,000 | 1,000,000 |
| Second Allotment | 08 July 2012 | - | 66,140,000 | 6,614,000,000 |
| Total | | | 66,150,000 | 6,615,000,000 |

Dhaka, Bangladesh
Dated, 01 November, 2017

Sd/-
S.F. Ahmed & CO
Chartered Accountants

- s) **Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public**

This is to declare that, to the best of our knowledge and belief, There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

For Ashuganj Power Station Company Limited

Sd/-
A M M Sazzadur Rahman
Managing Director

- t) **Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretaries**

In order to meet the increasing demand for power, APSCL plans on undertaking several new projects, namely 400MW CCPP (East) and Joint venture in 1320 MW Coal based power plant. Moreover, in order to improve efficiency, APSCL also plans on shutting down the production of its older plants. APSCL has already closed production of Unit -1,2 and GT-1 of 573 MW power generators. By the end 2022, APSCL plans on shutting down the remaining 3 units of the 573 MW power generators.

Due to the shortage of natural gas in the country, APSCL also envisions expanding its operation from being solely gas based to include other sources of energy like oil, coal and solar as evident from their upcoming projects like the Joint venture in 1320MW coal based power plant. APSCL already has an 80MW solar plant.

u) Discussion on the results of operations shall inter-alia contain the following

1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure:

There are no adjustments of the past financial results of APSCL. The summarized version of the last 5 financial years is given below:

| Particular | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| Non-Current Assets | 87,650,148,313 | 83,080,940,293 | 72,433,480,043 | 50,667,357,202 | 37,055,979,408 |
| Current Assets | 10,458,718,871 | 7,638,066,633 | 5,083,144,790 | 4,455,070,967 | 6,208,071,774 |
| Total Assets | 98,108,867,184 | 90,719,006,926 | 77,516,624,833 | 55,122,428,169 | 43,264,051,182 |
| Shareholders' Equity | 17,593,482,629 | 16,185,520,427 | 15,977,978,347 | 15,643,418,939 | 13,905,051,184 |
| Current Liabilities | 6,593,031,853 | 2,327,370,864 | 2,116,362,792 | 1,812,000,162 | 3,052,772,898 |
| Non-Current Liabilities | 63,670,052,702 | 61,953,815,635 | 49,169,983,694 | 27,414,709,068 | 16,053,927,101 |
| Net Sales | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| Gross Profit | 6,025,890,111 | 1,455,446,764 | 1,521,700,085 | 1,513,806,470 | 1,787,223,481 |
| Net profit before tax | 1,602,169,470 | 318,963,556 | 467,634,407 | 801,179,955 | 968,594,879 |
| Net profit after tax | 1,507,187,203 | 240,617,081 | 367,634,407 | 681,179,955 | 718,594,879 |

2) A summary of major items of income and expenditure:

| Particular | 2017 | 2016 | 2015 | 2014 | 2013 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net Sales | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| Cost of goods sold | (9,634,141,942) | (6,957,617,482) | (5,573,002,554) | (5,457,215,490) | (5,750,586,330) |
| Operating expense | (1,114,503,520) | (825,144,992) | (1,054,811,956) | (763,412,747) | (651,435,723) |
| Financial expense | (2,302,253,023) | (553,254,016) | (165,955,369) | (183,456,017) | (288,320,466) |

3) The income and sales on account of major products or services:

APSCL does not have any other product or business segment other than generating and selling electricity. 100% of the company's revenue is from electricity generation..

4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring:

The issuer does not have any other income which constitutes more than 10% of the total income

5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations:

BPDB is the sole purchaser of all of the issuer's electricity production as per the PPA. As per the terms and condition of PPA the issuer has no scope to sale to any other customer except BPDB.

6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed:

The issuer has not followed any unorthodox procedure for recording sales and revenue.

v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia containing the following:

The Statement of Profit or Loss and other Comprehensive Income for the years ended on 30 June 2017, 2016, 2015, 2014 and 2013 are given hereunder.

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| COS | (9,634,141,942) | (6,957,617,482) | (5,573,002,554) | (5,457,215,490) | (5,750,586,330) |
| Gross Profit | 6,025,890,111 | 1,455,446,764 | 1,521,700,085 | 1,513,806,470 | 1,787,223,481 |
| Operation and maintenance expenses | (1,114,503,520) | (825,144,992) | (1,054,811,956) | (763,412,747) | (651,435,723) |
| Profit from operation | 5,040,595,293 | 717,907,435 | 552,855,273 | 750,393,723 | 1,135,787,758 |
| Finance cost | (2,302,253,023) | (553,254,016) | (165,955,369) | (183,456,017) | (288,320,466) |
| Other income | 41,137,027 | 190,175,309 | 104,116,223 | - | - |
| Workers Profit Participation Fund | (84,324,709) | (16,787,556) | (23,381,720) | (40,058,998) | (48,429,744) |
| Profit Before Income Tax | 1,602,169,470 | 318,963,556 | 467,634,407 | 801,179,955 | 968,594,879 |
| Income Tax Expense | (94,982,267) | (78,346,475) | (100,000,000) | (120,000,000) | (250,000,000) |
| Net Profit After Tax | 1,507,187,203 | 240,617,081 | 367,634,407 | 681,179,955 | 718,594,879 |

Causes of changes in revenues: As it can be observed from the table above, overall revenue increased significantly in 2017 compared to 2016 mainly because the 450MW CCPP (South) power plant started its operation in 2017. Increase in revenue in 2016 from 2015 was mainly because the 225MW CCPP had commenced its operation.

Causes for change in cost of sales: The cost of sales increased significantly in 2017 compared to that in 2016 because the the 450MW CCPP (South) power plant started its operation in 2017. The increase in cost of sales in 2016 from 2015 was mainly because the 225MW CCPP had commenced its operation. The commencement of operation of these two plants increased the fuel cost, depreciation, repair and maintenance cost, etc. in their respective years.

Causes for change in Operation and maintenance expenses: Operation and maintenance expenses increased greatly in 2017 compared to 2016 due to the increase in number of personnel for the 450MW CCPP (South) power plant and the added repair and maintenance expense for the said power plant. Moreover, the 450MW CCPP (North) power plant had also started its operation in June 2017. So the number of employees increased which in turn increased operation and maintenance expenses. Increase in operation and maintenance expense in 2015 from 2014 was mainly due to increase in personnel expenses and increase in amortization of deferred expenditure.

Causes of changes in Finance cost : Finance cost increased significantly in 2016 and 2017 because the grace period for the ECA loans for the 225MW CCPP and the 450MW CCPP (South) power plants had ended respectively. Principal repayment and interest payments were made for the ECA loans.

1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc:

There are no such unusual or infrequent events or transactions.

2) Significant economic changes that materially affect or are likely to affect income from continuing operations:

The business is not affected by any economic changes other than those specified in the Risk Factors in this Information Memorandum.

3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:

The business is not affected by any known trends that have had or are expected to have a material adverse impact on sales, revenue, and income from continuing operations except the following uncertainties:

- Natural Calamities
- Political unrest
- Scarcity of Gas

4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known:

Increase in labor cost will impact the issuer because it will increase the operation and maintenance expenses. Increase in material cost, however, will not impact the issuer because of the off taker deal in the PPA. As the PPA signed with BPDB is cost based tariff, the increased cost or prices of material will be absorbed by BPDB.

5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices:

Increase in revenue in 2017 is due to the Commercial Operation Date (COD) of the 450MW CCPP (South) power plant. Future increases in revenues will also be due to increase in sales volume with the introduction of the 450MW CCPP (North) power plant and the 400MW CCPP (East) power plant.

6) Total turnover of each major industry segment in which the issuer operated:

Total installed capacity in the country as of June 30, 2018 is 62,678GWh MW which includes public power generation, private power generation and imports.

7) Status of any publicly announced new products or business segment:

There was no announcement for new products or business segment.

8) The extent to which the business is seasonal:

The business operates in the power generation sector where there is no seasonality as the demand for electricity is very high in the country throughout the year.

w) Defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc.:

The Company has not rescheduled its borrowings or converted loans to equity. There has been no lock outs, strikes etc.

x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors:

There were no changes in the activities of the issuer during the last five years which may have had a material impact on the profit/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

y) Injunction or restraining order, if any, with possible implications:

There has been no injunction or restraining order.

z) Technology, market, managerial competence and capacity built-up:

Technology

The primary technology currently used by APSCL is the combined cycle power plant (CCPP), which is on average around 50% more efficient than a single cycle power system. All technology and machineries are purchased in brand new conditions from renowned manufacturers in Europe, Asia and North America.

Market:

Electricity is a key ingredient for socio-economic development of the country. Adequate and reliable supply of electricity is an important pre-requisite for attracting both domestic and foreign investment. The Government has given top priority to the development of this sector considering its importance in overall development of the country and has set the goal of providing electricity to all citizens by 2020.

Reliable supply of electricity is a pre-condition for poverty reduction and economic development. To alleviate poverty in the face of resource limitations and high population density, Bangladesh requires an economic growth rate of more than 7% p. a. In order to achieve this growth rate, electricity growth by 10% needs to be achieved. By best utilizing the natural, human and agricultural resources the desired pace of GDP growth could be attained by increasing electricity generation to a much higher rate, which is the key target for development.

Electricity is the major source of power for most of the country's economic activities. Bangladesh's installed electric generation capacity was 15,953 MW in June, 2018. About 91% of the population has access to electricity with a per capita availability of 464 kWh per annum. Obstacles in the Bangladesh's electric power sector include 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. According to Power Sector Master Plan - 2010 Study, year-wise peak demand forecast is given 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 |

Figure: A forecast of peak demand of electricity of Bangladesh till 2020

Management competency:

All members of the management team are highly qualified, trained and skilled professionals. The management team is lead by the Managing Director, Engr. AMM Sazzadur Rahman and acts for the best interest of the company.

Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology, among others.

The Managing Director of Ashuganj Power Station Company Limited is responsible for the daily management of the company as directed by the board. He guides the senior management on a day to day basis on the overall governance of the business. He also focuses in particular on recruitment of senior executives, sales and profitability, marketing, expansion, and development of new projects. Engr. Ajit Kumar Sarker, is the Executive Director (Planning & Projects), Engr. A.K.M Yaqub is the Executive Director (Engineering) and Mr. Md. Mahfuzul Haque, FCMA, is the Executive Director (Finance) of APSCL. As the Executive Director of Finance of APSCL, he oversees financial function like financial reporting, setup up strategies, policies, fund management and monitoring day to day financial operations.

Mohammad Abul Mansur, ACS, FCMA is the Company Secretary, he ensures the compliance related issues and also represent in the Board and different committees.

Capacity Built-up:

To cope up with the continuous growing market demand and strengthening long term sustainability, APSCL continuously invest and deploy resources. Current capacity of all of APSCL's units amount to 1,580MW with an installed capacity of 1,690MW. APSCL is planning on constructing and operating two more power plants by 2021- the 400MW CCPP (East) power plant and a joint venture 1,320MW coal based power plant.

aa) Changes in accounting policies in the last three years:

There have been no changes in accounting policies in the last three years for the issuer.

- bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months:**

DECLARATION REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR (June 30, 2017)

This is to declare that, there have been no circumstances arisen since the date of the last financial statements as disclosed in the information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities with the next twelve months.

Sd/-
Khaled Mahmood
Chairman
(nominated by BPDB and Power Division)

Sd/-
Professor Dr. Md. Quamrul Ahsan
Director
(nominated by BPDB and Power Division)

Sd/-
Professor Mamtaz Uddin Ahmed
Director
(nominated by BPDB and Power Division)

Sd/-
Sheikh Faezul Amin
Director
(nominated by BPDB and Power Division)

Sd/-
S.M. Tarikul Islam
Director
(nominated by BPDB and Power Division)

Sd/-
Kamal Ahmed
Director
(nominated by BPDB and Power Division)

Sd/-
Md. Abu Alam Chowdhury
Director
(nominated by BPDB and Power Division)

Sd/-
Md. Azharul Islam
Director
(nominated by BPDB)

Sd/-
Md. Abul Monsur
Director
(nominated by Energy and Mineral Resources Division)

Sd/-
Sayeed Ahmed
Director
(nominated by BPDB)

Sd/-
Tahmina Yeasmin
Director
(nominated by Power Division)

Sd/-
A M M Sazzadur Rahman
Managing Director

- cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer:**

The audited financial statement of year ending June 2018 has been included in Chapter XXIX.

- dd) Factors that may affect the results of operations:**

There are no such factors that may affect the results of operations except the following uncertainties:

- Natural Calamities
- Political unrest
- Scarcity of Gas

SECTION VII:

Management's
discussion and
analysis of financial
condition and results
of operations:

a) Overview of business and strategies;

In order to meet the increasing demand for power, APSCL plans on undertaking several new projects, namely 400MW CCPP (East), and Joint venture in 1320 MW Coal based power plant. Moreover, in order to improve efficiency, APSCL also plans on shutting down the production of its older plants. APSCL has already closed production of Unit -1,2 and GT-1 of 573 MW power generators. By the end 2022, APSCL plans on shutting down the remaining 3 units of the 573 MW power generators.

Due to the shortage of natural gas in the country, APSCL also envisions expanding its operation from being solely gas based to include other sources of energy like oil, coal and solar as evident from their upcoming projects like the Joint venture in 1320MW coal based power plant.

b) SWOT ANALYSIS

| | | | |
|----------------------|--|---|-------------------|
| Strengths | <ul style="list-style-type: none"> APSCL is owned almost entirely by Bangladesh Power Development Board (BPDB), which is responsible for majority of the distribution of electricity in urban areas, except for Dhaka and West Zone of the country. APSCL is one of the largest power plant in the country in terms of generation capacity, accounting for 19% of all the generation in the public sector. | <ul style="list-style-type: none"> Average age of the power plants is around 28 years, leading to inefficiency in production in certain plants. Lower profit margins compared to private sector power plants. | Weaknesses |
| Opportunities | <ul style="list-style-type: none"> Government has declared this as a priority sector 10% of the population still do not have access to electricity Increasing national demand due to enhanced economic activities. | <ul style="list-style-type: none"> Increased participation by the private sector, due to government initiatives, will increase competition. Competing demand of government resources and diminishing levels of external assistance from multilateral/ bilateral agencies restrict opportunities for public investments in power sector. | Threats |

c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue/sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| YoY % change | 86% | 19% | 2% | -8% | |
| Cost of sales | (9,634,141,942) | (6,803,410,125) | (5,573,002,554) | (5,457,215,490) | (5,750,586,330) |
| YoY % change | 42% | 22% | 2% | -5% | |
| Personnel expenses | (918,577,614) | (571,310,168) | (499,718,135) | (392,443,418) | (311,615,547) |
| YoY % change | 61% | 14% | 27% | 26% | |
| Total expenses | (1,114,503,520) | (979,352,349) | (1,054,811,956) | (763,412,749) | (651,435,723) |
| YoY % change | 14% | -7% | 38% | 17% | |
| Financial expenses | (2,302,253,023) | (572,331,632) | (165,955,369) | (183,456,017) | (288,320,466) |
| YoY % change | 302% | 245% | -10% | -36% | |
| Profit after tax | 1,507,187,203 | 240,617,081 | 367,634,407 | 681,179,954 | 718,594,879 |

Causes of changes in revenues: As it can be observed from the table above, overall revenue increased significantly in 2017 compared

to 2016 mainly because the 450MW CCPP (South) power plant started its operation in 2017. Increase in revenue in 2016 from 2015 was mainly because the 225MW CCPP had commenced its operation.

Causes for change in cost of sales: The cost of sales increased significantly in 2017 compared to that in 2016 because the the 450MW CCPP (South) power plant started its operation in 2017. The increase in cost of sales in 2016 from 2015 was mainly because the 225MW CCPP had commenced its operation. The commencement of operation of these two plants increased the fuel cost, depreciation, repair and maintenance cost, etc. in their respective years.

Causes for change in Operation and maintenance expenses: Operation and maintenance expenses increased greatly in 2017 compared to 2016 due to the increase in number of personnel for the 450MW CCPP (South) power plant and the added repair and maintenance expense for the said power plant. Moreover, the 450MW CCPP (North) power plant had also started its operation in June 2017. So the number of employees increased which in turn increased operation and maintenance expenses. Increase in operation and maintenance expense in 2015 from 2014 was mainly due to increase in personnel expenses and increase in amortization of deferred expenditure.

Causes of changes in Finance cost: Finance cost increased significantly in 2016 and 2017 because the grace period for the ECA loans for the 225MW CCPP and the 450MW CCPP (South) power plants had ended respectively. Principal repayment and interest payments were made for the ECA loans

d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business;

The company has no known trends demands or event that are likely to have an effect on the company's business as the demand for electricity is increasing on a daily basis in Bangladesh except the following uncertainties:

- Natural Calamities
- Political unrest
- Scarcity of Gas

The company has no commitments that are likely to have an effect on the company's business other that as specified in the "Use of Proceeds" of this information memorandum.

e) Trends or expected fluctuations in liquidity;

There are no trends or expected fluctuations in liquidity.

f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

SECTION VIII:

Directors and Officers:

- a) **Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated/represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him:**

| Name | Father's Name | Age | Residential Address | Educational Qualification | Experience | Position | Period of Nomination | Date of Expiry of Current Term | Organization nominated by |
|---------------------------------|----------------------------|--------------------|---|--|------------|----------|----------------------|--|---------------------------------------|
| Khaled Mahmood | Late Golam yahia ahmed | 58 years 9 Months | ½ Banglu, Hatirpul Power House, Dhanmondi, Dhaka | B.Sc. (Electrical and Electronic Engineering) | 37 Years | Chairman | 14.02.2016 | 29.11.2021 | Power Division & BPDB |
| Professor Dr. Md. Quamrul Ahsan | Johaque Ahmed | 66 years 7 Months | 3/D, BUET Teachers' Quarter, Dhaka | Ph.D in Electrical and Electronic Engineering | 40 years | Director | 29.12.2007 | As per AOA specialist Director shall not retire. | Power Division & BPDB |
| Professor Mamtaaz Uddin Ahmed | Late Abdur Rahman | 59 years 6 Months | 37/F, North Folar Road, University Res. Area Dhaka | M.Com, FCMA | 33 years | Director | 21.10.2006 | As per AOA specialist Director shall not retire. | Power Division & BPDB |
| Sheikh Faezul Amin | Late Sheikh Faejullah | 52 years 9 Months | 35/A, Flat # 4B, Road # 4, Dhanmondi R/A, Dhaka. | M.Sc. (Engineering Management), MBA | 26 years | Director | 09.09.2012 | 21.12.2019 | Power Division & BPDB |
| S.M. Tarikul Islam | Abdur Raz-zak | 45 years 6 Months | 4/904, NAM Garden officers' quarter, Mirpur-13, Dhaka. | Masters in Geography and Environmental Studies | 17 years | Director | 27.07.2015 | As per AOA specialist Director shall not retire. | Power Division & BPDB |
| Kamal Ahmed | Late Safiuddin Ahmed | 66 years 6 Months | Apartment No: 1B, House: 46/1, Road: 5 Dhanmondi R/A, Dhaka-1205. | B.A. | 39 years | Director | 13.08.2014 | 07.12.2020 | Power Division & BPDB |
| Md. Abu Alam Chowdhury | Late Abdul Hakim Chowdhury | 69 years | Eastern Rokeya Tower, Flat-701, 98 Boro Mogbazar, Dhaka. | M.A. | 40 years | Director | 10.03.2016 | As per AOA specialist Director shall not retire. | Power Division & BPDB |
| Md. Azharul Islam | Late Dr. Afaz Uddin | 56 years 8 months | 1/F, Paribag Officers Quarter, Bangladesh Power Development Board, Dhaka. | B.Sc. Engineering (EEE) | 34 years | Director | 19.01.2017 | 19.01.2020 | BPDB |
| Md. Abul Monsur | Late Mafiz Uddin | 54 Years 10 Months | Sagorika 3, Old Elephant Road, Ramna, Dhaka. | B.Sc. (Agriculture), M A (Public Administration) | 28 years | Director | 10.01.2019 | 10.01.2022 | Energy and Mineral Resources Division |

| Name | Father's Name | Age | Residential Address | Educational Qualification | Experience | Position | Period of Nomination | Date of Expiry of Current Term | Organization nominated by |
|---------------------|------------------------------|--------------------|--|---|------------|-------------------|----------------------|--------------------------------|---------------------------|
| Sayeed Ahmed | Ahmed Moksed Ali | 57 years 3 months | 8/18, Sir Syed Road, Mohammadpur, Dhaka-1207 | B. Sc. Engineering (Electrical & Electronics) | 34 years | Director | 26.12.2017 | 26.12.2020 | BPDB |
| Tahmina Yeasmin | Late Mohammad Khademul Islam | 47 years 4 months | House# 98/D (2nd Floor), Azimpur Govt. Officers' Quarter, Azimpur, Dhaka | M, Phil (Geography) M.Sc (Geography) | 17 years | Director | 26.12.2017 | 26.12.2020 | Power Division |
| AMM Sazzadur Rahman | Momtazuddin Ahmed | 56 years 11 months | Segunbagicha, Dhaka. | B.Sc. Engineering (EEE) | 34 years | Managing Director | 06.05.2015 | 21.02.2020 | Managing Director, APSCL |

b) The date on which he first became a director and the date on which his current term of office shall expire:

| Sl. | Name | Position | Date of becoming a Director for the first time | Date of Expiration of Current term of Office |
|-----|--|----------|--|--|
| 1. | Khaled Mahmood | Director | 14.02.2016 | 29.11.2021 |
| 2. | Professor Dr. Md. Quamrul Ahsan | Director | 29.12.2007 | As per AOA specialist Director shall not retire. |
| 3. | Professor Mamtaz Uddin Ahmed | Director | 21.10.2006 | As per AOA specialist Director shall not retire. |
| 4. | Sheikh Faezul Amin | Director | 09.09.2012 | 21.12.2019 |
| 5. | S.M. Tarikul Islam | Director | 27.07.2015 | As per AOA specialist Director shall not retire. |
| 6. | Kamal Ahmed | Director | 13.08.2014 | 07.12.2020 |
| 7. | Md. Abu Alam Chowdhury | Director | 10.03.2016 | As per AOA specialist Director shall not retire. |
| 8. | Md. Azharul Islam | Director | 19.01.2017 | 19.01.2020 |
| 9. | Md. Abul Monsur | Director | 10.01.2019 | 10.01.2022 |
| 10. | Sayeed Ahmed | Director | 26.12.2017 | 26.12.2020 |
| 11. | Tahmina Yeasmin | Director | 26.12.2017 | 26.12.2020 |
| 12. | AMM Sazzadur Rahman | Director | 06.05.2015 | 21.02.2020 |

As the directors are nominated from government organizations, there is no date of expiration of current term of office applicable for APSCL.

c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations:

| Sl. | Name | Designation | Involvement in other organization | | |
|-----|---------------------------------|-------------------|---|---|----------|
| | | | Name of the Organization | Types of Business | Position |
| 1 | Khaled Mahmood | Chairman | Power Grid Company of Bangladesh Ltd | Power Transmission | Director |
| | | | North West Power Generation Company Ltd | Power Generation | Director |
| | | | Electricity Generation Company Bangladesh Ltd. | Power Generation | Director |
| | | | Coal Power Generation Company Bangladesh Ltd | Power Generation | Director |
| | | | United Ashuganj Energy Ltd. | Power Generation | Director |
| | | | Bangladesh-China Power Company Ltd | Power Generation | Director |
| | | | Bangladesh India Friendship Power Company Ltd. | Power Generation | Director |
| | | | Roppur Nuclear Power Plant Company | Power Generation | Director |
| | | | Bakhrabad Gas Distribution Company Ltd | Gas production, transmission and distribution | Director |
| | | | Titas Gas Transmission & Distribution Company Ltd | Gas transmission and distribution | Director |
| 2 | Professor Dr. Md. Quamrul Ahsan | Director | N/A | N/A | N/A |
| 3 | Professor Mamtaz Uddin Ahmed | Director | Chittagong Stock Exchange | Stock Exchange | Director |
| 4 | Sheikh Faezul Amin | Director | SREDA | promote, facilitate and disseminate sustainable energy (SE) | Member |
| 5 | S.M. Tarikul Islam | Director | Bakhrabad Gas Distribution Company Ltd | Gas production, transmission and distribution | Director |
| 6 | Kamal Ahmed | Director | N/A | N/A | N/A |
| 7 | Md. Abu Alam Chowdhury | Director | Power Grid Company of Bangladesh Ltd | Power Transmission | Director |
| 8 | Md. Azharul Islam | Director | West Zone Power Distribution Company Ltd. | Power Distribution | Director |
| | | | Bangladesh Institute of Management (BIM). | Professional management University | Director |
| | | | BPDB-RPCL Power Generation Ltd. | Power Generation | Director |
| 9 | Md. Abul Monsur | Director | Standard Asiatic Oil Company Ltd | Blending & Marketing of lubricating oils. Storage & distribution of diesel oil, furnace oil, aviation fuel, bitumen, LP gas | Chairman |
| | | | Gas Transmission Company Ltd | Transmission of natural gas all over Bangladesh. | Director |
| | | | Bangladesh Services Ltd | Hospitality business | Director |
| 10 | Sayeed Ahmed | Director | Electricity Generation Company Bangladesh Ltd. | Power Generation | Director |
| | | | BR Powergen Ltd. | Power Generation | Director |
| 11 | Tahmina Yeasmin | Director | N/A | N/A | N/A |
| 12 | AMM Sazzadur Rahman | Managing Director | United Ashuganj Energy Ltd. | Power Generation | Director |

d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer:

The details of the directors of APSCL who are associated with the securities market is provided below:

| Name of the Listed Company | Name of the Directors who are associated | 2016-2017 | | 2015-2016 | | 2014-2015 | |
|---|--|----------------|---------------|----------------|---------------|----------------|---------------|
| | | Stock Dividend | Cash Dividend | Stock Dividend | Cash Dividend | Stock Dividend | Cash Dividend |
| Power Grid Company of Bangladesh Ltd | 1) Khaled Mahmood | - | 22% | - | 20% | - | 15% |
| | 2) Md. Abu Alam Chowdhury | | | | | | |
| Titas Gas Transmission & Distribution Company Ltd | 1) Khaled Mahmood | - | 15% | - | 12% | - | 15% |

e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:

There is no family relationship among the directors and the top five officers of the Company other than those mentioned above.

f) A very brief description of other businesses of the directors:

| Name of the Director | Position in the Issuer Company | Directorship/Ownership in other Companies |
|--|--------------------------------|---|
| Khaled Mahmood | Chairman | 1. Director, Power Grid Company of Bangladesh Ltd |
| | | 2. Director, North West Power Generation Company Ltd. |
| | | 3. Director, Electricity Generation Company Bangladesh Ltd. |
| | | 4. Director, Coal Power Generation Company Bangladesh Ltd |
| | | 5. Director United Ashuganj Energy Ltd. |
| | | 6. Director, Bangladesh-China Power Company Ltd. |
| | | 7. Director, Bangladesh India Friendship Power Company Ltd. |
| | | 8. Director, Ropnur Nuclear Power Plant Company |
| | | 9. Director, Bakhraabad Gas Distribution Company Ltd |
| | | 10. Director, Titas Gas Transmission & Distribution Company Ltd |
| Professor Dr. Md. Quamrul Ahsan | Director | N/A |
| Professor Mamtaz Uddin Ahmed | Director | 1. Director, Chittagong Stock Exchange |
| Sheikh Faezul Amin | Director | 1. Member, SREDA |
| S.M. Tarikul Islam | Director | 1. Director, Bakhraabad Gas Distribution Company Ltd |
| Kamal Ahmed | Director | N/A |
| Md. Abu Alam Chowdhury | Director | 1. Director, Power Grid Company of Bangladesh Ltd |
| Md. Azharul Islam | Director | 1. Director, West Zone Power Distribution Company Ltd. |
| | | 2. Director, Bangladesh Institute of Management (BIM). |
| | | 3. Director, BPDB-RPCL Power Generation Ltd. |
| Md. Abul Monsur | Director | 1. Chairman, Standard Asiatic Company Ltd; |
| | | 2. Director, Gas Transmission Company Ltd |
| | | 3. Director, Bangladesh Services Ltd |
| Sayeed Ahmed | Director | 1. Director, Electricity Generation Company Bangladesh Ltd. |
| | | 2. Director, BR Powergen Ltd. |
| Tahmina Yeasmin | Director | N/A |
| AMM Sazzadur Rahman | Managing Director | 1. Director, United Ashuganj Energy Ltd. |

g) Short bio-data of each director:**Mr. Khaled Mahmood, Chairman, APSCL**

Mr. Khaled Mahmood, current Chairman of Bangladesh Power Development Board (BPDB), joined APSCL as Director on February 14, 2016. Prior to being the Chairman of BPDB, Mr. Khaled Mahmood served as Member (Generation) of the concern where he successfully supervised the overall operation and maintenance of the total generation system. Mr. Khaled Mahmood was born in 1958 in Mymensingh. He joined in Bangladesh Power Development Board as Assistant Engineer in August 1981. In his long demonstrative trail of career, Mr. Khaled passed several paradigms as Sub-divisional Engineer, Executive Engineer, Superintendent Engineer, and Chief Engineer. Mr. Khaled is a fellow member of the Institution of Engineers, Bangladesh.

He completed B.Sc. Engineering (Electrical & Electronics) from BUET in 1981.

Dr. Md. Quamrul Ahsan, Director, APSCL

Dr. Md. Quamrul Ahsan, Professor of Electrical and Electronic Engineering of Bangladesh University of Engineering and Technology (BUET), joined at Ashuganj Power Station Company Ltd as a Director in 2008. Dr. Ahsan is also Chairman of Procurement Review Committee of Ashuganj Power Station Company Ltd.

Dr. Md Quamrul Ahsan obtained M.Sc Engineering from the same University in 1980. In 1984 Mr. Ahsan acquired Ph.D from the University of Ottawa of Canada. Dr. Ahsan, also was a visiting faculty member of the University of Bahrain, publishing more than eighty technical papers in the reputed national and international journals and conferences and further reviewing many national and international journals including IEE and IEEE. Dr. Ahsan has supervised sixteen postgraduate theses including a couple of Ph.D. He is the Technical Chair of ICECE 2006, Project Manager of an international training and a course coordinator of a short course sponsored by USAID under SARI/Energy Program. Dr. Ahsan has also worked as a consultant for many important national projects. He is a former Director of PGCB. He has also been involved in the administrative works as Dean of the Faculty, Head of the Department and Hall Provost of Bangladesh University of Engineering and Technology (BUET)

Professor Mamtaz Uddin Ahmed, Director, APSCL

Prof. Mamtaz Uddin Ahmed, professor of Department of Accounting Information Systems of University of Dhaka, accomplished his vivid academic feat from Department of Accounting of University of Dhaka. He is a Council member of ICMA. Alongside, Prof. Ahmed is a member of Board of Governors at Bangladesh Insurance Academy, Jury Board of Dhaka Stock Exchange and Expert Panel of Dhaka Stock Exchange. Prof. Ahmed joined Ashuganj Power Station Company Ltd. as Director on 2007. In his long cherished academic career, Prof. Ahmed is the Chairman of the Audit Committee of Ashuganj Power Station Company.

Mr. Mamtaz Uddin Ahmed obtained his MBA from University of New Castle in USA. He earned his FCMA from ICMA in 1995 and was elected twice as President of the same entity

Mr. Sheikh Faezul Amin, PEng, Director, APSCL

Mr. Sheikh Faezul Amin, Joint Secretary of Power Division, joined Ashuganj Power Station Company Ltd as Director in 2012. At present Mr. Amin acts as member of SREDA (Sustainable & Renewable Energy Development Authority), which works for the promotion and development of sustainable energy, comparison of renewable energy, energy efficiency and energy conversion. He is also a member of Procurement Review Committee of Ashuganj Power Station Company Ltd. Soon after completion of his study, he joined in the BCS Cadre of Roads and Highway in 1989, by the virtue of his merit and caliber. He served in Roads and Highway for quite a long period as Assistant Engineer Sylhet Division, Sub Divisional Engineer Sylhet Mymensingh & Dhaka, Executive Engineer Barishal Division and many other significant key positions where he had proved his excellence. In the succeeding years, his career track clocked respectable growth. Later Mr. Amin was moved to Power Division and promoted as Deputy Secretary. After couple of years, he reassigned to PSCDP of Power Division as Deputy Project Director (Technical). Mr. Amin, who was awarded Abul Kashem Award in 2008, also pursued his M.Sc in Engineering Management from Brunei University, West London, UK. He has been a part of a good number of local and foreign training which encompasses Purchase & Supply Chain Management, Performance Management, Bangladesh Solar Powered Irrigation Pump & Solar Home System, and Operation & Maintenance of Construction Machinery and so on.

Mr. Amin completed his graduation from Mechanical Engineering of Bangladesh University of Engineering and Technology in 1988.

Mr. S.M Tarikul Islam, Director, APSCL

Mr. S.M.Tarikul Islam joined as a Director of the Board of APSCL in 2015. Currently, Mr. Islam is the Director of Prime Minister's Office. He completed his graduation from Rajshahi University in 1994 and joined the Administration Cadre of Bangladesh Civil Services. Mr. Islam started his career as an Assistant Magistrate. Later on, he was also Senior Assistant Magistrate, Deputy Collector, UNO, Senior Assistant Secretary. As a part of his service, Mr. Islam took part in various training such as Law and Administration Course at BCS Administration Academy, Foundation Training Course at BPATC, Survey and Settlement Training and so on.

Mr. Kamal Ahmed, Director, APSCL

Mr. Kamal Ahmed joined as a Director of the Board of APSCL in 2014. Born in 1951, Mr. Ahmed completed his graduation from Dhaka College in 1972. After completing his study, Mr. Ahmed engaged himself in the trade of frozen sea foods in 1975. He is former president of Seafood Export Agents Association of Bangladesh. Mr. Ahmed is engaged in various social activities. He is member of Red Crescent Society, Uttara Club and Dhanmondi Club. Mr. Ahmed is also a member of Bangladesh Awami League. At present he is the President of Bangladesh Awami League, Dhanmondi since 1999.

Mr. Md. Abu Alam Chowdhury, Director, APSCL

Mr. Abu Alam Chowdhury was born on 30 September, 1948. He has done Masters in Political Science from the University of Chittagong. He joined as the director of Ashuganj Power Station Company Ltd. in March 2016. He is also the director of Power Grid Company Bangladesh Ltd., the sole power transmission company of Bangladesh.

After completing his education he has initiated business career in media sector. Gradually he expanded his business in Sea Food Processing and Handicraft homtex sub-sector, where he is still flourishing. It may be mentioned here that for the diversification of export item and also for highest volume of export, he is awarded National Export Gold Trophy for record 11 times.

His multi-dimensional contribution for the Trade and Industry is remarkable as he is the main formulator of first export policy of Bangladesh and easy reimbursement of claim from ECG scheme etc. He was President of Bangla Craft and founder President of Bangladesh Craft & Giftware Association. Mr. Chowdhury served as Vice President of FBCCI and Director for 8 terms covering 16 years in Apex body of FBCCI. He was Vice President of Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) 2008-2010. He is founder member of the Daily Financial Express, member of International Chamber of Commerce (ICC) Bangladesh, Former EC member of SAARC Chamber of Commerce & Industry etc. For long time he is recognized as CIP (Export) by the Bangladesh Government.

Md. Azharul Islam, Director, APSCL

Md. Azharul Islam, Member (Planning and Development) of Bangladesh Power Development Board (BPDB) was born in Pabna on 31 January 1961. He is the 63th Member (Planning and Development) of BPDB. He joined in APSCL as Director on 19 January, 2017.

Before joining as Member of BPDB Mr. Azhar served as the Chief Engineer, Distribution Southern Zone Chittagong and PD (Chief Engineer) Shahjibazar 330 MW Combined Cycle Power Plant Project. He obtained BSc. Engineering degree from Bangladesh University of Engineering and Technology (BUET) in Electrical Electronics Engineering in 1982. He joined Engineering Academy, Kaptai of WAPDA as an Assistant Engineer in 13 April, 1983. In his long illustrious career in BPDB, Mr. Azhar successfully performed his duties as Assistant Engineer (AE), Sub-divisional Engineer (SDE), Executive Engineer (XEN), Superintendent Engineer (SE) and Chief Engineer (CE).

Md. Azharul Islam took part in many training Courses in Bangladesh and overseas on administration, HRD, organization & method and various technical subjects. A renowned organizer Mr. Azharul Islam visited China, Australia, Germany, Singapore, Indonesia, Turkey, United Kingdom etc. countries for training & professional purposes. He is a fellow of the Institution of Engineers, Bangladesh.

Md Abul Monsur, Director, APSCL

Md Abul Monsur Joined Ashuganj Power Station Company Ltd (APSCL) as Director in 2019. He is also a member of the Audit committee of this board. Currently, Mr Md. Abul Monsur is working as Additional Secretary in Energy and Mineral Resources Division under Ministry of Power, Energy and Mineral Resources. Prior to this position he worked as Secretary in Bangladesh Services Limited, (Owning Company of InterContinental Dhaka) a Public Limited Company, under Ministry of Civil Aviation and Tourism. Mr Monsur joined in Bangladesh Civil Service (Administration) Cadre as an Assistant Commissioner in 1991 in Barisal District. He discharged his responsibilities as Magistrate, UNO, Additional Deputy Commissioner in field administration and as Senior Assistant Secretary, Deputy Secretary Bangladesh Secretariat in Bangladesh Secretariat. He worked in Ministry of Housing and Public Works, the then Privatization Commission, Statistics Division and Ministry of Public Administration. He also worked in Department of Environment as Director.

Mr. Md. Abul Monsur did his Bachelor of Science (Honours) degree in Agriculture from Bangladesh Agricultural University (BAU). He did Master degree in Public Administration (Policy) from the Flinders University of South Australia, Australia. He got various Professional training at home, namely, Foundation Course, Law and Administration Course, Orientation Course at Bangladesh Military Academy, Treasury training, Land Records and Survey, Computer Basic Skill training, Land Survey and Management and Performance Based Evaluation System Training.

He also participated in a number of foreign training which include Human Resources Management and Economic Development, Administering Environment and Development in the 21st Century's information Era, Education for Sustainable Development in Higher Education and Training Programme for Tourism Leaders of Korea's Fellow Countries. Moreover, he participated in number of national and international Conferences, Govt. programmes on behalf of the Government of Bangladesh.

During his long carrier he visited different countries, namely, India, Nepal, Malaysia, Singapore, China, Thailand, KSA, South Korea, UK and Australia for attending Training, Seminar, Negotiation, Policy, Issues and programmes.

Mr. Sayeed Ahmed, Director, APSCL

Mr. Sayeed Ahmed, Member (Generation) of Bangladesh Power Development Board (BPDB) was born in Rangpur on 01 February 1961. Before joining as Member of BPDB, Mr. Sayeed served as the Chief Engineer (Generation). He joined in APSCL as Board of Directors on 26 December 2017.

Mr. Sayeed did his S.S.C from Rangpur Zilla School in 1975 and H.S.C from Rangpur Carmichael College in 1977 with achievement. He obtained B.Sc. Engineering from Bangladesh University of Engineering and Technology (BUET) in Electrical & Electronics Engineering in 1982. He joined in Bangladesh Power Development Board (BPDB) as Assistant Engineer on 10 January 1984.

Afterwards, he served in Barapukuria Coal Power Plant Project (2001-2004) and Barapukuria Power Plant (2005-2007). In addition, he served as Director in Power Cell (2008-2013), Director System Planning (2014-2015) and Chief Engineer (Private Generation) in 2016.

Md. Sayeed Ahmed visited China, India, Thailand, Singapore, Nepal, Bhutan, USA, France and Sri Lanka for training & professional purposes.

Mrs. Tahmina Yeasmin, Director, APSCL

Mrs. Tahmina Yeasmin, Deputy Secretary of Power Division, joined Ashuganj Power Station Company Ltd. (APSCL) as Director in December, 2017. She is also a member of Recruitment and Promotion Committee of the Company. As BCS administration cadre, prior to her present position in Power Division, she worked in Cabinet Division, Ministry of Land, Ministry of Establishment of Bangladesh Government as Senior Assistant Secretary and Assistant Secretary. Mrs. Yeasmin completed her post-graduation on Geography (Planning) from Jahangirnagar University in 1994. Later, she completed MPhil on Geography (Rural Housing) from Dhaka University in 2007. In addition, she completed post graduate diploma in Information Technology and Economics & Project Planning from National Academy for Planning and Development, Dhaka. She attended a good number of local and foreign training on good governance, social protection, ICT, land administration, population science, law & administration and so on. She visited Japan, China, Nepal and many other countries for training and professional assignment.

Engr. AMM Sazzadur Rahman, Director and Managing Director, APSCL

Engr. AMM. Sazzadur Rahman has been the Managing Director of APSCL since February 2016. Prior to this, Mr. Rahman served as Executive Director (Engineering), DGM (Electrical Maintenance) & PD (450MW CCPP) for about one year. He started his career as Assistant Engineer (Trainer) at Power Distribution Training Center of BPDB in 1983. Mr. Rahman, a Fellow of the IEB, then moved to Power Plant Training Center of Ashuganj Power Plant Complex in 1988. He excelled in the field of Procurement, Auto Control, Generator and Switch Gear & Protection in the following year. In his thirty years of widespread and multifaceted career Mr. Rahman, a student of Electrical & Electronic Engineering, was responsible for overseeing the overall electrical maintenance and protection, electrical system studies & relay coordination, troubleshooting of substation, boiler & turbine control system, generator control system, process control system and so on. He was an integral part of the team who repair self-auxiliary transformer for Unit-2 and install & commission the 200MVA, 230/15.75 kV step up transformers for Unit-3. Mr. Rahman actively participate in post overhauling testing, commissioning & performance acceptance activities of Unit-3 & 5 and in overhauling testing & commissioning of Unit-4. He played a vital role in the inception period of APSCL large Combined Cycle Power Plant projects. He worked as Project Director of those three projects during Feasibility Study, Bid Document Preparation, Bid Evaluation and Contract Signing stage. Born in 1960, Mr Rahman, authored of article "Turbo-Generator Protection" attended various training, inspection, factory testing, seminars & symposiums in home and abroad with a view to sharpening his professional wisdom.

h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

As the company is fully owned by government organizations, all loans are guaranteed by the Government of Bangladesh. Hence, there is no default on any loan, and there is no chance of the company becoming a loan defaulter in the future.

- i) **Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:**

| Name | Position | Educational Qualification | Age | Experience in company | Date of joining the Company | Overall Experience in years | Previous Employment | Salary Paid during 2016-2017 (BDT) |
|-------------------------------|--|---|-------------------------------------|-----------------------|-----------------------------|-------------------------------------|---------------------------------------|------------------------------------|
| A M M Sazzadur Rahman | Managing Director | B.Sc.(Eng) (Electrical & Electronic) | 56 years, 11 months, 18 days | 10 years 4 months | 1/2/08 | 30 years, 2 months, 6 days | BPDB | 34,44,000 |
| Ajit Kumar Sarker | Executive Director (P & P) | B.Sc.(Eng) (Mechanical) | 57 years, 6 months, 6 days | 10 years 4 months | 1/2/08 | 31 years, 6 months, 6 days | BPDB | 29,28,000 |
| A.K.M. Yaqub | Executive Director (Engineering) | B.Sc.(Eng) (Electrical & Electronic) | 58 years, 7 months, 15 days | 10 years 4 months | 1/2/08 | 33 years, 9 months, 6 days | BPDB | 29,28,000 |
| Mohammed Mahfuzul Haque | Executive Director (Finance) | M.Com (Management), FCMA | 63 years, 2 months, 4 days | 1 year 4 months | 5/2/17 | 37 years, 11 months, 1 days | United Group | - |
| Md. Abdus Samad | Project Director (CE) | B.Sc.(Eng) (Mechanical), MBA (HRM) | 56 years, 3 months, 17 days | 10 years 4 months | 1/2/08 | 31 years, 6 months, 17 days | BPDB | 25,74,600 |
| Kshitish Chandra Biswas | Project Director (CE) | B.Sc.(Eng) Mechanical Eng. | 57 years, 8 months, 16 days | 10 years 4 months | 1/2/08 | 29 years, 7 months, 2 weeks, 6 days | BPDB | 25,74,600 |
| Eng. Md. Shah Alam Khan, PEng | Superintending Engineer (Mechanical Maintenance) Chief Engineer, Additional Charge | B.Sc.(Eng) Mechanical Eng. | 55 years, 7 months, 2 weeks, 3 days | 10 years 4 months | 1/2/08 | 28 years, 8 months, 2 weeks, 4 days | BPDB | 23,68,800 |
| Bikash Ranjan Roy | Superintending Engineer (Electrical Maintenance) | B.Sc.(Eng) Electrical & Electronic Eng. | 52 years, 9 months, 2 weeks, 4 days | 10 years 4 months | 1/2/08 | 24 years, 9 months, 2 weeks, 4 days | BPDB | 22,72,800 |
| Mohd. Abdul Mazid | Superintending Engineer (Planning & Development) | B.Sc.(Eng) Mechanical Eng. | 49 years, 9 months, 17 days | 10 years 4 months | 1/2/08 | 21 years, 2 months, 18 days | BPDB | 22,72,800 |
| Noor Mohammad | Superintending Engineer (Operation) | B.Sc.(Eng) (Electrical & Electronic) | 43 years, 5 months, 4 days | 13 years, 9 months | 11/9/04 | 18 years, 11 months, 17 days | Bangladesh Erectors Ltd | 22,76,400 |
| Ratan Kumar Paul | Deputy General Manager (Finance & Accounts) | M.Com (Accounting) | 52 years, 11 months, 4 weeks | 10 years 4 months | 1/2/08 | 24 years, 9 months, 2 weeks, 4 days | BPDB | 22,78,800 |
| Mohammad Abul Mansur | Company Secretary | M.Com (Management), CMA, CS | 41 years, 1 month, 2 weeks, 4 days | 2 years 6 months | 13-12-2015 | 12 years, 6 months, 2 weeks, 1 day | Power Grid Company Of Bangladesh Ltd. | 20,91,000 |

| Name | Position | Educational Qualification | Age | Experience in company | Date of joining the Company | Overall Experience in years | Previous Employment | Salary Paid during 2016-2017 (BDT) |
|------------------------|---|--|--------------------------------------|-----------------------|-----------------------------|--------------------------------------|--|------------------------------------|
| Shamim Ahmed | Executive Engineer (Human Resource Development) | B.Sc.(Eng) Electrical & Electronic Eng. | 56 years, 5 months, 1 week, 4 days | 10 years 4 months | 1/2/08 | 29 years, 7 months, 1 week, 4 days | BPDB | 22,72,800 |
| Muhammad Amanat Mowla | Manager (MIS & ICT) | B.Sc.(Eng) (ECE) MBA (Finance & Banking) | 45 years, 2 months, 1 week, 6 days | 11 years 11 months | 1/7/06 | 18 years, 8 months, 3 days | National Life Insurance Company Ltd. | 22,49,500 |
| Mohammad Anamul Haque | Manager (Human Resource Management) | M.Com (Management) | 39 years, 10 months, 2 weeks, 3 days | 5 years 1 month | 26-05-2013 | 15 years, 11 months, 2 weeks, 3 days | ICDDR'B | 21,14,500 |
| Md. Atiqur Rahman | Manager (Health Safety & Environment) | M.Sc. (Environmental Science) | 32 years, 9 months, 2 weeks, 3 days | 4 years 10 months | 17-08-2013 | 12 years, 1 month, 2 weeks, 3 days | Tuv Rheinland Bangladesh Pvt. Ltd. | 20,96,400 |
| Md. Rafiqud-daulla | Manager (Procurement) | M.Sc. (Agronomy) MBA (HRM) | 46 years, 2 months, 5 days | 12 years 5 months | 8/1/06 | 17 years, 1 month, 2 weeks, 2 days | RDRS Bangladesh | 21,04,800 |
| Md. Kamruzzaman Bhuyan | Project Director, Additional Charge | B.Sc. (Eng) Electrical & Electronic Eng. | 38 years, 9 months, 2 weeks, 3 days | 10 years 6 months | 9/1/08 | 9 years, 9 months, 1 week, 2 days | BPDB | 21,68,400 |
| Md. Ohidul Islam | Manager (Accounts) 400 MW CAPP (East), | MBA (Accounting) | 39 years, 3 months, 1 week | 1 year 4 months | 15-02-2017 | 12 years, 1 month, 8 days | BEIOA Light Engineering Training Institute | - |
| A.K.M. Taufiqur Rahman | Deputy Manager (Security & Discipline) | Masters (Botany) | 37 years, 9 months, 2 weeks, 3 days | 5 years 2 months | 24-04-2013 | 9 years, 3 months, 3 days | Bangladesh Chemical Industries Corporation | 16,13,100 |

Apart from this, no other director including Chairman, or any shareholder of the Company, do not receive any monthly Salary from the Company.

- j) **Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed:**

| Sl. | Name | Designation | Department | Remarks | Date |
|-----|------------------------|----------------------------------|---------------------|-------------------|------------|
| 1 | Md. Nurul Alam | Managing Director | | Released | 4/5/2015 |
| 2 | Md. Sharafat Ali | Executive Director (Finance) | Finance | Released | 2/1/2017 |
| 3 | A M M Sazzadur Rahman | Executive Director (Engineering) | | New Position | 10/8/2011 |
| | | Managing Director | | Additional Charge | 4/5/2015 |
| | | Managing Director | | Full Charge | 22/02/2016 |
| 4 | Md. Zainal Abedin Khan | Executive Director (P & P) | Planning & Projects | Retired | 21/11/2015 |

- k) **A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position:**

The sponsors of the Issuer are all government owned entities:

| SL. | Name | Father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position |
|-----|---|--|
| 1 | Bangladesh Power Development Board (BPDB) | N/A |
| 2 | Power Division, GOB | N/A |
| 3 | Energy & Mineral Resources Division, GOB | N/A |
| 4 | Finance Division, GOB | N/A |
| 5 | Planning Division, GOB | N/A |

No individual owns any shares of the company.

- l) **If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing information memorandum details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.:**

The present directors are the sponsors of the Company as the institution is owned by government bodies such as BPDB for which the chairman changes as per government regulation and the representative directors are nominated from such organizations.

- m) **If the sponsors/directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed:**

The Sponsors/Directors of the Company have experience in the proposed line of business.

- n) **Interest of the key management persons:**

There is no interest of the key management persons except salary paid to them as disclosed in sub-clause (i) of this section.

- o) **All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**

All Interest and facilities enjoyed by the directors, whether pecuniary or non-pecuniary for the year ended 30 June 2017 are as follows:

| Name of the director | Nature of Relationship | Nature of Facilities | BDT |
|---------------------------------|------------------------|----------------------|-----------|
| Khaled Mahmood | Chairman | Board Attendance Fee | 1,81,335 |
| Professor Dr. Md. Quamrul Ahsan | Director | Board Attendance Fee | 1,81,335 |
| Professor Mamtaz Uddin Ahmed | Director | Board Attendance Fee | 1,65,335 |
| Sheikh Faezul Amin | Director | Board Attendance Fee | 1,81,335 |
| S.M. Tarikul Islam | Director | Board Attendance Fee | 1,65,335 |
| Kamal Ahmed | Director | Board Attendance Fee | 1,81,335 |
| Md. Abu Alam Chowdhury | Director | Board Attendance Fee | 1,65,335 |
| Md. Azharul Islam | Director | Board Attendance Fee | 96,000 |
| Md. Abul Monsur | Director | Board Attendance Fee | - |
| Sayeed Ahmed | Director | Board Attendance Fee | - |
| Tahmina Yeasmin | Director | Board Attendance Fee | - |
| A M M Sazzadur Rahman | Managing Director | Remuneration | 34,44,000 |

p) Number of shares held and percentage of share holding (pre issue):

| Sl. | Name of Shareholder | Number of Shares Held (at BDT 100 each) | Shareholding Percentage |
|-----|------------------------------------|---|-------------------------|
| 1 | BPDB | 66,147,098 | 99.996% |
| 2 | Power Division | 1900 | 0.003% |
| 3 | Energy & Mineral Resource Division | 1 | 0.000% |
| 4 | Finance Division | 1000 | 0.002% |
| 5 | Planning Division | 1 | 0.000% |
| | Total | 66,150,000 | 100% |

q) Change in board of directors during last three years:

| SL. No. | Name | Designation | Joining | Re-elect | Retirement/ Death |
|---------|--|-------------|------------|------------|------------------------------|
| i) | Dr. Ahmad Kaikaus Secretary, Power Division, MPEMR | Chairman | 1/11/2015 | - | 26.12.2017 |
| ii) | Mr. Md. Anwar Hossain Additional Secretary Power Division | Chairman | - | - | 01.11.2015 |
| iii) | Mr. Md. Shahinul Islam Khan Chairman, BPDB | Director | 02.07.2014 | - | 27.07.2015 |
| iv) | Mr. ABM Mizanur Rahman Member (P&D), BPDB | Director | 10.02.2015 | - | 14.02.2016 |
| v) | Mr. Md. Shamsul Haque Director, FBCCI, Dhaka. | Director | - | - | 23.01.2016 (Died) |
| vi) | Mr. Khandker Maksudul Hassan Chairman, BPDB | Director | 29.09.2014 | 23.12.2015 | 14.02.2016 |
| vii) | Mr. Md Mukammel Hoque Deputy Secretary Energy & Mineral Resources Division | Director | 02.12.2014 | 21.12.2016 | 08.06.2017 |
| viii) | Mr. Khan Md. Nurul Amin Director, Prime Minister Office | Director | 01.01.2014 | - | 27.07.2015 |
| ix) | Mr. Sheikh Faezul Amin Joint Secretary, Power Division | Director | 09.09.2012 | 21.12.2016 | - |
| x) | Mr. Kamal Ahmed Managing Partner, BENFISH | Director | 13.08.2014 | 23.12.2015 | - |
| xi) | Mr. AMM Sazzadur Rahman Managing Director, APSCL | Director | 06.05.2015 | - | - |
| xii) | Mr. S.M. Tarikul Islam Director, Prime Minister's Office | Director | 27.07.2015 | - | - |
| xiii) | Mr. A. T. M. Zahirul Islam Majumder Member (P & D), BPDB | Director | 27.07.2015 | - | 14.02.2016 |
| xiv) | Mr. Md. Shamsul Hasan Miah Chairman, BPDB. | Director | 14.02.2016 | - | 31.08.2016 |
| xv) | Mr. Abul Baser Khan Member (Generation), BPDB | Director | 14.02.2016 | - | 26.12.2017 |

| SL. No. | Name | Designation | Joining | Re-elect | Retirement/ Death |
|---------|---|-------------|------------|----------|-------------------|
| xvi) | Mr. Khaled Mahmood Chairman, BPDB. | Director | 14.02.2016 | - | - |
| xvii) | Mr. Abu Alam Chowdhury Managing Director, CONEXPO | Director | 10.03.2016 | - | - |
| xviii) | Mr. Md. Anwarul Islam Member (Generation), BPDB. | Director | 21.09.2016 | - | 19.01.2017 |
| xix) | Mr. Md. Azharul Islam Member (P&D), BPDB | Director | 19.01.2017 | - | - |
| xx) | Mr. Ratan Chandra Pandit Joint Secretary Energy and mineral resources division | Director | 08.06.2017 | - | 10.01.2019 |
| xxi) | Md. Abul Monsur | Director | 10.01.2019 | | 10.01.2022 |
| xxii) | Mr. Sayeed Ahmed | Director | 26.12.2017 | - | - |
| xxiii) | Mrs Tahmina Yeasmin | Director | 26.12.2017 | - | - |

r) Director's engagement with similar business:

| Sl. No. | Name of the Director engaged with similar business | Business |
|---------|--|---|
| 1. | Khaled Mahmood | Chairman, BPDB |
| 2. | Sheikh Faezul Amin | Joint Secretary, Power Division |
| 3. | S.M. Tarikul Islam | Director, Prime Minister's Office |
| 4. | Md. Abu Alam Chowdhury | Director, Power Grid Company Bangladesh Ltd |
| 5. | Md. Azharul Islam | Member (Planning and Development), BPDB |
| 6. | AMM Sazzadur Rahman | Director , United Ashuganj Energy Limited |

SECTION IX:

Certain Relationships
and Related
Transactions:

- a) **A description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:-**
- (i) Any director or sponsor or executive officer of the issuer;
 - (ii) Any person holding 5% or more of the outstanding shares of the issuer;
 - (iii) Any related party or connected person of any of the above persons;

Ashuganj Power Station Company Limited Statement of Related Party Transaction

This is to certify that as per audited financial statements of Ashuganj Power Station Company Limited (APSCL), transaction between APSCL and its related party during the period ended 30 June 2013 to 30 June 2017 are as follows:

| Related party balances as at: | | 30 June 2017 | 30 June 2016 | 30 June 2015 | 30 June 2014 | 30 June 2013 |
|--|------------------------|---|----------------------|-----------------------|----------------------|----------------------|
| Name of the related party | Nature of relationship | BDT | BDT | BDT | BDT | BDT |
| Bangladesh Power Development Board (BPD) | Majority shareholder | (A) Accounts receivable: | | | | |
| | | Opening balance | 2,882,317,011 | 2,771,527,966 | 2,268,405,064 | 4,754,366,967 |
| | | Addition during the year : | | | | |
| | | Sales | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 |
| | | Other adjustment | - | - | - | 47,517,729 |
| | | Adjustment for debt service liability (DSL) | - | 66,655,400 | - | 68,227,203 |
| | | Payment/adjustment made during the year : | | | | |
| | | Fuel cost paid by BPD (receivable) | (3,634,775,138) | (3,006,020,018) | (3,296,120,153) | (4,306,113,836) |
| | | Cash collection | (10,709,171,994) | (5,304,081,103) | (3,215,276,776) | (5,207,785,478) |
| | | Uncollectable receivable written-off | - | (58,829,480) | (58,829,481) | (58,829,481) |
| | | Debt service liability (DSL) | (348,965,246) | - | (21,353,328) | - |
| | | Closing balance | 3,851,435,686 | 2,882,317,011 | 2,771,527,966 | 2,268,405,064 |
| | | (B) Others receivable: | | | | |
| | | Opening balance | - | - | - | - |
| | | Add: Operational insurance premium | 141,918,893 | - | - | - |
| | | Closing balance | 141,918,893 | - | - | - |
| | | (C) Loan from BPD | | | | |
| | | Opening balance: | 3,280,000,000 | - | - | - |
| | | Addition during the year | 2,261,600,000 | 32,800,000,000 | - | - |
| | | Payment made during the year | (800,000,000) | - | - | - |
| | | Closing balance | 4,741,600,000 | 32,800,000,000 | - | - |
| | | (D) Interest on BPD loan | | | | |
| | | Opening balance | - | - | - | - |
| | | Add: Accrued during the year | 122,293,151 | - | - | - |
| | | Closing balance | 122,293,151 | - | - | - |
| | | (E) Dividend | | | | |
| | | Opening balance | - | - | - | 33,073,549 |
| | | Add: Dividend declared | 99,220,647 | 33,073,549 | 33,073,549 | 33,073,549 |
| | | Less: Paid during the year | (99,220,647) | (33,073,549) | (33,073,549) | (66,147,098) |
| | | Closing balance | - | - | - | 33,073,549 |



Dhaka, Bangladesh
Dated, 29 January, 2018

Sd/-
S.F. Ahmed & CO
Chartered Accountants

- b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the information memorandum:**

There were no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the information memorandum.

- c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the information memorandum, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan:**

There were no loans either taken or given from or to any director or any person connected with the director. Also, there were no loans which have been taken from any such person who did not have any stake in the issuer, its holding company or any of its associates.

SECTION X:

Executive Compensation:

a) The total amount of remuneration/salary/perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

The total amount of remuneration/salary/prerequisites paid to the top five salaried officers of the issuer in the last accounting year is as follows:

| Sl. No | Name | Designation | July 2016-June 2017 (BDT) |
|--------|-------------------------|----------------------------------|---------------------------|
| 1. | A M M Sazzadur Rahman | Managing Director | 33,60,000 |
| 2. | Ajit Kumar Sarker | Executive Director (P & P) | 30,47,800 |
| 3. | A.K.M. Yaqub | Executive Director (Engineering) | 29,38,800 |
| 4. | Mohammed Mahfuzul Haque | Executive Director (Finance) | 11,42,500 |
| 5. | Kshitish Chandra Biswas | Project Director (CE) | 25,80,700 |
| 5. | Md. Abdus Samad | Project Director (CE) | 25,80,700 |

b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:

| Particulars | Nature of Payment | July 2016-June 2017 BDT |
|-------------|-------------------------------|-------------------------|
| Amount Paid | Salary/Remuneration and Bonus | 469,760,017 |

c) If any shareholder director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year:

The Shareholders and Directors do not receive any such salary/perquisite/benefit.

d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM:

For the financial year 2017

| Name of the Director | Position in the Issuer Company | Amount (BDT) |
|------------------------------|--------------------------------|--------------|
| Dr. Ahmad Kaikaus | Chairman | 304,002 |
| Khaled Mahmood | Director | 314,669 |
| Prof. Dr. Md. Quamrul Ahsan | Director | 538,669 |
| Professor Mamtaz Uddin Ahmed | Director | 437,335 |
| Sheikh Faezul Amin | Director | 506,669 |
| S.M. Tarikul Islam | Director | 309,335 |
| Kamal Ahmed | Director | 293,335 |
| Abul Baser Khan | Director | 538,669 |
| Md. Abu Alam Chowdhury | Director | 512,002 |
| Md. Azharul Islam | Director | 144,000 |
| Ratan Chandra Pandit | Director | 32,000 |
| AMM Sazzadur Rahman | Managing Director | - |

The Managing Director does not receive board meeting attendance fees. The board of directors receives BDT 12,000 (net of Vat & Tax) per meeting as attendance fees as per 218th board meeting dated September 21, 2018

e) Any contract with any director or officer providing for the payment of future compensation:

The Company has no contract with any Director or Officer for providing the payment of future compensation.

f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:

The Issuer has no such intention to substantially increase in the pay structure of the directors and officers in the current year. However, the company provides annual increment to the employees considering company's profitability, its business growth potential, rate of inflation, and performance of the individuals.

g) Any other benefit/facility provided to the above persons during the last accounting year:

No directors and officers of the Company received any other benefit/facility in the last accounting year except which is disclosed above.

SECTION XI:

Options granted to Directors, Officers and Employees:

(1) The following information in respect of any option held by each director, the salaried officers, and all other officers as a group, namely: -

- i. The date on which the option was granted;
- ii. The exercise price of the option;
- iii. The number of shares or stock covered by the option;
- iv. The market price of the shares or stock on the date the option was granted;
- v. The expiration date of the option;
- vi. Consideration against the option.

The Company did not grant any options to its directors, officers and other employees.

(2) If such options are held by any person other than the directors, and the officers of the issuer company, the following information shall be given in the Information Memorandum, namely:-

- i. The total number of shares or stock covered by all such outstanding options;
- ii. The range of exercise prices;
- iii. The range of expiration dates;
- iv. Justification and consideration of granting such option.

As the Company did not grant any options to its directors, officers and other employees so the above required information is not applicable

SECTION XII:

Transaction with
the Directors and
Subscribers to the
Memorandum:

- a) **The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received:**

The Directors and Subscribers to the Memorandum have not received any benefit except the following:

| Name of the directors and subscribers | Nature of Relationship | Nature of Transaction | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
|---------------------------------------|------------------------------|-----------------------|-------------|-------------|-------------|-------------|--------------|
| Bangladesh Power Development Board | Subscriber to the Memorandum | Dividend (Cash) | 3,30,75,000 | 3,30,73,549 | 3,30,73,549 | 9,92,20,647 | 16,53,67,745 |
| Power Division | Subscriber to the Memorandum | Dividend (Cash) | - | - | - | - | - |
| Energy & Mineral Resources Division | Subscriber to the Memorandum | Dividend (Cash) | - | - | - | - | - |
| Planning Division | Subscriber to the Memorandum | Dividend (Cash) | - | - | - | - | - |
| Finance Division | Subscriber to the Memorandum | Dividend (Cash) | - | - | - | - | - |
| Khaled Mahmood | Director | Board Attendance Fee | - | - | - | 64,002 | 1,81,335 |
| Professor Dr. Md. Quamrul Ahsan | Director | Board Attendance Fee | 1,15,000 | 74,750 | 1,03,500 | 1,23,169 | 1,81,335 |
| Professor Mamtaz Uddin Ahmed | Director | Board Attendance Fee | 1,15,000 | 74,750 | 97,750 | 1,35,669 | 1,65,335 |
| Sheikh Faezul Amin | Director | Board Attendance Fee | 86,250 | 46,000 | 1,03,500 | 1,17,919 | 1,81,335 |
| S.M. Tarikul Islam | Director | Board Attendance Fee | - | - | - | 1,29,419 | 1,65,335 |
| Kamal Ahmed | Director | Board Attendance Fee | - | - | 80,500 | 1,40,086 | 1,81,335 |
| Md. Abu Alam Chowdhury | Director | Board Attendance Fee | - | - | - | 53,335 | 1,65,335 |
| Md. Azharul Islam | Director | Board Attendance Fee | - | - | - | - | 96,000 |
| Ratan Chandra Pandit | Director | Board Attendance Fee | - | - | - | - | 32,000 |
| Md. Abul Monsur | Director | Board Attendance Fee | - | - | - | - | - |
| Sayeed Ahmed | Director | Board Attendance Fee | - | - | - | - | - |
| Tahmina Yeasmin | Director | Board Attendance Fee | - | - | - | - | - |
| A M M Sazzadur Rahman | Managing Director | Remuneration | - | - | - | - | 33,60,000 |

The issuer has neither received nor will receive any assets, services or other consideration from its Directors and Subscribers to the Memorandum except fund against allotment of shares.

- b) **If any assets were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the information memorandum, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them:**

No assets have been acquired or to be acquired from the Directors and Subscribers to the Memorandum within last five years.

SECTION XIII:

Ownership of the Company's Securities

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form:

The shareholding position of the Company as on the Information memorandum publication date is as under:

| Sl. | Name of the shareholders | Address | BO ID number | Number of shares subscribed | % of shareholding |
|--------------|---|---------------------------|--------------|-----------------------------|-------------------|
| 1 | Chairman, BPDB | WAPDA Building, Motijheel | N/A | 66,147,096 | 99.996% |
| 2 | Member (Generation), BPDB | WAPDA Building, Motijheel | N/A | 1 | 0.000% |
| 3 | Member (P&D), BPDB | WAPDA Building, Motijheel | N/A | 1 | 0.000% |
| 4 | Secretary, Power Division | Bangladesh Secretariat | N/A | 1,900 | 0.003% |
| 5 | Secretary, Energy & Mineral Resource Division | Bangladesh Secretariat | N/A | 1 | 0.000% |
| 6 | Secretary, Finance Division | Bangladesh Secretariat | N/A | 1,000 | 0.002% |
| 7 | Secretary, Planning Division | Planning Commission | N/A | 1 | 0.000% |
| Total | | | | | 100% |

b) Name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

| Name, Address, Age, Experience | BO ID Number | TIN NO. | Number of shares held including percentage | Position held in other company |
|--|--------------|--------------|--|--|
| Name: Khaled Mahmood Address: WAPDA Building, Dhaka Age: 59 Experience: 37 years | - | - | - | 1. Director, Power Grid Company of Bangladesh Ltd 2. Director, North West Power Generation Company Ltd. 3. Director, Electricity Generation Company Bangladesh Ltd. 4. Director, Coal Power Generation Company Bangladesh Ltd 5. Director United Ashuganj Energy Ltd. 6. Director, Bangladesh-China Power Company Ltd. 7. Director, Bangladesh India Friendship Power Company Ltd. 8. Director, Roppur Nuclear Power Plant Company 9. Director, Bakhraabad Gas Distribution Company Ltd 10. Director, Titas Gas Transmission & Distribution Company Ltd |
| Name: Professor Dr. Md. Quamrul Ahsan Address: BUET Teachers' Quarter, Dhaka Age: 67 Experience: 40 years | - | 433496282541 | - | N/A |
| Name: Professor Mamtaz Uddin Ahmed Address: 37/F North Folar Road, University Res. Area, Dhaka Age: 60 Experience: 33 years | - | - | - | Director, Chittagong Stock Exchange |
| Name: Sheikh Faezul Amin Address: Bangladesh Secretariat Age: 53 Experience: 26 years | - | 117459629100 | - | Member, SREDA |

| Name, Address, Age, Experience | BO ID Number | TIN NO. | Number of shares held including percentage | Position held in other company |
|---|--------------|--------------|--|--|
| Name: S.M. Tarikul Islam Address: Prime Minister's Office Age: 46 Experience: 17 years | - | 831603622196 | - | Director, Bakhraabad Gas Distribution Company Ltd |
| Name: Kamal Ahmed Address: Managing Director, Benfish Age: 67 Experience: 39 years | - | - | - | N/A |
| Name: Md. Abu Alam Chowdhury Age: 69 Experience: 40 years | - | - | - | Director, Power Grid Company of Bangladesh Ltd |
| Name: Md. Azharul Islam Address: WAPDA Building, Dhaka Age: 57 Experience: 34 years | - | 332054474429 | - | 1. Director, West Zone Power Distribution Company Ltd. 2. Director, Bangladesh Institute of Management (BIM). 3. Director, BPDB-RPCL Power Generation Ltd. |
| Name: Md. Abul Monsur Address: Bangladesh Secretariat Age: 54 Experience: 26 years | - | - | - | 1. Chairman, Board of Directors, Standard Asiatic Company Ltd; 2. Director, BoD, Gas Transmission Company Ltd 3. Director, BoD, Bangladesh Services Ltd |
| Name: Sayeed Ahmed Address: 8/18, Sir Syed Road, Mohammadpur, Dhaka-1207 Age: 59 years Experience: 36 years | - | - | - | 1. Director, Electricity Generation Company Bangladesh Ltd. 2. Director, BR Powergen Ltd. |
| Name: Tahmina Yeasmin Address: House# 98/D (2nd Floor), Azimpur Govt. Officers' Quarter, Azimpur, Dhaka Age: 49 years Experience: 22 years | - | - | - | N/A |
| Name: AMM Sazzadur Rahman Age: 57 Experience: 34 years | - | 621280160134 | - | Director, United Ashuganj Energy Ltd. |

Note: As all shares of the company are held by the government bodies and all the directors are nominated as representatives, and as the company is issuing bonds and not shares, the BO ID numbers are not provided

c) The average cost of acquisition of equity shares by the directors certified by the auditors:

THE AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY THE DIRECTORS

This is to certify that the average cost of acquisition of each equity share of Ashuganj Power Station Company Limited (APSCL) held by the directors of APSCL is BDT 100 as evidenced from the books of account as well as annual return filed with the Registrar of Joint Stock Companies and Firms. However, all the directors are nominee-directors and/or representatives of Bangladesh Power Development Board and various Ministries of Government of Bangladesh.

Dhaka, Bangladesh
Dated, January 25, 2018

Sd/-
S.F. Ahmed & CO
Chartered Accountants

- d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors. In this connection, a statement to be included:-

Bangladesh Power Development Board

| Date of Allotment | Consideration | Nature of Issue | No of Equity Shares | Face Value | Issue Price/ Acquisition Price/ Transfer Price | Cumulative no. of Equity shares | % pre-issue paid up capital | % post issue paid up capital | Source of fund |
|-------------------|-----------------|-----------------|---------------------|------------|--|---------------------------------|-----------------------------|------------------------------|--------------------|
| 4-Jun-00 | Other than Cash | Ordinary Shares | 10,000 | 100 | 100 | 10,000 | 99.996% | 99.996% | Transfer of Assets |
| 8-Jul-12 | Other than Cash | Ordinary Shares | 66,137,098 | 100 | 100 | 66,147,098 | | | |

Power Division - Government of Bangladesh

| Date of Allotment | Consideration | Nature of Issue | No of Equity Shares | Face Value | Issue Price/ Acquisition Price/ Transfer Price | Cumulative no. of Equity shares | % pre-issue paid up capital | % post issue paid up capital | Source of fund |
|-------------------|-----------------|-----------------|---------------------|------------|--|---------------------------------|-----------------------------|------------------------------|--------------------|
| 8-Jul-12 | Other than Cash | Ordinary Shares | 1,900 | 100 | 100 | 1,900 | 0.003% | 0.003% | Transfer of Assets |

Energy and Mineral Resources Division - Government of Bangladesh

| Date of Allotment | Consideration | Nature of Issue | No of Equity Shares | Face Value | Issue Price/ Acquisition Price/ Transfer Price | Cumulative no. of Equity shares | % pre-issue paid up capital | % post issue paid up capital | Source of fund |
|-------------------|-----------------|-----------------|---------------------|------------|--|---------------------------------|-----------------------------|------------------------------|--------------------|
| 8-Jul-12 | Other than Cash | Ordinary Shares | 1 | 100 | 100 | 1 | 0.000% | 0.000% | Transfer of Assets |

Finance Division, Ministry of Finance - Government of Bangladesh

| Date of Allotment | Consideration | Nature of Issue | No of Equity Shares | Face Value | Issue Price/ Acquisition Price/ Transfer Price | Cumulative no. of Equity shares | % pre-issue paid up capital | % post issue paid up capital | Source of fund |
|-------------------|-----------------|-----------------|---------------------|------------|--|---------------------------------|-----------------------------|------------------------------|--------------------|
| 8-Jul-12 | Other than Cash | Ordinary Shares | 1,000 | 100 | 100 | 1,000 | 0.002% | 0.002% | Transfer of Assets |

Planning Division - Government of Bangladesh

| Date of Allotment | Consideration | Nature of Issue | No of Equity Shares | Face Value | Issue Price/ Acquisition Price/ Transfer Price | Cumulative no. of Equity shares | % pre-issue paid up capital | % post issue paid up capital | Source of fund |
|-------------------|-----------------|-----------------|---------------------|------------|--|---------------------------------|-----------------------------|------------------------------|--------------------|
| 8-Jul-12 | Other than Cash | Ordinary Shares | 1 | 100 | 100 | 1 | 0.000% | 0.000% | Transfer of Assets |

As the Company is issuing Non Convertible, Fully Redeemable Bonds and not Ordinary Shares, there will be no change in the pre and post percentage of paid up capital of the sponsors.

e) Detail of shares issued by the company at a price lower than the issue price;

As the Company is issuing Non Convertible Coupon Bearing Bonds and not Ordinary Shares, there is no issue price. Also, all shares of the company till date have been issued at BDT 100 to the shareholders.

f) History of significant (5% or more) changes in ownership of securities from inception

99.996% of the shares of the company are owned by the Bangladesh Power Development Board. There has been no significant change in ownership of the securities from inception.

SECTION XIV:

Corporate Governance:

- a) **A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission:**

MANAGEMENT DISCLOSURE REGARDING COMPLIANCE WITH THE REQUIREMENTS OF CORPORATE GOVERNANCE CODE OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION

The Company declares that it is in compliance with the requirements of the applicable regulations of Corporate Governance Code of Bangladesh Securities and Exchange Commission in respect of corporate governance including constitution of the Board and committees thereof.

Sd/-
A M M Sazzadur Rahman
Managing Director

- b) **A compliance report of Corporate Governance requirements certified by competent authority:**

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Ashuganj Power Station Company Limited for the period from July 01, 2018 to April 30, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (c) The governance of the company is satisfactory.

Place: Dhaka
May 15, 2019

Sd/-
Md. Mumlook Hossain FCA
Partner

Mumlook Mustaque & Co.
Chartered Accountants

ASHUGANJ POWER STATION COMPANY LIMITED

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|-------------------------|--|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 1 | Board of Directors: - | | | |
| 1 (1) | Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty). | √ | - | |
| 1 (2) | Independent Directors: All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following: - | | | |
| 1 (2) (a) | At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s); | √ | - | |
| 1 (2) (b) | For the purpose of this clause "independent director" means a director- | | | |
| 1 (2) (b) (i) | who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company; | √ | - | |
| 1 (2) (b) (ii) | who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members; | √ | - | |
| 1 (2) (b) (iii) | who has not been an executive of the company in immediately preceding 2(two) financial years; | √ | - | |
| 1 (2) (b) (iv) | who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies; | √ | - | |
| 1 (2) (b) (v) | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange; | √ | - | |
| 1 (2) (b) (vi) | who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market | √ | - | |
| 1 (2) (b) (vii) | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code; | √ | - | |
| 1 (2) (b) (viii) | who is not an independent director in more than 5 (five) listed companies; | √ | - | |
| 1 (2) (b) (ix) | who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and | √ | - | |
| 1 (2) (b) (x) | who has not been convicted for a criminal offence involving moral turpitude; | √ | - | |
| 1 (2) (c) | The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM); | √ | - | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|-----------------|---|-------------------|--------------|----------------------------|
| | | Complied | Not Complied | |
| 1 (2) (d) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and | √ | - | |
| 1 (2) (e) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the #KvꞑúvbxAvBb, 1994 (1994 m#bi 18bs AvBb) Companies Act, 1994). | - | - | Not Applicable |
| 1 (3) | Qualification of Independent Director- | | | |
| 1 (3) (a) | Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business; | √ | - | |
| 1 (3) (b) | Independent director shall have following qualifications: | | | |
| 1 (3) (b) (i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or | √ | - | |
| 1 (3) (b) (ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or | √ | - | |
| 1 (3) (b) (iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or | √ | - | |
| 1 (3) (b) (iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or | √ | - | |
| 1 (3) (b) (v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | √ | - | |
| 1 (3) (c) | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | √ | - | |
| 1 (3) (d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission. | - | - | No such special case arose |
| 1 (4) | Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer. - | | | |
| 1 (4) (a) | The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals; | √ | - | |
| 1 (4) (b) | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company; | √ | - | |
| 1 (4) (c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company; | √ | - | |
| 1 (4) (d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer; | √ | - | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---------------|--|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 1 (4) (e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | √ | - | |
| 1 (5) | The Directors' Report to Shareholders: The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):- | | | |
| 1 (5) (i) | An industry outlook and possible future developments in the industry; | √ | - | |
| 1 (5) (ii) | The segment-wise or product-wise performance; | √ | - | |
| 1 (5) (iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | √ | - | |
| 1 (5) (iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | √ | - | |
| 1 (5) (v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | - | - | N/A |
| 1 (5) (vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions | √ | - | |
| 1 (5) (vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments | - | - | N/A |
| 1 (5) (viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | - | - | N/A |
| 1 (5) (ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements; | √ | - | |
| 1 (5) (x) | A statement of remuneration paid to the directors including independent directors; | - | - | N/A |
| 1 (5) (xi) | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity; | √ | - | |
| 1 (5) (xii) | A statement that proper books of account of the issuer company have been maintained | √ | - | |
| 1 (5) (xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment | √ | - | |
| 1 (5) (xiv) | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | √ | - | |
| 1 (5) (xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | √ | - | |
| 1 (5) (xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress; | - | - | N/A |
| 1 (5) (xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | √ | - | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|------------------|---|-------------------|--------------|------------------------------------|
| | | Complied | Not Complied | |
| 1 (5) (xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | - | - | N/A |
| 1 (5) (xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; | √ | - | |
| 1 (5) (xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | - | - | N/A |
| 1 (5) (xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | - | - | N/A |
| 1 (5) (xxii) | The total number of Board meetings held during the year and attendance by each director; | √ | - | |
| 1 (5)(xxiii) | A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: - | √ | - | |
| 1 (5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details); | √ | - | Bangladesh Power Development Board |
| 1(5) (xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details) | - | - | N/A |
| 1 (5) (xxiii)(c) | Executives; and | √ | - | |
| 1 (5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); | √ | - | |
| 1(5)(xxiv) | In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: - | | | |
| 1(5)(xxiv)(a) | a brief resume of the director | √ | - | |
| 1(5)(xxiv)(b) | nature of his or her expertise in specific functional areas; and | √ | - | |
| 1(5)(xxiv)(c) | names of companies in which the person also holds the directorship and the membership of committees of the Board; | | | |
| 1(5)(xxv) | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: | | | |
| 1(5)(xxv)(a) | accounting policies and estimation for preparation of financial statements; | √ | - | |
| 1(5)(xxv)(b) | changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | √ | - | |
| 1(5)(xxv)(c) | comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | √ | - | |
| 1(5)(xxv)(d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | - | - | N/A |
| 1(5)(xxv)(e) | briefly explain the financial and economic scenario of the country and the globe; | √ | - | |
| 1(5)(xxv)(f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | √ | - | |
| 1(5)(xxv)(g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | √ | - | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---------------|--|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and | √ | - | |
| 1(5)(xxvii) | (xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C. | √ | - | |
| 1(6) | Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | √ | - | |
| | | | | |
| 1(7) | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer | | | |
| 1(7) (a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | - | - | Under Process |
| 1(7) (b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | - | - | Under Process |
| 2 | Governance of Board of Directors of Subsidiary Company. - | | | |
| 2 (a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company | - | - | N/A |
| 2 (b) | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company; | - | - | N/A |
| 2 (c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company; | - | - | N/A |
| 2 (d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also; | - | - | N/A |
| 2 (e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | - | - | N/A |
| 3 | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS). | | | |
| 3 (1) | Appointment | | | |
| 3 (1) (a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | √ | - | |
| 3 (1) (b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | √ | - | |
| 3 (1) (c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | √ | - | |
| 3 (1) (d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | √ | - | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|----------------|--|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 3 (1) (e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | √ | - | |
| 3 (2) | Requirement to attend Board of Directors' Meetings: | √ | - | |
| | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters. | | | |
| 3 (3) | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) | | | |
| 3 (3) (a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | √ | - | |
| 3 (3) (a) (i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | √ | - | |
| 3 (3) (a) (ii) | these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; | √ | - | |
| 3 (3) (b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members; | √ | - | |
| 3 (3) (c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | √ | - | |
| 4 | Board of Directors' Committee. — For ensuring good governance in the company, the Board shall have at least following subcommittees: | | | |
| 4 (i) | (i) Audit Committee; and | √ | - | |
| 4 (ii) | (ii) Nomination and Remuneration Committee. | - | - | Under Process |
| 5 | Audit Committee. - | | | |
| 5 (1) | Responsibility to the Board of Directors. | | | |
| 5 (1) (a) | The company shall have an Audit Committee as a sub-committee of the Board; | √ | - | |
| 5 (1) (b) | The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business; | √ | - | |
| 5 (1) (c) | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing. | √ | - | |
| 5 (2) | Constitution of the Audit Committee | | | |
| 5 (2) (a) | The Audit Committee shall be composed of at least 3(three) members; | √ | - | |
| 5 (2) (b) | The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director; | √ | - | |
| 5 (2) (c) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; | √ | - | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---------------|---|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 5 (2) (d) | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | √ | - | |
| 5 (2) (e) | The company secretary shall act as the secretary of the Committee; | √ | - | |
| 5 (2) (f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | √ | - | |
| 5 (3) | Chairperson of the Audit Committee | | | |
| 5 (3) (a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director; | √ | | |
| 5 (3) (b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | √ | - | |
| 5 (3) (c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); | √ | - | |
| | Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM. | | | |
| 5 (4) | Meeting of the Audit Committee | | | |
| 5 (4) (a) | The Audit Committee shall conduct at least its four meetings in a financial year: | √ | - | |
| | Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee; | | | |
| 5 (4) (b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | √ | - | |
| 5 (5) | Role of Audit Committee: The Audit Committee shall: - | | | |
| 5 (5) (a) | Oversee the financial reporting process; | √ | - | |
| 5 (5) (b) | monitor choice of accounting policies and principles; | √ | - | |
| 5 (5) (c) | monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report; | √ | - | |
| 5 (5) (d) | oversee hiring and performance of external auditors; | √ | - | |
| 5 (5) (e) | hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | √ | - | |
| 5 (5) (f) | review along with the management, the annual financial statements before submission to the Board for approval; | √ | - | |
| 5 (5) (g) | review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | √ | - | |
| 5 (5) (h) | review the adequacy of internal audit function; | √ | - | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|--------------------|--|-------------------|--------------|------------------------|
| | | Complied | Not Complied | |
| 5 (5) (i) | review the Management's Discussion and Analysis before disclosing in the Annual Report; | √ | - | |
| 5 (5) (j) | review statement of all related party transactions submitted by the management; | √ | - | |
| 5 (5) (k) | review Management Letters or Letter of Internal Control weakness issued by statutory auditors; | √ | - | |
| 5 (5) (l) | oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and | √ | - | |
| 5 (5) (m) | oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee. | - | - | N/A |
| 5 (6) | Reporting of the Audit Committee | | | |
| 5 (6) (a) | Reporting to the Board of Directors | | | |
| 5 (6) (a) (i) | The Audit Committee shall report on its activities to the Board. | √ | - | |
| 5 (6) (a) (ii) | The Audit Committee shall immediately report to the Board on the following findings, if any: - | | | |
| 5 (6) (a) (ii) (a) | Report on conflicts of interests; | - | - | No such event occurred |
| 5 (6) (a) (ii) (b) | suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | - | - | No such event occurred |
| 5 (6) (a) (ii) (c) | suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and | - | - | No such event occurred |
| 5 (6) (a) (ii) (d) | any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | - | - | No such event occurred |
| 5 (6) (b) | Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | √ | - | |
| 5 (6) (7) | Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | √ | - | |
| 6 | Nomination and Remuneration Committee (NRC).- | | | |
| 6 (1) | Responsibility to the Board of Directors | | | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---------------|---|-------------------|--------------|------------------------|
| | | Complied | Not Complied | |
| 6 (1) (a) | The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board; | - | Not Complied | Under Process |
| 6 (1) (b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | - | - | N/A |
| 6 (1) (c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | - | - | N/A |
| 6 (2) | Constitution of the NRC | | | |
| 6 (2) (a) | The Committee shall comprise of at least three members including an independent director; | - | - | N/A |
| 6 (2) (b) | All members of the Committee shall be non-executive directors; | - | - | N/A |
| 6 (2) (c) | Members of the Committee shall be nominated and appointed by the Board; | - | - | N/A |
| 6 (2) (d) | The Board shall have authority to remove and appoint any member of the Committee; | - | - | N/A |
| 6 (2) (e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | - | - | N/A |
| 6 (2) (f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | - | - | N/A |
| 6 (2) (g) | The company secretary shall act as the secretary of the Committee; | - | - | N/A |
| 6 (2) (h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | - | - | N/A |
| 6 (2) (i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | - | - | N/A |
| 6 (3) | Chairperson of the NRC | | | |
| 6 (3) (a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | - | - | N/A |
| 6 (3) (b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | - | - | No such event occurred |
| 6 (3) (c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM. | - | - | No such event occurred |
| 6 (4) | Meeting of the NRC | | | |
| 6 (4) (a) | The NRC shall conduct at least one meeting in a financial year; | - | - | N/A |
| 6 (4) (b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | - | - | N/A |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|-------------------|---|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 6 (4) (c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6 (2) (h); | - | - | N/A |
| 6 (4) (d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | - | - | N/A |
| 6 (5) | Role of the NRC | | | |
| 6 (5) (a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | - | - | N/A |
| 6 (5) (b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board: | - | - | N/A |
| 6 (5) (b) (i) | formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to 13 the remuneration of the directors, top level executive, considering the following: | - | - | N/A |
| 6 (5) (b) (i) (a) | the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | - | - | N/A |
| 6 (5) (b) (i) (b) | the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | - | - | N/A |
| 6 (5) (b) (i) (c) | remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | - | - | N/A |
| 6 (5) (b) (ii) | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | - | - | N/A |
| 6 (5) (b) (iii) | identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | - | - | N/A |
| 6 (5) (b) (iv) | formulating the criteria for evaluation of performance of independent directors and the Board; | - | - | N/A |
| 6 (5) (b) (v) | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and | - | - | N/A |
| 6 (5) (b) (vi) | developing, recommending and reviewing annually the company's human resources and training policies; | - | - | N/A |
| 6 (5) (c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | - | - | N/A |
| 7 | External or Statutory Auditors. - | | | |
| 7 (1) | The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: - | | | |
| 7 (1) (i) | appraisal or valuation services or fairness opinions; | √ | | |
| 7 (1) (ii) | financial information systems design and implementation; | √ | | |
| 7 (1) (iii) | book-keeping or other services related to the accounting records or financial statements; | √ | | |
| 7 (1) (iv) | broker-dealer services; | √ | | |
| 7 (1) (v) | actuarial services; | √ | | |
| 7 (1) (vi) | internal audit services or special audit services; | √ | | |
| 7 (1) (vii) | any service that the Audit Committee determines; | √ | | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---------------|---|-------------------|--------------|------------------|
| | | Complied | Not Complied | |
| 7 (1) (viii) | audit or certification services on compliance of corporate governance as required under condition No. 9(1); and | √ | | |
| 7 (1) (ix) | any other service that creates conflict of interest. | √ | | |
| 7 (2) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: | √ | | |
| | Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members. | | | |
| 7 (3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders. | √ | | |
| 8 | Maintaining a website by the Company: - | | | |
| 8 (1) | The company shall have an official website linked with the website of the stock exchange. | - | - | N/A |
| 8 (2) | The company shall keep the website functional from the date of listing. | - | - | N/A |
| 8 (3) | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | - | - | N/A |
| 9 | Reporting and Compliance of Corporate Governance: - | | | |
| 9 (1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | √ | | |
| 9 (2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. | √ | | |
| 9 (3) | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not. | √ | | |

c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.

Audit Committee:

| Sl. No. | Name & Designation |
|---------|--|
| 1 | Professor Mamtaz Uddin Ahmed Director of APSCL & Chairman of the Committee |
| 2 | Mr. S.M. Tarikul Islam Director of APSCL & Member of the Committee |
| 3 | Mr. Kamal Ahmed Director of APSCL & Member of the Committee |
| 4 | Mr. Md. Abul Monsur Director of APSCL & Member of the Committee |

Terms of Reference of Audit Committee:

আশুগঞ্জ পাওয়ার স্টেশন কোম্পানী লিঃ এর Audit Committee-র নিম্নরূপ TOR নির্ধারণ করা হ'ল :

১. ত্রৈমাসিক, ষান্মাসিক ও বার্ষিক হিসাব-নিকাশ পর্যালোচনা করা এবং সংশ্লিষ্ট আর্থিক প্রতিবেদন সমূহ বোর্ড সভায় উপস্থাপন করার পূর্বে পরীক্ষা করা ও চূড়ান্তকরণের বিষয়ে প্রয়োজনীয় পরামর্শ প্রদান করা,
২. বার্ষিক বাজেট ও সংশোধিত বাজেট প্রস্তাব বোর্ড সভায় উপস্থাপন করার পূর্বে পরীক্ষা করা ও চূড়ান্তকরণের বিষয়ে প্রয়োজনীয় পরামর্শ প্রদান করা,
৩. সুষ্ঠু হিসাব-নিকাশ ও বাজেটিং এর নিমিত্ত Chart of Accounts অনুসরণ, সুষ্ঠু বাজেটিং ও বাজেটীয় নিয়ন্ত্রণ এবং আর্থিক শৃঙ্খলা নিশ্চিত করণের নিমিত্ত প্রয়োজনীয় পরামর্শ/সুপারিশ প্রদান করা,
৪. Internal Audit ও Internal Control System তদারক করা,
৫. অভ্যন্তরীণ অডিট আপত্তি (যদি থাকে) নিষ্পত্তির অগ্রগতি তদারক করা,
৬. অডিট আপত্তির ভিত্তিতে প্রয়োজন হলে কর্মকর্তা-কর্মচারীদের দায়-দায়িত্ব নিরূপণ করা ও শৃঙ্খলামূলক ব্যবস্থা গ্রহণের বিষয়ে সুপারিশ প্রদান করা,
৭. অনুমোদিত বাজেট বাস্তবায়নের ক্ষেত্রে বার্ষিক ও দীর্ঘমেয়াদী Procurement Plan এর অনুসরণ তদারক করা,
৮. কোম্পানী আইন অনুযায়ী নিরীক্ষক নিয়োগের বিষয়ে সুপারিশ প্রদান করা,
৯. প্রযোজ্য সকল ক্ষেত্রে কোম্পানীর Articles of Association কোম্পানী আইনের বিধান এবং SEC-এর Audit Committee সম্পর্কিত গাইড লাইন অনুসরণ করা, এবং
১০. সময়ে সময়ে বোর্ড কর্তৃক নির্ধারিত যেকোন দায়িত্ব পালন করা।

Remuneration Committee:

| Sl. No. | Name & Designation |
|---------|--|
| 1 | Mr. Khaled Mahmood Chairman of APSCL & Chairman of the Committee |
| 2 | Mr. Md. Azharul Islam Director of APSCL & Member of the Committee |
| 3 | Mrs. Tahmina Yeasmin Director of APSCL & Member of the Committee |
| 4 | Mr. A M M Sazzadur Rahman Managing Director of APSCL & Member of the Committee |

SECTION XV:

Valuation Report of
securities prepared by
the Issue Managers

The valuation report of securities of Ashuganj Power Station Company Limited:

| i) NAV Based Valuation | 2017 |
|-----------------------------------|----------------|
| Share Capital | 6,615,000,000 |
| Equity of BPDB | 5,572,614,964 |
| Direct Grant | 344,182,000 |
| Retained Earnings | 5,061,685,665 |
| Total Equity | 17,593,482,629 |
| NAV per share | 265.96 |
| NAV per share without revaluation | 265.96 |

ii) Historical Earning Based Valuation

| Months (2018) | Market P/E | Sector P/E |
|----------------------|-------------------|-------------------|
| July | 15.17 | 13.64 |
| August | 15.74 | 14.22 |
| September | 15.17 | 14.3 |
| October | 15.06 | 14.54 |
| November | 14.61 | 13.35 |
| December | 15.19 | 14.92 |
| Average | 15.16 | 14.16 |

| Year | No. of shares | Net profit after Tax | Weighted average no. of shares | Weighted average net profit after tax |
|--|----------------------|-----------------------------|---------------------------------------|--|
| 2013 | 66,150,000 | 718,594,879 | 0.2 | 143,718,976 |
| 2014 | 66,150,000 | 681,179,953 | 0.2 | 136,235,991 |
| 2015 | 66,150,000 | 367,634,407 | 0.2 | 73,526,881 |
| 2016 | 66,150,000 | 240,617,081 | 0.2 | 48,123,416 |
| 2017 | 66,150,000 | 1,507,187,203 | 0.2 | 301,437,441 |
| Total | 330,750,000 | | | 703,042,705 |
| Number of shares | | | | 66,150,000 |
| EPS based on Weighted Average of Net Profit after tax | | | | 10.63 |
| Sector P/E as of December 2018* | | | | 14.16 |
| Earnings – based –Value per share (BDT) | | | | 150.54 |

*Sector P/E has been used as it is the lower of the two P/E calculated above in order to be conservative in the valuation approach.

Summary of Valuation Report:

| | |
|------------------------------------|--------|
| Historical Earning Based Valuation | 150.54 |
| NAV Based Valuation | 265.96 |
| Estimated Price per share | 208.25 |

Ashuganj Power Station Company Limited is not issuing any ordinary shares, but instead is issuing Non-Convertible Fully Redeemable Coupon Bearing Bond. The issue price of each bond is set at BDT 5,000 each.

SECTION XVI:

Debt Securities

- a) **The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have:**

APSCL is in the process of issuing Non-Convertible and Fully Redeemable Coupon Bearing Bond of BDT 6,000,000,000 (BDT 5,000,000,000 will be raised through private placement which has already approved by BSEC and is currently in subscription process and BDT 1,000,000,000 will be raised through public offering)

Basic terms and conditions and features of Non-Convertible and Fully Redeemable Coupon Bearing Bond

| | | |
|-------------------------------------|--|-------------------|
| Name of the Instrument: | Non- Convertible and Fully Redeemable Coupon Bearing Bond | |
| Issue Type: | Coupon bearing bond | |
| Issuer: | Ashuganj Power Station Company Limited. (APSCL) | |
| Purposes and Objectives: | Construction of 400 MW (East) Combined Cycle Power Plant. This has been given in more details in the "Use of Proceeds" Section of this Information Memorandum. | |
| Arrangers: | BRAC EPL Investments Limited and Investment Corporation Bangladesh act as Arranger to the Issuance of this Instrument. | |
| Trustee: | ICB Capital Management Limited | |
| Credit Rating Agency: | Credit Rating Information and Service Limited (CRISL) | |
| Issue Size: | BDT 1,000,000,000 Public Issue and BDT 5,000,000,000 Private Placement | |
| No. of Bonds to be issued: | 200,000 Public Issue and 1,000,000 through private placement | |
| Face Value: | BDT 5,000 (Five thousand Taka) | |
| Lot sized (minimum subscription): | 1 bond for public issue and 2,000 for Private Placement | |
| Tenor: | 7 years from the date of the issue | |
| Investors: | Eligible Institutional Investors and General Investors /Public who have valid BO account including Resident of Bangladesh and NRB | |
| Mode of Placement: | BDT 5,000 million through private placement and BDT 1,000 million through public placement | |
| Yield to Maturity / Rate of Return: | Coupon rate | |
| Coupon Rate: | Reference rate + Margin | |
| Reference Rate: | The Reference Rate is the rate of 182 days Bangladesh Treasury Bill (182-Days T-Bill) as published on Bangladesh Bank web site or other sources of publication, on fixing date. | |
| Coupon Margin: | 4% | |
| Range of Coupon Rate: | 8.5%-10.5% | |
| Coupon Payment: | Coupon to be paid semi- annually. First coupon will be paid after 12 months of the drawdown. | |
| Repayment Schedule: | The principal redemptions will be in four tranches, each tranche being 25% of the principal amount commencing at the end of Year-4 from the date of the issuance in the following manner: Redemption Schedule (of Face Value): | |
| | Year | Redemption |
| | 1 | Nil |
| | 2 | Nil |
| | 3 | Nil |
| | 4 | 25% |
| | 5 | 25% |
| | 6 | 25% |
| | 7 | 25% |

| | |
|---|--|
| Prepayment, Call Refunding, Conversion Features: | There is no prepayment, call or refunding provision for the bonds |
| Tax Features: | According to the laws of Bangladesh |
| Late Redemption: | The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the coupon rate and be payable on the amount not paid on the due date up till the date of actual payment. |
| Credit Rating of the Issue: | AA for the Issue |
| | AAA for the Issuer |
| | Rated by: Credit Rating Information and Services Limited (CRISL) |
| Description of Collateral Security and type of charges to be created against the issue: | Unsecured debt instrument as defined in Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012 |
| Listing: | BDT 1,000,000,000 Public Issue portion will be listed |
| Transferability/Liquidity: | Freely transferable in accordance with the provisions of the Deed of Trust. |
| Governing Law: | Laws of Bangladesh. |

- b) All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios:**

Allotment

Form and Denomination Title

A registered Bondholder shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Bond Certificate relating thereto (other than the endorsed Instrument of Transfer) or any notice of any previous loss or theft of such Bond Certificate) and no person shall be liable for so treating such Bondholder.

Register

The Registrar will maintain an authoritative Register. In these Conditions, the “holder” of a Bond means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “Bondholder” shall be construed accordingly. The Register shall be prima facie evidence of any matter in relation to the ownership of the Bonds.

Debt or Maintenance Asset Ratio:

| | Before bond issue | After bond Issue |
|-----------|-------------------|------------------|
| Debts | 66,601,443,843 | 72,601,443,843 |
| Assets | 98,108,867,184 | 98,108,867,184 |
| D/A ratio | 68% | 74% |

Payment

Payment of Coupon

The Issuer hereby covenants that from (and including) the Issue Date up to (but excluding) the date of early redemption or the Maturity date (whichever is the earlier), the Issuer will pay to the Bondholders coupon on each Subordinated Bond at the Coupon Rate. The first coupon payment shall be made on the date falling twelve (12) months after the Issue Date. The first coupon payment shall be calculated for the period commencing from the Issue Date up to the aforesaid date of first coupon payment (inclusive of the date of commencement, but excluding the date of expiry). Thereafter, coupon calculated for each subsequent six (6) month period (inclusive of the date of commencement, but excluding the date of expiry) shall be payable semi-annually in arrears. The date of expiry of twelve (12) month period commencing from the Issue Date and subsequent each 6 months commencing from the date of the first coupon payment shall be known as the “Coupon Payment Date” and the final Coupon Payment Date shall be the Maturity Date or such other date determined in accordance with Condition stated below. If any Coupon Payment Date would otherwise fall on a day which is not a Business Day, the date on which payment shall be made shall be next Business Day. A holder of a Bond shall not be entitled to any payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day. All coupon payments shall be calculated based on the outstanding nominal value of the Subordinated Bonds as at the day immediately preceding the Coupon Payment Date.

Subject always to Condition stated above, the last payment of coupon shall be made on the Maturity Date calculated for the period commencing from (and including) the previous coupon payment date up to (but excluding) the Maturity Date, or, in the event that such Subordinate Bond shall have been redeemed or otherwise satisfied by the Issuer, as the case may be, period to the Maturity Date, up to (but excluding) the date of redemption or satisfaction, as the case may be, or such Subordinate bond. Every payment by the Issuer to the Bondholders in respect of the coupon shall be in satisfaction of the covenant by the Issuer contained in this Condition and the obligations and liabilities of the Issuer with regard to that coupon payment.

Transfer and settlement

Trading and settlement regulations of the stock exchange shall apply in respect of trading and settlement of the bonds of APSCL.

Record Date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the close of business on the day that is ten Business Days before the due date for such payment (the "Record Date").

No Partial payments

The Issuer shall make the entire payments in respect of any Bond and the issuer shall procure that the amount and date of such payment are noted on the register.

Default Interest and Delay in Payment

If the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 2.0 % per annum plus the Rate of Interest from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 365-day year (366 in case of a leap year).

Event of Default

At any time after any Default or Event of Default has occurred, the Trustee may: by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 3.1.1 of Clause 3.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer) Clause 9.2 (Payment to Bondholders) of Trust Deed shall cease to have effect.

Termination and Final Settlement

Consequences

Bondholder shall be discharged from performance of their respective obligations as per the Trust Deed.

Indemnification

The Issuer shall, on demand by the Trustee, indemnify it and any Appointee (a) in respect of all liabilities and expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by the Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Trust Deed.

Cancellation

All Bonds which are redeemed by the Issuer will forthwith be cancelled.

Rights & Obligations of Eligible Investors

- **Binding Obligation:** Investors/bondholders are bound by the terms and conditions of Trust Deed.
- **Severability of Bondholder's Obligations:** The failure to perform obligations of the Bondholders under the Trust Deed and other agreements with identical terms shall not affect the obligations of the Issuer towards any other Bondholder(s) under other identical agreements.
- **Individual Right:** Each Bondholder will be entitled to protect and enforce its individual rights independently without the need for other Bondholder(s) to be joined as additional party in such proceedings for such purpose.
- **Powers:** The Bondholders shall be able to hold meetings with such power and scope as provided for in the Trust Deed.
- **Issue Bond Certificates:** Issuer shall duly execute and deliver bond certificates to the bondholders with conditions attached.
- **Subscription:** The Investors will subscribe and pay the aggregate purchase price on the Closing Date for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates,.
- **Compliance:** The Bondholder(s) are obligated to comply with all applicable laws and regulations of Bangladesh.

- **Indemnity:** The Bondholders are entitled to indemnity from the Issuer from and against any expense, loss, damage or liability which any of them may incur in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.
- **Protection of Interest:** The Bondholders are entitled to have their interests protected/preserved by the Trustee.

Report to Investors

By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agreed (as the case may be) for the benefit of the Arrangers, as set out below:

Risk: You are fully aware that investment in the Bonds involves a very low degree of risk.

Consultation with Advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arrangers.

No Reliance: You acknowledge and agree that you may not rely on any investigation that the Lead Arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the Arrangers nor its affiliates, employees, officers, directors, legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

Informed Decision: You are in possession of all the information that you believe is necessary and appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

Knowledge and Experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the Arrangers only on behalf of the Issuer and that neither the Arrangers nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks associated with investment in the Bonds, and you understand and acknowledge all of the risks described herein. By investing in the Bonds, you have determined that:

- the Bonds are a suitable investment and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and
- you have obtained all approvals and consents (whether internal or external), and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

Own account: The investment made by you in purchasing the Bonds for your own account and not with a view to any distribution thereof.

No representation or warranty: The Arrangers have not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arrangers shall not owe any duty whatsoever to you in connection with the Bonds.

No obligation to purchase: The Arrangers shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.

Rights and obligation of the issuer

General Covenants by the Issuer

As long as any of the Bonds remains outstanding (and, for the avoidance of doubt, a Bond is outstanding as long as it has not been redeemed in full notwithstanding that it has become due), the Issuer undertakes to each of the Trustee and the Bondholders that it shall comply with the provisions of this Condition the Trust Deed.

Information Undertakings

Financial statements

The Issuer shall supply to the Trustee and, at the request of any Bondholder, the Trustee shall distribute to such Bondholder:

- a. as soon as the same become available, but in any event within 150 days after the end of each Fiscal Year, the complete audited consolidated financial statements of the Issuer for such Fiscal Year, stated in Taka; and
- b. As soon as the same become available, but in any event within 60 days after the end of each half of each Fiscal Year, the complete unaudited consolidated financial statements of the Issuer for such half Fiscal Year, stated in Taka.

Compliance Certificate

The Issuer shall supply to the Trustee, with each set of financial statements delivered pursuant to Condition IV-A(i) of the Trust Deed, a Compliance Certificate (A) certifying that

- (1) no Default or Event of Default has occurred or is continuing (or if a Default or Event of Default has occurred or is continuing, specifying its nature and the steps, if any, being taken to remedy it) and (2) the Issuer has complied with its obligations under these Conditions (or, if such is not the case, giving details of the circumstances of such non-compliance).

Requirements as to financial statements

- a. The Issuer shall ensure that each set of financial statements delivered pursuant to Condition IV-A(i) of the Trust Deed gives (if audited) a true and fair view of, or (if unaudited) fairly represents, the financial condition and operations of the Issuer and its Subsidiaries as at the date to which, and for the period in relation to which, those financial statements were drawn up.
- b. The Issuer shall procure that each set of financial statements delivered pursuant to Condition IV-A(i) of the Trust Deed is prepared in accordance with the Accounting Principles.

Notification of default

- a. The Issuer shall notify the Trustee of any Default or Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- b. Promptly upon a request by the Trustee, the Issuer shall supply to the Trustee a certificate signed by two of its directors or duly authorized senior officers on its behalf certifying that no Default or Event of Default is continuing (or if a Default or Event of Default is continuing, specifying its nature and the steps, if any, being taken to remedy it).

General Undertakings

6.2.1. Merger and Consolidation

The Issuer shall not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person, unless:

- a. the resulting, surviving or transferee person (the "Successor Company"), if not the Issuer, will expressly assume, by supplemental trust deed, executed and delivered to the Trustee, all of the obligations of the Issuer under the Bonds and the Trust Deed;
- b. Immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;
- c. the Issuer shall procure that Credit Rating Information and Services Limited shall reassess the credit rating assigned to the Bonds after the assumption by the Successor Company of the obligations of the Issuer under the Bonds and the Trust Deed, and such credit rating shall not have been downgraded as a result of such consolidation, merger, conveyance, transfer or lease;
- d. the Issuer shall have delivered to the Trustee (i) a certificate signed by two of its directors or duly authorized senior officers on its behalf and (ii) an opinion of counsel acceptable to the Trustee, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental trust deed (if any) comply with the provisions of the Trust Deed and the Bonds.

In such event, the Successor Company will succeed to, and be substituted for, and may exercise any right and power of the Issuer under the Trust Deed and the Bonds, and the predecessor company, except in case of a lease of all or substantially all of its assets, shall be released from the obligation to pay the principal of, and premium, if any, and interest on the Bonds.

Change of business

The Issuer shall procure that no material change is made to the general nature of the business of the Issuer from that carried on at the Issue Date.

Maintenance of books and records and inspection

- a. The Issuer shall maintain books and records adequate to reflect truly and fairly the financial condition of the Issuer and the results of its operations in conformity with Accounting Principles.
- b. The Issuer shall ensure that the representatives, agents and/or advisers of the Trustee shall be allowed to have access to the books and records of the Issuer and to inspect the same during normal business hours upon reasonable notice.
- c. The Issuer shall not enter into any transaction, agreement or arrangement with any of its Affiliates other than on an arm's length basis and on terms that are no less favourable to the Issuer or the relevant Affiliate than those that would have been obtained in a comparable arm's-length transaction by the Issuer or the relevant Affiliate with a Person that is not an Affiliate of the Issuer.

The Issuer hereby covenants to the Trustee as set out in Part B of Trust Deed. The Issuer hereby further covenants, along with those mentioned above, or Part B of the Trust Deed, with the Trustee that, so long as any of the Bonds remains outstanding, it will:

- i. Bonds held by Issuer and Affiliates: send to the Trustee forthwith upon being so requested in writing by the Trustee a certificate of the Issuer (signed on its behalf by two Authorised Signatories) setting out the total number of Bonds which at the date of such certificate are held by it or for its benefit or for the benefit of the Issuer or any Affiliate of the Issuer;
- ii. Execution of further documents: so far as permitted by applicable law, do all such further acts and things as may be necessary in the reasonable opinion of the Trustee to give effect to the provisions of the Trust Deed;
- iii. Notices to Bondholders: send or procure to be sent to the Trustee not less than five days prior to the date of publication one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;
- iv. Notification of late payment: in the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith upon request by the Trustee give notice to the Bondholders that such payment has been made;
- v. Notification of redemption or repayment: not less than 14 days prior to the purchase or redemption date in respect of any Bond, give to the Trustee notice in writing of the amount of such purchase or redemption pursuant to the Conditions and duly proceed to purchase or redeem such Bonds accordingly;
- vi. Evidence of Due Approval by the Board of Directors and Authorised Signatories: Upon reasonable notice by the Trustee to deliver to the Trustee a copy of the resolution of the Board of Directors of the Settlor authorising issuance of the Bond, the declaration of the Trust, a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and
- vii. Payments: Pay moneys payable by it to the Trustee under Clause 11 (Costs and Expenses) of the Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.
- viii. Listing of Bonds in the Stock Exchanges: Non-listed non convertible subordinated debt Bond.

c) Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders:

ICB Capital Management Ltd. is a fully owned subsidiary of Investment Corporation of Bangladesh. The company obtained license from the Securities and Exchange Commission to act as Issue Manager, Underwriter, Portfolio Manager and to carry out other merchant banking operations under the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulations, 1996. The company was incorporated under the Companies Act, 1994 on 5 December 2000 and obtained registration from the Securities & Exchange Commission on 16 October 2001. The company started its' operation from 01 July, 2002 upon issuance of gazette notification by the government (Notification attached below-). The Company has a separate Board of Directors comprising 3 members from the private sector having good academic qualification, expertise and experience in the field of business, finance and investment. The Managing Director of ICB is the Chairman of the Board. The company has excellent working environment being equipped with logistics and computer facilities.

Objectives:

- To carry out merchant banking activities including issue management, underwriting and portfolio management with a view to develop a vibrant capital market.

- To widen the scope and area of investment by mobilizing savings of small and medium level investors.
- To introduce high quality companies to the Bangladesh capital market and to support a good number of issuer companies in raising their funds from the capital market to facilitate adequate supply of securities in the capital market.
- To create demand for quality securities by efficient portfolio management.
- To establish perfect combination of high quality buy-sell execution capabilities and create a large local network among investors and broker community.

Functions:

- Underwriting of initial public offering of shares and debentures
- Underwriting of right issue of shares
- Issue management
- Managing Investors' Account
- Providing investment counsel to issuers and investors' including financial engineering and corporate advisory services
- Purchase of shares and debentures including placement and equity participation
- To provide consultancy services for disinvestment program of the Government
- To provide financial consultancy services to different companies in respect of Equity & Entrepreneurship Fund of Bangladesh Bank and others
- Dealing in other matters related to capital market operation.

Duties and Powers of the Trustee

The Trustee has the following duties and powers in connection with the Trust:

- To open such accounts as it deems necessary for discharging the functions of Trustee;
- To keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- To undertake all such actions for the recoveries of any overdue in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to issue, manage and administer the Bonds in accordance with the terms of the Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- To call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- To implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- Upon instruction by the Bondholders in accordance with the Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit;
- To take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of the Trust Deed;
- The Trustee shall have the power to insert any additional terms and conditions for the performance of the obligations under the Trust Deed for the protection of the interest of the Bondholders; and
- To do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with the Trust Deed.

Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with and subject to the Conditions or any provision of the Trust Deed, unconditionally pay or procure to be paid to or to the order of the Trustee in Taka in freely transferable funds for value the relevant due date for payment the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

- every payment of principal or interest in respect of the Bonds or any of them made to or to the account of the Bondholders shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is

default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;

- if any payment of principal or interest in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the third Business Day after notice by the Trustee to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee except to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, interest shall accrue on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the third Business Day after which notice by the Trustee is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 5 (Covenant to comply with Guidelines, Trust Deed, Conditions and Schedules) and Clause 6 (Covenants by the Issuer) of the trust deed, on trust for the Bondholders.

Terms of Appointment

• Reliance on information

- (a) **Advice:** The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;
- (b) **Certificate of directors or Authorized Signatories:** The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;
- (c) **Resolution or direction of Bondholders:** The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;
- (d) **Bondholders as a class:** In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including without limitation any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Bondholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders whatever their number and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities and discretions for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders;
- (e) **No obligation to monitor:** The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;
- (f) **Bonds held by the Issuer:** In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer under sub-clause 6.1.1 (Bonds held by Issuer and Affiliates)) of Trust Deed, that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates;
- (g) **Events of Default:** The Trustee shall not be bound to give notice to any person of the execution of the Trust Deed or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable;

- (h) **Right to deduct or withhold for taxes:** Notwithstanding anything contained in the Trust Deed, to the extent required by any applicable law, but without prejudice to Condition VIII of Part B (Taxation) of the Trust Deed, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and when so ever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Trust Deed (other than in connection with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of the Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of the Trust Deed;
- (i) **No responsibility to investigate:** The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:
- (j) the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any Bond Document;
- (k) any recitals, statements, warranties, representations or covenants of any party to any Bond Document;
- (l) its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- (m) the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents;
- (n) **Error of judgment:** The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;
- (o) **No responsibility for loss:** The Trustee shall not in any circumstances, except under any applicable laws or regulations:
- (i) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- (ii) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, willful default or fraud.
- (p) **Force Majeure:** The Trustee shall not be liable for any failure or delay in the performance of its obligations under the Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.
- (q) **Immunities:** The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under the Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the Bonds but in any event will be subject to any gross negligence, wilful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under the Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to the Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

Trustee's power and duties

- **Trustee's determination:** The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders provided however that the Trustee may not exercise any powers conferred upon it by this Clause 10.2.1 of Trust Deed unless the Trustee having given not less than 10 Business Days' notice of such proposed determination to the

Bondholders in accordance with the Conditions, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to the determination which shall be made;

- **Determination of questions:** the Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed which relates to matters that are Bond Specific Matters and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders provided however that the Trustee may not exercise any powers conferred upon it by this Clause 10.2.2 of Trust Deed unless the Trustee having given not less than 10 Business Days' notice of such proposed determination to the Bondholders in accordance with the Conditions, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to the determination which shall be made;
- **Trustee's discretion:** the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non exercise thereof but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing provided however that the Trustee may not exercise any discretion conferred upon it by this Clause 10.2.3 of Trust Deed unless the Trustee having given not less than 10 Business Days' notice of such exercise of discretion to the Bondholders in accordance with the Conditions, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to how such discretion shall be exercised;
- **Trustee's consent:** any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- **Application of Proceeds:** the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it;
- **Delegation:** the Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;
- **Agents:** the Trustee may, in the conduct of the trusts of the Trust Deed, with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in the selection of any such agent, the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;
- **Custodians and nominees:** the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; and
- **Confidential information:** the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with the Trust Deed.

Financial matters

- **Professional charges:** any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of the Trust Deed and also his incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with the Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;
- **Expenditure by the Trustee:** nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it; and
- **Trustee may enter into financial transactions with the Issuer:** no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business ("Other Business") with the Issuer, or any person or body corporate directly or indirectly associated with the Issuer, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any person or body corporate directly or indirectly associated with the Issuer, and the Trustee and any such director or officer shall not be accountable to the Bondholders or the Issuer or any person or body corporate directly or indirectly associated with the Issuer, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit. Notwithstanding the role of the Trustee under the Trust Deed, the Trustee and its affiliates shall not be precluded from entering into any contracts or any transactions with third parties whose interests may conflict with those of the Bondholders. The Trustee and its affiliates shall not be obliged to disclose to any Bondholder the existence or details of any such contract or transaction (actual or proposed) or any such Other Business or any information or documentation relating or received pursuant thereto (including, without limitation, any and all non-public information). Pursuant to such contracts or transactions (actual or proposed) or any such Other Business, the Trustee or its affiliates may be or come to be in possession of material information not known to the Bondholders and the Trustee and its affiliates shall not have any liability with respect to any non-disclosure of, or possession of, such information.

Exercise of Discretion

- Notwithstanding anything in the Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66.2/3 % in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution.
- The Trustee will not be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.
- A certificate delivered in compliance with Clause 10.1.2 of Trust Deed of two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to the compliance by the Issuer with any of their respective obligations contained in the Conditions or the Trust Deed shall be conclusive and binding on the Issuer, the Trustee and the Bondholders save in the case of manifest error, but without prejudice to the provisions of this deed.
- The Trustee shall have no responsibility for requesting such certificates unless the Issuer has failed to deliver such certificates in accordance with Clause 10 (Terms of Appointment) of Trust deed or the Trustee is requested to do so by any Bondholder. The Trustee shall be entitled to rely on such certificates absolutely and shall not be obliged to enquire further as regards the circumstances then existing and whether they justify the provision and the content of such certificate and will not be responsible for any loss occasioned by so acting. The Trustee shall be entitled to rely on any such certificates as sufficient evidence by the Issuer of such compliance (or non-compliance) and will not be responsible for or for investigating any matter relating to the financial condition of or any other matter relating to the Issuer.

Events of Default

The Events of Default for the purposes of the Bonds and the Trustee's rights, duties and obligations following such an Event of Default shall be as provided for in Condition IX-A of Trust Deed.

Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to (a) any modification (except as mentioned in Condition XI-A of Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds or the Trust Deed which, in the opinion

of the Trustee, it may be proper to make provided that the Trustee is of the opinion that such modification, waiver or authorisation will not be materially prejudicial to the interests of the Bondholders or (b) any modification to any Bond Document which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter provided that the Trustee shall not exercise any powers conferred upon it by this Condition XI-B in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 66.2/3 per cent in aggregate principal amount of the Bonds then outstanding (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made).

Interests of Bondholders

In connection with the exercise of its functions (including, but not limited to, those in relation to any proposed modification, authorisation or waiver), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders and/or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

d) Repayment/ redemption/ conversion status of such securities

The principal redemptions for APSCL redeemable coupon bearing bonds will be in four tranches, each tranche being 25% of the principal amount commencing at the end of year-4 from the date of issuance as shown in the table below:

| Year | Redemption |
|------|------------|
| 1 | Nil |
| 2 | Nil |
| 3 | Nil |
| 4 | 25.00% |
| 5 | 25.00% |
| 6 | 25.00% |
| 7 | 25.00% |

There is no prepayment, call or refunding provision for the bonds

SECTION XVII:

Parties involved and
their responsibilities,
as applicable:

| Major Parties Involved | Parties involved | Responsibilities of the Parties |
|------------------------|---|---|
| Issue Managers | BRAC EPL Investments Limited & ICB Capital Management Limited | The Issue Managers are responsible to comply with all the requirements as per Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 including preparation and disclosures made in the information memorandum and other responsibilities as mentioned in the due diligence certificate. |
| Underwriters | BLI Capital Limited, Janata Capital And Investment Limited, LankaBangla Investments Limited, BMSL Investment Limited, GSP Investments Limited, Prime Bank Investment Ltd., NBL Capital & Equity Management Limited, Agrani Equity & Investment Limited and Rupali Investment Limited. | The Underwriter(s) is responsible to underwrite the public offering on a firm-commitment basis as per requirement of Bangladesh Securities Exchange Commission (Public Issue) Rules 2015. In case of under-subscription in any category by up to 35%, the unsubscribed portion of securities shall be taken up by the underwriters to the issue. |
| Auditors | S.F. Ahmed & CO Chartered Accountants | Auditors' responsibility is to express an opinion on the financial statements based on the audit. Auditors conducted the audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards required to 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. |
| Cost Auditor | | Not Applicable |
| Valuer | | Not Applicable |
| Credit Rating Agency | Credit Rating Information and Services Limited | Credit rating Company is responsible for conducting the long term and short term rating of the company based on the financial statements and other relevant qualitative and quantitative information. Examination, preparation, finalization and issuance of credit rating of the issue report without compromising with the matters of their conflict of interest; and Compliance with all the requirements, policy and procedures of the rules as prescribed by BSEC. |

| Major Parties Involved | Parties involved | Responsibilities of the Parties |
|------------------------|--------------------------------|---|
| Trustee | ICB Capital Management Limited | <ul style="list-style-type: none"> • To open such accounts as it deems necessary for discharging the functions of Trustee; • To keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time; • To undertake all such actions for the recoveries of any overdue in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto; • to issue, manage and administer the Bonds in accordance with the terms of the Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith; • To call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed; • To implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof; • Upon instruction by the Bondholders in accordance with the Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit; • To take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of the Trust Deed; • The Trustee shall have the power to insert any additional terms and conditions for the performance of the obligations under the Trust Deed for the protection of the interest of the Bondholders; and • To do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with the Trust Deed. |

SECTION XVIII:

Material contracts:

a) Major agreements entered into by the issuer:

- Issue Management Agreement between APSCL, and ICML and BEIL
- Underwriting Agreements between the Company and the Underwriters
- Trust Deed between APSCL and ICML

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the company and the Consent Order from the BSEC may be inspected, on any working day, during office hours, at the Registered Office of the Company and the Issue Manager.

b) Material parts of the agreements:

| Contract | Major Parts of the Agreement | |
|--|--------------------------------|---|
| Issue Management Agreements with BRAC EPL Investments Limited and ICML | Signing Date | 17th October 2017 |
| | Tenure | Until closure of the deal which may be extended through discussion |
| | Principal Terms and Conditions | <ul style="list-style-type: none"> • Joint Issue Managers shall act as the Manager to the Issue and render services related to the Initial Public Offering • Prepare the Information memorandum as required by the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 • Total Issue Management fee for the Issue Managers shall be BDT 5,000,000 • The Issue Manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, Listing Rules of the Stock Exchanges, Companies Act 1994, Securities and Exchange Ordinance 1969 and other relevant rules, regulations, practices, directives, guidelines etc. |

| Contract | Major Parts of the Agreement | |
|---|--------------------------------|--|
| Underwriting Agreements with BLI Capital Limited Janata Capital And Investment Limited LankaBangla Investments Limited BMSL Investment Limited GSP Investments Limited Prime Bank Investment Ltd. NBL Capital & Equity Management Ltd. Agrani Equity & Investment Ltd. Rupali Investment Limited | Signing Date | 23rd October 2017 |
| | Tenure | Valid until completion of subscription of shares |
| | Principal Terms and Conditions | <ul style="list-style-type: none"> • Prior to the publication of the information memorandum, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue and provide for payment of underwriting commission not exceeding 0.5% on the amount underwritten. • If and to the extent that the bonds are offered to the public by a information memorandum authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date of subscription, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (Fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/ Bank Draft has been encashed and the Company's account credited. |

| Contract | Major Parts of the Agreement | |
|--|--------------------------------|--|
| Trust Deed with ICB Capital Management Limited | Signing Date | 23rd October 2017 |
| | Tenure | Extinguished when all liabilities including principal and interest are repaid in full |
| | Principal Terms and Conditions | <ul style="list-style-type: none"> • The Trust hereby created shall be called the “APSCL Non-Convertible Coupon Bearing Bond” • Duties and Powers of the Trustee <ol style="list-style-type: none"> 1. To open such accounts as it deems necessary for discharging the functions of Trustee; 2. To keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time; 3. To undertake all such actions for the recoveries of any overdue in accordance with the provisions of this Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto; 4. to issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith; 5. To call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed; 6. To implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof; 7. Upon instruction by the Bondholders in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit; 8. To take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of this Trust Deed; 9. The Trustee shall have the power to insert any additional terms and conditions for the performance of the obligations under this Trust Deed for the protection of the interest of the Bondholders; and 10. To do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with this Trust Deed. • At any time after any Default or Event of Default has occurred, the Trustee may: 1. by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 3.1.1 of Clause 3.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer) Clause 9.2 (Payment to Bondholders) shall cease to have effect of the Trust Deed |

c) Fees payable to different parties:

| Sl: | Name of the Parties | Role | Fees Payable |
|-----|---|---------------------------|--|
| 1 | BRAC EPL Investments Limited and ICB Capital Management Limited | Issue Managers | 0.5% of the BDT 1,000 Million raised via Public Issue of Bonds |
| 2 | BLI Capital Limited Janata Capital And Investment Limited LankaBangla Investments Limited BMSL Investment Limited GSP Investments Limited Prime Bank Investment Ltd. Agrani Equity & Investment Limited NBL Capital & Equity Management Limited Rupali Investment Limited | Underwriters to the Issue | 0.5% of the 35% of the BDT 1,000 Million |
| 3 | Credit Rating Information and Services Limited | Credit Rating Company | At Actual |
| 4 | ICB Capital Management Limited | Trustee | 1.5 Million Annually |

SECTION XIX:

Outstanding
Litigations, Fine or
Penalty:

a) The following outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:

The Issuer or Directors of APSCL was not involved in any of the following types of legal proceedings except the mentioned below:

| | |
|---|--|
| i. Litigation involving Civil Laws: | There is no conviction of the Issuer or any of its director(s) in a civil proceeding |
| ii. Litigation involving Criminal Laws: | There is no conviction of the Issuer or any of its director(s) in a criminal proceeding |
| iii. Litigation involving Securities, Finance and Economic Laws: | There is no order, judgment or decree of any court of competent jurisdiction against the Issuer or any of its director(s) permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director(s) or officer in any type of securities, Finance and Economic laws |
| iv. Litigation involving Labor Laws: | There is no conviction of the Issuer or any of its director(s) in connection to applicable Labor Laws |
| v. Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties): | There is no conviction of the Issuer or any of its director(s) in connection to taxation (Income tax, VAT, Customs Duty and any other taxes/duties) |
| vi. Litigation involving any other Laws: | There is no litigation involving any other Laws |

b) Outstanding cases filed by the Company or any of its directors:

There are no outstanding cases filed by the Issuer or any of its directors to any of the following types of legal proceedings except income tax. The details of which is as follows:

| | |
|---|--|
| i. Litigation involving Civil Laws: | There is no litigation involving Civil Laws |
| ii. Litigation involving Criminal Laws: | There is no litigation involving Criminal Laws |
| iii. Litigation involving Securities, Finance and Economic Laws: | There is no litigation involving Securities, Finance and Economic Laws |
| iv. Litigation involving Labor Laws: | There is no litigation involving Labor Laws |
| v. Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties): | There is no litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)Laws |
| vi. Litigation involving any other Laws: | There is no litigation involving any other Laws |

SECTION XX:

Risk factors and
managements
perception regarding
the risk

The factors described below may conceivably materially affect the investor's decisions as investment in bonds involves a degree of risk. The company is operating in a competitive industry where both external and internal factors have an indirect effect on the investment. Investors should carefully consider all the information in this information memorandum including the risk factors both external and internal and management perceptions enumerated hereunder before making any investment decision. If any of the following risk factors actually occur the business, their results of operation and financial conditions could suffer causing investors to lose part or all of their investment.

(i) Internal risk factors:

- a. Credit Risk:** Credit risk is the probable risk of loss resulting from a borrower's failure to repay a loan or meet contractual obligations. Traditionally, it refers to the risk that a lender may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection. Properly assessing and managing credit risk can lessen the severity of loss.

Management Perception: APSC's product is sold exclusively to Bangladesh Power Development Board, which is a government owned entity. The history of payments and the sovereign backing ensures the risk of failure to pay by our customer is minimal. However, a certain degree of credit risk still remains because of these obligations but the management is well aware of such risk and efficiently manages the business. APSC is also a government owned institution and enjoys low cost debt available from the Government.

- b. Liquidity Risk:** Liquidity risk is the risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.

Management's Perception: APSC have their focus on repayment when it comes to meeting short-term debt. APSC has maintained debt levels within operational limits to ensure there is no liquidity crisis. It has a strong base which enables the company to service its debt obligations in particular through operating earnings. The strong revenue and operating margin shown by APSC will mitigate any such liquidity risk.

- c. Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:** Performances of subsidiaries, joint ventures and associates have a direct impact on the parent company. So there is always a risk that the interest of parent may be affected negatively.

Management's Perception: APSC has no such interest in any subsidiaries, joint ventures and associates at present. The Company has an investment in UAEL, and is in the process of acquiring further shares of UAEL, which will be an associate company. The percentage of revenue/risk from UAEL will be a small portion of APSC's overall business model. Details regarding the investment are elaborated in the auditor's additional disclosure in Section XXIX.

- d. Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:**

BPDB is the sole purchaser of all the production of APSC which poses the risks associated with generating significant revenue from limited number of customers.

Management's Perception: APSC generates and supplies electricity to BPDB. BPDB is the sole consumer of APSC and all other power plants in the country. As electricity demand in Bangladesh is very high, and the overall supply is unable to cater to the demand at present, losing the customer is not a risk. Also, BPDB is a government owned organization, which will continue to procure electricity generated by the Company as per the PPA.

- e. Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:**

Bakhrabad Gas Distribution Company is the sole distributor of gas for APSC, and failure of the supplier will adversely affect the production.

Management's Perception: APSC procures gas from Bakhrabad Gas Distribution Company. As per the GSA signed between the companies, the supplier has dedicated provisions to supply gas to the company. As the supplier is also a government organization, the risk is thereby mitigated.

- f. More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:** Intercompany transactions may not be transacted based on arm's length basis. As a result, interest of general shareholders may be hampered when more than 20% revenue of the issuer comes from sister concern or associate or subsidiaries.

Management's Perception: APSC does not generate 20% of the revenue from any sister concern, associate or subsidiary.

- g. Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;**

Management's Perception: APSC does not have any negative cash flows from operating activities, declining turnover or profitability, during the last five years.

- h. Loss making associate/subsidiary/group companies of the issuer:**

Loss making associate/subsidiary/ group might become burdensome for the issuing company.

Management's Perception: There is no such loss making associate/subsidiary/group companies of the issuer.

i. Financial weakness and poor performance of the issuer or any of its subsidiary or associates:

Financial weakness and poor performance of the issuer or any of its associates or subsidiaries will result in lower profitability and in turn reduce APSCL's ability to fulfill commitments to bondholders.

Management's Perception: Sales is one of the integral indicators of success in a business and there is good profit margin achieved by APSCL. Current, quick and DSCR ratios for the Company are also quite good. There are no subsidiaries or associates of the Company.

j. Decline in value of any investment:

Decline in value of investment of APSCL will lead to lower profitability.

Management's Perception: The Company has only one investment in UAEL which is disclosed in the auditor's disclosure. No other investment is present and the value of UAEL has not decreased.

k. Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:

Second or reconditioned plant and machinery might require more repair and maintenance than that of a new plant or machinery. Moreover, efficiency of the machinery/plant might not be as high as that of a new plant or machinery.

Management's Perception: The Company uses brand new as well as high quality machines for its operation. Hence, the presence of risk is very low.

l. Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled:

Management's Perception: There are no such interest free loans given to related party or taken from the directors.

m. Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:

Management's Perception: APSCL is owned by BPDB and other government institutions which nominate directors. BPDB is also the off taker for the electricity generated by the Company. However, as both the organizations are owned by the government there is no conflict of interest.

n. Related party transactions entered into by the company those may adversely affect competitive edge:

Management's Perception: There are no such related party transactions that may adversely affect the competitive edge of the business.

o. Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities:

Management's Perception: The lenders have a financial covenant that for as long as any of their loans remain outstanding or any commitment is in force the DSCR in respect of any relevant period shall not be less than 1.2:1.

The financial covenant in force is beneficial to the bond holders as well to ensure interest and redemption. Moreover, the forecasted Cash Flow also ensures no such fall in DSCR. The management will also ensure the DSCR does not fall.

p. Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:

Management's Perception: The Company believes employees to be integral to their business and provides for them in a manner that mitigates any demands or strikes by the employees.

q. Seasonality of the business of the issuer:

Seasonality of business will mean that profitability will also be seasonal. Repayment of loan, redemption of bond or other fixed expenses during off-season will lead to adverse cash flow.

Management's Perception: APSCL generates electricity, which is in high demand and short supply throughout the year. Hence, there is no seasonality in the business of the Issuer.

r. Expiry of any revenue generating contract that may adversely affect the business:

Not being able to renew contract or delay in renewal of contract with purchaser might result in significant revenue loss. Since APSCL has only one purchaser, i.e. BPDB, this is a significant risk.

Management's Perception: As per the PPA there is no such contract that will adversely affect the business.

s. Excessive dependence on debt financing which may adversely affect the cash flow:

Excessive dependence on debt financing will mean that there will be high levels of persistent fixed cost which might become burdensome in periods of lower profitability.

Management's Perception: APSCL uses debt from government institutions, IDB and ADB as ECA lenders. As such the debt financing

is low cost and will not adversely affect the cash flows because it is only availed to increase generating capacity.

t. Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:

Management's Perception: Corporate Governance is well practiced in APSCL which also has a well placed Organogram. Any change in management can be replaced with capable professionals.

u. Enforcement of contingent liabilities which may adversely affect financial condition:

Management's Perception: The Company does not have any liabilities which may adversely affect financial condition.

v. Insurance coverage not adequately protect against certain risks of damages:

Lack of insurance coverage against damages adversely affecting operation will end up becoming very expensive for APSCL.

Management's Perception: The Company has insurance coverage for all issues relating to the operation of the business including for labor force.

w. Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:

Management's Perception: The directors for APSCL are nominated by the sponsors which are government owned. Hence, the directors are nominated by government owned institutions and own no such security on their individual basis. Also as the Company is issuing bonds, no director can purchase the debt security and there is no such lock in period in place for the bonds to be issued.

x. Ability to pay any dividends/interest for the bond issue in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:

Management's Perception: APSCL is a profit making entity for a long period of time and the profit is also increasing due to increased electricity generation. As such, the management believes APSCL will be able to pay dividends and interest for the bond holders as well as redeem the bonds.

y. History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:

History of non operation indicates weak operations management of the Company. Non Operation leads to negative cash flow, losses and bankruptcy in a worst case scenario.

Management's Perception: APSCL has no history of non operation with an experienced and government nominated board of directors. Hence, the chances of the Company becoming non operational is very low.

z. Risks related to engagement in new type of business, if any:

Failure or low profitability of the new business might impact the performance of the existing business.

Management's Perception: APSCL will not engage in any new type of business other than power and energy generation.

aa. Risk in investing the securities being offered with comparison to other available investment options:

Availability of similar investment products providing higher return against risk than APSCL bonds means that there is a possibility of the bond being undersubscribed. Moreover, this means that the subscribers of the bonds are not getting maximum return from their investments.

Management's Perception: APSCL is a profitable entity and the management operates the business very efficiently. There is a presence of a certain degree of risk associated with investing in bonds in the capital market. The potential investors are requested to carefully read the information memorandum and understand the business potential of the Company before making any investing decisions.

bb. Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:

Management's Perception: There was no such penalty or action taken by any regulatory authorities for non-compliance with provisions of any law.

cc. Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:

Management's Perception: There was no such litigations against the issuer for Tax and VAT related matters and other government claims.

dd. Registered office or factory building or place of operation is not owned by the issuer:

Management's Perception: The land for the factory has been given by BPDB and Bangladesh Railway for which there is a vendor's agreement, stating APSCL has full right to use the land to generate electricity for supply to the national grid.

ee. Lack of renewal of existing regulatory permissions/ licenses:

Ageing permissions and licenses means that renewal will be necessary. If renewals are not obtained or are delayed, it can have adverse affect on the company's performance.

Management's Perception: As the demand for electricity in Bangladesh is very high and APSCL is a government owned entity working on the decree of the government to meet the electricity generation objectives, there is very little chance the regulatory permissions/ licenses will not be renewed.

ff. Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:

Management's Perception: APSCL does not have any listed securities.

gg. Issuances of securities at lower than the IPO offer price within one year:

Management's Perception: APSCL has not issued any securities within the last one year. Also, the Company is issuing Bonds and not ordinary shares for the current issue.

hh. Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

Management's Perception: There has been no such refusal by the Commission at any time.

ii. Delay in the execution of projects as per original plan

Delay in completion of plants and inefficiency in the operation of plants will lead to adverse impact on the profitability of APSCL.

Management's Perception: APSCL has had a excellent track record of maintaining punctuality with regards to construction of projects and management has no reason to believe that there will be any delay in the construction of any of the new projects.

(ii) External risk factors:

a. Interest rate risk is the risk that the Company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect Companies having floating rate loans or Companies investing in debt securities.

Management perception: In order to manage this risk and overcome it, the Company shall exercise good management in its cash flows, coupled with continued strength in sales and marketing. APSCL is very careful in managing its costs in an effective manner, so as to ensure that the debt repayments are met on schedule, even if the interest rates increase due to any liquidity needs in the country or any changes in government policies. Moreover, with a floor and a ceiling for the bond repayment, the fluctuations in the interest rate will not affect the Company.

b. Exchange rate risks: The Taka may be devalued significantly against dollar and APSCL may suffer due to such an exchange rate fluctuation in their operations mainly in the case of import of raw materials and repayment of foreign loan.

Management perception: Appropriate and responsible hedging mechanisms have been employed by APSCL in the past in case of a significant devaluation in the Taka in order to keep the cost minimum and similar strategies will be followed in the future. However, if the price of the US dollar rises too suddenly against the BDT, this will be a nationwide phenomenon experienced by the whole industry. In such a scenario, there will be a market adjustment in end product prices which will compensate for the above mentioned such risk.

c. Industry risks:

01. Profitability may reduce

The company is operating in a highly competitive industry which is highly sensitive to the market movements. Moreover the company faces competition in the market and inability of offering competitive products will hinder the company's growth potential.

Management perception: The Company is operating in an industry for which the government is offering incentives and has a vision for development. In such a case regardless of competition, the Company's growth potential and profit will not reduce as there are no such competitive products.

02. New Entrants may enhance competition

New entrants of similar/higher scale may push the company in a competitive scenario.

Management perception: Due to the government vision, new entrants will not enhance competition in such a form as the demand for power is very high and the supply of power generation is still not enough at present to hinder any growth.

d. Economic and political risks:

Economic Risk: The economy could be adversely affected by various factors such as political or regulatory action, including changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence, war, natural disasters, etc. Any significant changes can affect our business and financial strength.

Management perception: The economy of Bangladesh is booming with a growing demand for electricity. Consistent economic growth due to industrial growth and agricultural production has increased the per capita GDP in recent years. In addition, favorable government policies have proved to be congenial to the economy of the country.

Political Risk: The performance of the Company may be affected by the political instability. Any instance of political turmoil in the country can adversely affect the economy in general.

Management perception: The Company can prosper in a situation of political stability. Political turmoil is bad for the economy; however the power sector is less affected by such disturbance. The management of the Company is concerned about political turmoil and shall respond appropriately to safeguard its interest and the bond holders' investment.

- e. **Market and technology-related risks: To be competitive in the market it is always necessary to develop new products and services as well, failing of which may make the company outperformed by its competitors.**

Management perception: The machinery being imported has a worldwide reputation for the reliability and quality of their machine and technology. In the case of failure by the supplier to achieve the guaranteed electrical power and efficiency, APSCL is expected to receive liquidated damages. In addition the company will be appointing experienced personnel and have regular servicing to ensure compliance to all conditions as set by BPDB.

- f. **Potential or existing government regulations: The Company operates under Companies Act 1994, Customs Act 1969, Labor Law 2006, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991, Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.**

Management's Perception: Since the Company operates in the Power sector, the Government regulations are mostly investment-friendly. However, unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected. As it is an integral sector, it is highly expected that the Government will not utilize any rules that will affect the growth of the industry.

- g. **Potential or existing changes in global or national policies: Changes in government policy by increasing duty the raw material imported by APSCL will increase the cost of raw materials vis-à-vis production, lowering the net margin.**

Management perception: The government is focusing on power generation for the development of the country. In such a case the government will not initiate adverse policies that will hamper revenue growth. Global policies such as a hike in the price of raw materials such as gas/HFO may increase the raw materials but this will be incorporated in the price of the end product there by not lowering net margin.

- h. **Statutory clearances and approvals those are yet to be received by the issuer:**

Inability or delay in getting statutory clearances and approvals might lead to lower than expected financial and operational performance which might affect profitability adversely.

Management perception: As APSCL is a government owned institution, there are no such Statutory clearances and approvals which are yet to be received.

- i. **Competitive condition of the business: APSCL is operating in a free market economy regime. The Company may face competition challenging the profitability of the business.**

Management perception: The Company is working in a sector for which the demand is always increasing and at present the supply is not enough to meet the demand. Hence, the risk of competition causing a fall in profitability is very low.

- j. **Complementary and supplementary products/services which may have an impact on business of the issuer:**

Adverse effect of the production or marketability of complementary and supplementary product/services will lead to lower profitability of APSCL.

Management perception: APSCL has no faced any challenges regarding Complementary and supplementary products/services.

- k. **Prepayment, Call or Refunding Risk**

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of a bond. Such risks exist in a bond that has prepayment or call option.

Management's Perception: The bonds issued will have no prepayment or call options available hence no such risks will be inherent.

- l. **Security Risk:** Security is the specific revenue sources or assets pledged by an issuer to the bondholder to secure repayment of the bond. Therefore, security risk is all about the process of recovering the investment by the bond holder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the face value of the bond(s).

Management's Perception: The earnings of APSCL are guaranteed by the government as the offtaker is the Government of Bangladesh. Thus no such security risk exists for the Company.

SECTION XXI:

Description of the
Issue:

- a) **Issue Size:** Public Issue of BDT 1,000,000,000 Non Convertible, Fully Redeemable Coupon Bearing Bonds
- b) **Number of the Bonds to be issued:** 200,000 Bonds
- c) **Authorized and Paid Up Capital:** Authorized capital of BDT 30,000,000,000 and Paid up Capital of BDT 6,615,000,000.
- d) **Face value, premium and offer price per unit of securities:** the offer price of each bond is set at BDT 5,000.
- e) **Number of securities to be entitled for each category of applicants:** As per the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, the bonds will be allocated as per the following:

| Eligible Investors (EIs) | | | | General Public | | | |
|--------------------------|------------------|------------------------------------|------------------|----------------|------------------|------------------|------------------|
| Mutual Fund & CIS | | EIs excluding mutual funds and CIS | | NRB | | GP excluding NRB | |
| % | Number of Shares | % | Number of Shares | % | Number of Shares | % | Number of Shares |
| 10% | 20,000 | 40% | 80,000 | 10% | 20,000 | 40% | 80,000 |

- f) **Holding structure of different classes of securities before and after the issue:** As the company will be issuing bonds, there will be no changes in the holding structure or sub classification of existing securities.
- g) **Objective of the Issue including financing requirements and feasibility in respect of enhanced paid-up capital:** The objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital incorporated are available in the Section- XXII under the head of "Use of Proceeds".

SECTION XXII:

Use of Proceeds:

a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up:

Ashuganj Power Station Company Limited (APSCL) will raise BDT 1,000 million through public offer. This amount will be used for the purpose of construction, commissioning and operation of the upcoming 400 MW (East) CCPP Power Plant project of the company. Detail break down of utilization of proceeds has been given below based on the approved budgets of upcoming projects and best estimate of IPO expenses and working capital.

| Sl. | Particulars | Required Amount (BDT million) |
|-----|-----------------------------------|-------------------------------|
| 1 | Land Development and Civil works | 468.00 |
| 2 | Primary Fuel | 300.00 |
| 3 | Vehicle Purchase | 36.00 |
| 4 | Engineering & Consultancy Service | 44.00 |
| 5 | Working capital | 109.90 |
| 6 | IPO Expenses | 42.10 |
| | Total Requirement | 1,000.00 |

Breakdown of use of bond proceeds:

| Sl. | Description | Purpose | Amount in BDT (Million) |
|-----|--|--|-------------------------|
| 1 | Land Development and Civil Works | | |
| | Demolishing expense | Demolishing and disposal of existing 146 MW Plant which has been de-commissioned. The upcoming 400 MW (East) CCPP power plant will be constructed on this land. | 240 |
| | Construction of Office Building | 4 Storied New Office Building with 5,000 square feet at each floor for the purpose (eg. management, administration) of the 400 MW (east) power plant. | 100 |
| | Bridge demolition and construction | Demolishing of old bridge, which is in a bad condition and have no capability to carry the heavy loads required for the commissioning of the project. A new bridge will be constructed in its place, which will be in length 58.06 m and width 9.60 m along with approach road of 250m with slope protection work from both sides. | 128 |
| | Total for Land Development and Civil Works | | 468 |
| 2 | Primary Fuel | | |
| | Natural Gas purchase from supplier | Three months Natural Gas costs for test running of the plant before & after Commercial Operation Date. The gas will be taken from Bakhrabad Gas Distribution Company Limited | 300 |
| | Total for Primary Fuel | | 300 |
| 3 | Purchase of Vehicles | | |
| | Jeep (1) | The Jeep and 4 motorcycles will be purchased within the first year. As per draft plan, the remaining vehicles, that is, 2 sedan cars, 2 Double Cabin pick-up, 1 ambulance and 4 motorcycles will be purchased within 31.12.2020. | 10.00 |
| | Sedan Cars (2) | | 8 |
| | Double Cabin Pick-up (2) | | 10 |
| | Ambulance (1) | | 6.00 |
| | Motorcycles (8) | | 2.00 |
| | Total for Vehicle Purchase | | 36 |

| Sl. | Description | Purpose | Amount in BDT (Million) |
|--|--|--|-------------------------|
| Engineering & Consultancy Service | | | |
| 4 | Environment Consultant | A contract have been signed with an individual consultant Mr. Mohammad Arifur Rahman Flat-AJ6, House- 137/3, Doctor Goli Boro Moghbazar, Dhaka, Bangladesh dated 01/08/2018 for the works as follows: a) Verify Monthly monitoring and compile report submitted by the EPC Contractor. b) Verify Quarterly monitoring report submitted by the EPC Contractor. c) Verify Semi-annual report submitted by the EPC Contractor. d) Verify Annual report submitted by the EPC Contractor. | 8 |
| | Training for Operation & Maintenance | Training at Power plant Manufacturers factory (Siemens, Germany) for 2 months and training on site (Ashuganj, factory) for 1 month for twenty Operation & Maintenance Personnel of APSCL. | 36 |
| Total for Engineering & Consultancy Service | | | 44 |
| Working Capital | | | |
| 5 | Working Capital for the project | | 109.9 |
| Total for Working Capital | | | 109.9 |
| IPO Expenses | | | |
| 6 | Public Offering related fees, charges and expenses | Payment of Issue Manager Fees, Underwriter Fees, Trustee Fee, Regulatory Fees, Listing related Fees, CDBL Fees and Charges, Auditor Fees, Credit Rating Fees, Printing and Stationary Fees, Post IPO Expenses and other IPO related expenses. | 42.1 |
| Total IPO expenses | | | 42.1 |
| Grand Total (1+2+3+4+5+6) | | | 1,000.00 |

sd/-
Md. Mahfuzul Haque, FCMA
Executive Director (Finance)

sd/-
A M M Sazzadur Rahman
Managing Director

sd/-
Khaled Mahmood
Chairman

- b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of the prospectus, in details with indication of use of such funds in the financial statements:**

The company has not received any fund through private placement from the sponsors at the time of submission of the prospectus.

- c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture:**

None of the public issue proceeds will be used for investment in a joint venture, a subsidiary, an associate or any acquisition.

- d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds:**

| Use of Proceed | BDT (million) |
|--|---------------|
| Construction of 400 MW CCPP (East) power plant | 23,101.35 |
| Bonds Proceeds (both private and public issue) | 1,524.0 |
| ADB and IDB Loan | 17,370.45 |
| Government of Bangladesh Loan | 4,206.8 |

For the 400MW East project, for which the IPO proceeds are not sufficient, The Government of Bangladesh, IDB and ADB will provide

further loans and financials arrangements for the Company to proceed with the required electricity generation. Moreover, APSCL has already raised BDT 5,000 million privately through the issuance of bonds, a portion of which will be used for 400MW East along with the proceeds of the BDT1,000 million public bond.

- e) **A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer:**

Ashuganj Power Station Company Ltd will use the proceeds of BDT 1,000 million from the public offer of its bond as per the following schedule:

| Sl. | Utilization of Funds | Progress made so far | Schedule of Implementation | |
|-----|---|---|---|---|
| | | | Approximate Date of Completion | Projected Date of Commercial Operation |
| 1 | Land Development and Civil Works | | | |
| | Demolishing expense | The 400 MW East CCPP power plant will be made in the land of existing 146 MW Plant which has been de-commissioned. | within 12 months of receiving IPO funds | The Projected COD (Commercial Operation Date) as per contract signed with EPC contractor of the 400 MW East CCPP project is June 2021 |
| | Construction of Office Building | | within 36 months of receiving IPO funds | |
| | Bridge demolition and construction | | within 12 months of receiving IPO funds | |
| 2 | Primary Fuel | | | |
| | Primary fuel (Natural gas) purchase from supplier | During the set-up and installation of the machineries for the project, the natural gas will be procured and used for testing purpose. | within 36 months of receiving IPO funds | The Projected COD as per contract signed with the EPC contractor of the 400 MW East CCPP project is June 2021 |
| 3 | Purchase of Vehicles | | | |
| | 1 Jeep | Vehicles to be used for project related activities will be procured within the next 36 months as required. 1 jeep and 4 motorcycles will be purchased within 12 months and the remaining vehicles will be purchased within 24 months. | within 12 months of receiving IPO funds | The Projected COD as per contract signed with the EPC contractor of the 400 MW East CCPP project is June 2021 |
| | 4 motorcycles | | | |
| | 2 Sedan cars | | within 24 months of receiving IPO funds | |
| | 2 Double Cabin pick-up | | | |
| | 1 Ambulance | | | |
| | 4 motorcycles | | | |
| 4 | Engineering & Consultancy Service | | | |
| | Environment Consultant | An environmental consultant has already been contracted to verify, monitor and compile reports submitted by the EPC contractor. | within 12 months of receiving IPO funds | The Projected COD as per contract signed with the EPC contractor of the 400 MW East CCPP project is June 2021 |
| | Training for Operation & Maintenance | Training at Power plant Manufacturers factory (Siemens, Germany) for 2 months and training on site (Ashuganj factory) for 1 month for twenty Operation & Maintenance Personnel. | within 36 months of receiving IPO funds | The Projected COD as per contract signed with the EPC contractor of the 400 MW East CCPP project is June 2021 |

| Sl. | Utilization of Funds | Progress made so far | Schedule of Implementation | |
|-----|--|---|---|---|
| | | | Approximate Date of Completion | Projected Date of Commercial Operation |
| 5 | Working Capital | | | |
| | Working Capital for the project | Working Capital Expenses in relation to the construction and commissioning of the project | within 36 months of receiving IPO funds | The Projected COD as per contract signed with the EPC contractor of the 400 MW East CCPP project is June 2021 |
| 6 | IPO Expenses | | | |
| | Public Offering related fees, charges and expenses | | within 3 months of receiving IPO funds | The Projected COD as per contract signed with the EPC contractor of the 400 MW East CCPP project is June 2021 |

sd/-
Md. Mahfuzul Haque, FCMA
Executive Director (Finance)

sd/-
A M M Sazzadur Rahman
Managing Director

sd/-
Khaled Mahmood
Chairman

- f) **If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the information memorandum:**

There are no such contracts yet to be engaged by the Company.

- g) **If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection:**

| Particulars | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|---------------|-----------------|-----------------|-----------------|------------------|
| Current assets (Excluding cash) | 4,095,247,235 | 5,298,147,629 | 8,622,712,092 | 8,724,050,999 | 7,58,814,082,919 |
| Current Liabilities | 2,327,370,864 | 6,953,031,853 | 13,039,012,568 | 12,097,440,094 | 11,641,173,118 |
| Working capital | 1,767,876,371 | (1,294,884,204) | (4,416,300,476) | (3,373,389,095) | (2,827,090,198) |
| Working capital requirement | | (3,062,760,575) | (3,121,416,272) | 1,042,911,381 | 546,298,897 |

- h) **Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be:**

APSCL will expand its current production capacity with the installation with the new 400MW CCPP Power plant. The total cost of the project is given BDT 23,101.35 million. APSCL is also shutting down its older plants due to their inefficiency. Unit-1, Unit-2 and GT plants have already been shutdown, with the remaining Unit-3,4 and 5 slowly being shutdown.

- i) **Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented:**

The implementation of the projects will be implemented in a single phase.

- j) **The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies:**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- k) **Summary of the project appraisal/ feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report**

APSCL has examined the financial estimation, projections, reasonableness of assumptions and other qualitative and quantitative factors

and have concluded that in light of the findings arising out of the study on 400MW CCPP (East), at 80% plant factor, and at an gas price of BDT 79.82 per mscf and selling price of BDT 2.00385 per kWh, the project has a positive Net Present Value and therefore is feasible. Moreover, calculated NPV, IRR and Benefit to Cost ratio of the 400MW (East) CCPP is shown below:

| | |
|--|---|
| Cost of the Project | BDT 30,195 million |
| Total Equity of the Project | BDT 6,840 million |
| Total Debt of the project | BDT 29,511 million |
| Internal Rate of Return @ 80% capacity factor | 12.57% |
| Discount Rate | 10% |
| Net Present Value @ 80% capacity factor | BDT 5,704.2 million |
| Benefit to cost ratio | 1.1333 |
| Means of Finance | BDT 248,415.91 million loan from ADB and IDB BDT 46,695.36 million loan from Government of Bangladesh BDT 6,840 million to be provided by APSCL |

Disclaimer: The feasibility study summarized above was conducted in 2015, with a plan to complete construction by April 2020. However, work for appointment of EPC contractor and tender documents commenced much later, and as a result of which the expected date of commercial operation is June 2021. The total project cost has also decreased from BDT 30,195 million to BDT 23,101.4 million. BDT 17,370.45 will be financed by ADB and IDB loan, BDT 4,206.8 million will be financed through government loan and BDT 1,524.0 million will be financed through bond proceeds. While the project cost decreased significantly from previous estimate, the financial analysis of the feasibility study did not consider bond as a source of fund. As a result, the financing cost of the bond is not included in the assumptions

SECTION XXIII:

Lock-In

- a) **Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of information memorandum or commercial operation, whichever comes later, in the following manner:**

As APSCL is issuing non convertible fully redeemable coupon bearing bond totaling BDT 1,000 million, which is a debt issue, shareholders of the Company will not be subject to any lock-in of their shares.

- b) **Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in:**

As APSCL is issuing non convertible fully redeemable coupon bearing bond totaling BDT 1,000 million, which is a debt issue, no shareholders of the Company will be subject to any lock-in of their shares.

SECTION XXIV:

Markets for the
Securities Being
Offered:

The issuer shall apply to all the relevant exchanges in Bangladesh within seven working days from the date of consent for public offer accorded by the Commission.

DECLARATION ABOUT LISTING OF SHARES WITH STOCK EXCHANGE(S)

None of the stock exchange(s), if for any reason, grants listing of the bonds within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this information memorandum shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be. In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) above the bank rate, to the subscribers concerned. The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 07 (Seven) days of expiry of the aforesaid 15 (Fifteen) days time period allowed for refund of the subscription money."

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the bond of the Company.

The issue shall be placed in the "A" category in the DSE and CSE

SECTION XXV:

Description
of securities
outstanding or being
offered

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

a) Dividend, voting and preemption rights:

APSCL is issuing subordinated bonds to the general public. Since it is not issuing any shares to the public, the investors of this issue will not be entitled to any dividend, voting and preemption rights. However, since it is a bond, the investors, i.e. bondholders, are entitled to periodic coupon payments from the bond.

b) Conversion and liquidation rights:

As the public offer is a non-convertible bond issue, there are no conversion or liquidation rights. However, the bond holders are entitled to the periodic redemption of the bond until the entirety of the bond has been redeemed. The redemption policy of the bond is tabulated below:

| Period | Redemption |
|---------------|------------|
| End of year 1 | 0% |
| End of year 2 | 0% |
| End of year 3 | 0% |
| End of year 4 | 25% |
| End of year 5 | 25% |
| End of year 6 | 25% |
| End of year 7 | 25% |

c) Dividend policy:

As APSCL is not offering any shares to the public, there is no dividend policy for the investors. However, the investors are entitled to regular and periodic coupon payments. Annual coupon rate at coupon payment date will be between 8.50% to 10.50% and will be determined by the average of last 6 months 182-days t-bill cut off rate. Coupon payments will be made on a semi-annual basis till the entirety of bond is redeemed except for first year where the coupon payment will be made at the end of first year of subscription closing.

d) Other rights of the securities holders:

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the bonds of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of the bond securities being issued. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objects of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

SECTION XXVI:

Financial Statements

a) Auditor's Report to the Shareholders of Ashuganj Power Station Company Limited for the year ended 2017**Audit Report
For the year ended 2016-2017**

We have audited the accompanying financial statements of Ashuganj Power Station Company Ltd (the Company), which comprise the statement of financial position (balance sheet) as at 30 June 2017, statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain a 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' judgement, including the assessment of the risks of material misstatements 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 Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of the Company as at 30 June 2017 and of the financial performance and its cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that :

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, and made due verification thereof;
- (ii) 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; and
- (iii) the statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss statement) dealt with by the report are in agreement with the books of account and returns.
- (iv) the expenditure incurred and payments made were for the purpose of the business of the company.

Dhaka, Bangladesh
Dated, 12 October 2017

Sd/-
S. F. AHMED & CO
Chartered Accountants

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at 30 June 2017

| | Notes | 30 June 2017 BDT | 30 June 2016 BDT |
|---|-------|-----------------------|-----------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 16,343,387,814 | 18,071,893,749 |
| Deferred expenditure | 5 | 390,027,259 | 367,629,233 |
| Investment in UAEL | | 304,050,000 | - |
| Capital works-in-progress | 6 | 70,612,683,240 | 64,641,417,311 |
| Total non-current assets | | 87,650,148,313 | 83,080,940,293 |
| Current assets | | | |
| Stock in stores | 7 | 1,267,158,835 | 1,164,346,942 |
| Advances, deposits and pre-payments | 8 | 27,880,502 | 45,234,878 |
| Accounts and other receivable | 9 | 4,003,108,312 | 2,885,665,415 |
| Cash and bank balances | 10 | 5,160,571,223 | 3,542,819,398 |
| Total current assets | | 10,458,718,872 | 7,638,066,633 |
| Total assets | | 98,108,867,184 | 90,719,006,926 |
| Equity and Liabilities | | | |
| Share capital | 11 | 6,615,000,000 | 6,615,000,000 |
| Equity of BPDB | 12 | 5,572,614,964 | 5,572,614,964 |
| Direct Grant | 13 | 344,182,000 | 344,182,000 |
| Retained earnings | 14 | 5,061,685,665 | 3,653,723,463 |
| | | 17,593,482,629 | 16,185,520,427 |
| Subordinated loan | | | |
| Debt service liabilities (DSL) | 15 | 10,252,300,000 | 10,252,300,000 |
| Non-current liabilities | | | |
| Government loan | 16 | 3,677,538,723 | 3,436,558,853 |
| Loan from BPDB | 17 | 4,741,600,000 | 3,280,000,000 |
| Foreign loan | 18 | 22,546,976,270 | 15,663,052,949 |
| Export credit agency (ECA) | 19 | 31,140,113,886 | 38,212,169,715 |
| Advance land lease rent UAEL | | 283,780,000 | - |
| Provision for income tax | 20 | 1,024,812,189 | 1,141,952,686 |
| Liabilities for gratuity | 21 | 255,231,634 | 220,081,432 |
| Total non-current liabilities | | 63,670,052,702 | 61,953,815,635 |
| Current liabilities | | | |
| Outstanding liabilities | 22 | 6,508,707,144 | 2,310,583,308 |
| Workers' profit participation fund (WPPF) | 23 | 84,324,709 | 16,787,556 |
| Total current liabilities | | 6,593,031,853 | 2,327,370,864 |
| Total liabilities | | 80,515,384,555 | 74,533,486,499 |
| Total equity and liabilities | | 98,108,867,184 | 90,719,006,926 |

These financial statements should be read in conjunction with annexed notes

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Company Secretary

Executive Director (Finance)

Managing Director

Director

See annexed report of the date

Dhaka, Bangladesh
Dated, 22 October 2017S. F. AHMED & CO
Chartered Accountants

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (PROFIT AND LOSS STATEMENT)

As at 30 June 2017

| | Notes | 30 June 2017 | 30 June 2016 |
|---|-------|----------------------|----------------------|
| | | BDT | BDT |
| Revenue | 24 | 15,660,032,053 | 8,413,064,246 |
| Cost of sales | 25 | 9,634,141,942 | 6,957,617,482 |
| Gross profit | | 6,025,890,111 | 1,455,446,764 |
| Other operating Income | 26 | 129,208,702 | 87,605,663 |
| | | 6,155,098,813 | 1,543,052,427 |
| Operation and maintenance expenses | | | |
| Personnel expenses | 27 | 918,577,614 | 571,310,168 |
| Office and other expenses | 28 | 59,680,089 | 46,117,511 |
| Repair and maintenance | 29 | 71,262,807 | 70,683,581 |
| Depreciation expenses | 30 | 64,983,010 | 78,204,252 |
| Uncollectable receivable written off | 31 | - | 58,829,480 |
| | | 1,114,503,520 | 825,144,992 |
| Operating profit | | 5,040,595,293 | 717,907,435 |
| Finance Income | 32 | 41,137,027 | 190,175,309 |
| Financial Expense | 33 | 2,302,253,023 | 553,254,016 |
| Foreign currency fluctuation (gain)/loss | | 1,252,962,811 | 19,077,616 |
| Provision no longer required | 34 | 159,977,693 | - |
| | | 1,686,494,179 | 335,751,112 |
| Workers' profit participation fund | | 84,324,709 | 16,787,556 |
| Net profit before tax | | 1,602,169,470 | 318,963,556 |
| Income tax expense | 20.1 | 94,982,267 | 78,346,475 |
| Net profit after tax | | 1,507,187,203 | 240,617,081 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 1,507,187,203 | 240,617,081 |
| Earnings per share | | | |
| Basic earnings per share (face value BDT 100) | 35 | 22.78 | 3.64 |

These financial statements should be read in conjunction with annexed notes

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Company Secretary

Executive Director (Finance)

Managing Director

Director

See annexed report of the date

Dhaka, Bangladesh
Dated, 22 October 2017**S. F. AHMED & CO**
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

| | Share capital | Equity of BPDB | Direct grant | Retained earnings | Total |
|----------------------------|----------------------|----------------------|--------------------|----------------------|-----------------------|
| | BDT | BDT | BDT | BDT | BDT |
| Year 2016 | | | | | |
| Balance at 01 July 2015 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 3,446,181,382 | 15,977,978,346 |
| Total comprehensive income | - | - | - | 240,617,081 | 240,617,081 |
| Payment of dividend | - | - | - | (33,075,000) | (33,075,000) |
| Balance at 30 June 2016 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 3,653,723,463 | 16,185,520,427 |
| Year 2017 | | | | | |
| Balance at 01 July 2016 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 3,653,723,463 | 16,185,520,427 |
| Total comprehensive income | - | - | - | 1,507,187,203 | 1,507,187,203 |
| Payment of dividend | - | - | - | (99,225,000) | (99,225,000) |
| Balance at 30 June 2017 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 5,061,685,665 | 17,593,482,629 |

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Company Secretary

Executive Director (Finance)

Managing Director

Director

Dhaka, Bangladesh
Dated, 22 October 2017

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

| | Notes | 2017 | 2016 |
|---|-------|------------------------|-------------------------|
| | | BDT | BDT |
| Cash flows from operating activities | | | |
| Cash received from operation | | 14,542,589,156 | 8,306,036,132 |
| Cash received from other income | | 170,345,729 | 210,988,972 |
| Payment for salary and allowances | | (874,345,668) | (547,296,068) |
| Payment to suppliers | | (6,314,385,530) | (4,523,631,105) |
| Finance expense paid | | (2,146,002,524) | (553,254,082) |
| Income tax paid | | (52,145,071) | (21,694,127) |
| Net cash received from operating activities | | 5,326,056,092 | 2,871,149,722 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (38,265,453) | (21,497,898) |
| Payments towards project cost | | (6,401,007,039) | (13,410,371,236) |
| Investment in UAEL | | (304,050,000) | - |
| Addition to deferred expenditure | | (209,827,272) | - |
| Net cash used in investing activities | | (6,953,149,764) | (13,431,869,134) |
| Cash flows from financing activities | | | |
| Repayment of government loan | | (399,729,324) | (259,729,324) |
| Repayment of foreign loan | | (132,898,124) | (91,668,632) |
| Dividend received | | - | 66,792,000 |
| Dividend paid | | (99,220,647) | (33,073,549) |
| Advance land lease rent UAEL | | 283,780,000 | - |
| Loan paid to BPDB | | (800,000,000) | - |
| Government loan received for 450 MW (N) project | | 618,971,450 | 649,965,258 |
| ADB loan received for 450 MW (N) project | | 4,809,419,002 | 5,459,037,756 |
| IDB loan received for 450 MW (N) project | | 803,544,871 | 674,513,954 |
| Loan from BPDB | | 2,261,600,000 | 3,280,000,000 |
| Export credit agency (ECA) | | (4,154,782,041) | 2,991,046,481 |
| Net cash from/(used in) financing activities | | 3,190,685,187 | 12,736,883,944 |
| Net increase in cash and cash equivalents | | 1,563,591,515 | 2,176,164,532 |
| Opening cash and cash equivalents | | 3,542,819,398 | 1,385,732,416 |
| Effects of exchange rate changes on cash and cash equivalents | | 54,160,310 | (19,077,550) |
| Closing cash and cash equivalents | | 5,160,571,223 | 3,542,819,398 |

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Company Secretary

Executive Director (Finance)

Managing Director

Director

Dhaka, Bangladesh
Dated, 22 October 2017

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1 Corporate information

1.1 Legal status and background of the company

Ashuganj Power Station Company Ltd (APSCL/the Company) is registered as a private limited company with the Registrar of Joint Stock Companies and Firms (RJSCF), Dhaka vide certificate of incorporation no. 40630(2328)/2000 dated 28 June 2000 which was thereafter converted into a public limited company. Its authorised share capital has been increased from BDT 100 crores to BDT 1,500 crores through a special resolution passed on 01 March 2003 and authorised capital has been increased from BDT 1,500 crores to BDT 3,000 crores through an ordinary resolution on 10th AGM held on 26 December 2010. Its paid up capital has been increased to BDT 661.40 crore by a special resolution in the 142th Board Meeting held on 08 July 2012 in terms of condition of section 151 of Companies Act 1994 for issue of shares against assets and conditions of the company's Articles of Association, clauses 11 and 17 (here considering on the basis of provisional vendor's agreement, maximum BDT 661.40 crore can be transferred to BPDB's paid up capital from its equity). A provisional vendor's agreement has been signed between Bangladesh Power Development Board (BPDB) and APSCL in order to transfer all the assets and liabilities of Ashuganj Power Station Complex, Ashuganj Combined Cycle Power Plant, Ashuganj Power Plant Training Centre and Ashuganj Regional Accounting Office of BPDB to APSCL on 22 May 2003. A Provisional Power Purchase Agreement (PPPA) has also been signed on 30 May 2005 between the BPDB and APSCL. Both the agreements are with effect from 01 June 2003. The Articles of Association of the company was amended in the 8th AGM held on 30 June 2008. After the amendments, the accounting period has been changed from Gregorian calendar year to company's desired financial year with due permission from RJSCF vide its letter no. 4835. First amendment of PPPA has been made with effect from 15 January 2010, second amendment of PPPA between APSCL and BPDB has been made with effect from 14 January 2012 and third amendment of with effect from 17 June 2015.

1.2 Nature of business activities

The main objectives of the company is to carry out the business of electric light and power generation, supply and sell of electricity through national grid to BPDB for the purpose of light, heat motive power and all other purposes for which electric energy can be employed and to manufacture and deal in all apparatus and things required for, or capture of being used in connection with the generation, supply, sale and employment of electricity including in term electricity all power that may be directly or indirectly derived therefrom, or may be incidentally hereafter discovered in dealing with electricity.

2. Basis of preparation

2.1 Statement of compliances

The Financial Statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations.

2.2 Measurement of the elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognised and carried in the statements of financial position and profit or loss and other comprehensive income. The measurement basis adopted by APSCL is historical cost except the revaluation of land. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.3 Components of these financial statements

Following are the components of these financial statements as per BAS 1 :

- (i) Statement of financial position (balance sheet) as at 30 June 2017
- (ii) Statement of profit or loss and other comprehensive income (profit and loss statement) for the year ended 30 June 2017
- (iii) Statement of changes in equity for the year ended 30 June 2017
- (iv) Statement of cash flows for the year ended 30 June 2017
- (v) Explanatory notes to the above financial statements which also describe the accounting policies adopted and followed by the company.

2.4 Basis of preparation of the financial statements

These financial statements has been prepared on accrual basis following going concepts under historical cost convention.

2.5 Functional and presentation currency

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

These financial statements are presented in Bangladesh Taka (BDT), which is both functional currency and presentation currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT.

2.6 Reporting period

The financial period of the company covers 12 (twelve) months from 01 July 2016 to 30 June 2017 which is followed consistently.

2.7 Use of estimates and judgments

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

3. Significant accounting policy and other material information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Items of property, plant and equipment (PPE) are initially measured at cost. After initial recognition, an item of PPE is carried at cost less accumulated depreciation and impairment losses as per BAS 36 "Impairment of Assets". Cost represents the cost of acquisition/procurement including development expenses, all installation expenses, commissioning and other relevant expenses.

3.1.2 Subsequent costs

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

3.1.3 Maintenance activities

The company incurs maintenance costs for all of its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses and sometimes deferred when incurred. Subsequently deferred expenses charge to the Statement of financial position (balance sheet) over its useful life.

3.1.4 Depreciation

Depreciation on PPE has been charged applying straight line method considering the estimated life and the salvage value of the assets procured. Depreciation is charge on property plant and equipment for 6 (six) months in the year of acquisition and 6 (six) months in the year of disposal. However, depreciation for 450 MW (South and North) project charge as a proportionate basis from the date of commercial operation.

| Asset category | Rate of depreciation (%) |
|------------------------|--------------------------|
| Building | 1.55 - 13.33 |
| Plant and machinery | 5 - 40 |
| Office equipment | 10 - 33.33 |
| Vehicles | 12.5 |
| Furniture and fixtures | 20 |
| Overhauling project | 7.14 |

3.1.5 Retirements and disposals

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

3.2 Stock in stores

Stock and stores have been stated at the lower of cost and net realisable value in accordance with BAS 2 "Inventories". The cost of inventories is assigned by using weighted average cost method.

3.3 Accounts receivable

Accounts receivable are recognized at cost which is the fair value of the consideration given for them.

3.4 Cash and cash equivalents

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

Cash and cash equivalents comprise cash in hand and cash at bank, which are held and available for use of the company without any restriction.

3.5 Cash flow statement

Cash flow statement is prepared according to BAS 7 "Statements of Cash Flows" under direct method as required by the Securities & Exchange Rules 1987.

3.6 Equity of BPDB

Shares allotment against equity of BPDB has not yet been made. After allotment of shares, it will be presented as share capital of the company.

3.7 Status of foreign loan

Foreign loan was initially transferred from BPDB on 01 June 2003. Periodical dues of principal and interest are transferred to Debt Service Liability (DSL).

3.8 Foreign currency transactions

Foreign currency transactions are converted at the rates ruling on the dates of transactions in accordance with BAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rate prevailing on that date. Exchange losses/(gain) arising out of the said conversion, except for those foreign currency borrowing directly attributable to the construction or acquisition of a qualifying asset, is recognised as an expense/(income) for the year.

Exchange differences arising from foreign currency borrowings directly attributable to the construction or acquisition of a qualifying asset are capitalised in accordance with BAS 23 "Borrowing Costs". The Company has established a 'cap and floor' policy for determining the amount of foreign exchange gains or losses to be included in borrowing costs. The floor is up to the amount that reduces the borrowing cost to nil ie, the amount of gains is to be set-off with interest expense up to the said borrowings, any excess gains above interest expense will be taken into income and the cap is the interest on a local currency borrowing at inception ie, exchange loss can be added with qualifying assets up to the amount of interest on local borrowings, if exceeds, the excess amount is to be charged in income statement.

3.9 Provisions

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

3.10 Contribution to workers' profit participation fund

This is required to be made in terms of section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the fund, the proportion of the payment to the participation fund and the welfare fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the company to the workers' welfare foundation fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.

The Company makes provision @ 5% of its net profit as a contribution to workers' profit participation fund before tax and charging such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2013).

3.11 Employee benefits

Employees' provident fund

The company has established a Contributory Provident Fund (CPF) scheme for its eligible permanent employees. The fund is wholly administered by a Board of Trustees. No part of the fund is included in the assets of the company.

Group Insurance

The company has also a group insurance scheme for its permanent employees, premium for which is being charged to income statement annually as per the insurance policy.

Gratuity

The company also maintains an unfunded gratuity scheme for regular employees, provision for which has been made in account.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

Employees are entitled to gratuity benefit after completion of minimum 3 years' service in the company but provision has been made for persons who have not completed 3 years. The gratuity is calculated on the last basic salary and is payable at the rate of two months' basic salary for every completed year of service.

3.12 Revenue

Sales revenue has been calculated as per PPA and its first amendment signed between BPDB and APSCL. The main elements of the sales revenue are as follows:

A. Capacity Payments

- a) Depreciation on fixed assets
- b) Cost of capital ie, interest on borrowed capital
- c) Return on equity
- d) Repairs and maintenance of plant, machinery and equipment
- e) Pay and allowances

B. Energy Payments i.e. fuel cost (gas bill)

The capacity payment is fixed in nature but the energy payment is variable with volume of generation.

3.13 Provisional interest expense

Provisional interest expenses are calculated @ 3% on Govt. loan and @ 8% on foreign loan regarding overhauling project units 3, 4 and 5.

3.14 Taxation

Current tax

The tax currently payable is based on taxable income for the year. Taxable income differs from net income as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other year and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of statement of financial position date.

The company has a taxable loss for depreciation calculated using the 3rd schedule of Income Tax Ordinance 1984.

3.15 Significant contract

Power purchase agreement

The company has entered into a PPA with BPDB, whereby BPDB agrees to purchase all net electricity outputs of the facility. BPDB is also required to provide natural gas to the facility sufficient to meet the full requirements of the facility. The PPA can be extended during the final twelve months of its term upon mutual agreement of the company and BPDB.

The company delivers electricity only as requested by BPDB. The price paid by BPDB for electricity comprises a fuel cost recovery tariff and an operations and maintenance tariff.

The operations and maintenance tariff is structured to cover the operating, administration and general expenses of the company, as well as to provide a return on equity to the shareholders. The operations and maintenance tariff is based on the number of kilowatt-hours of electricity delivered.

The company has recognised revenue of BDT 15,660,032,053 during the year ended 30 June 2017 and BDT 8,413,064,246 during the year ended 30 June 2016 under this agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|--|-----------------------|-----------------------|
| | BDT | BDT |
| 4. Property, plant and equipment | | |
| Cost | | |
| Opening balance | 34,478,010,742 | 34,456,512,844 |
| Add: Addition during the year | 44,365,453 | 21,497,898 |
| Closing balance | 34,522,376,195 | 34,478,010,742 |
| Accumulated depreciation | | |
| Opening balance | 16,406,116,993 | 14,616,926,388 |
| Add: Charge for the year | 1,772,871,388 | 1,789,190,605 |
| Closing balance | 18,178,988,381 | 16,406,116,993 |
| Written down value at 30 June 2017 | 16,343,387,814 | 18,071,893,749 |
| Details are shown in Annex 1. | | |
| 5. Deferred expenditure | | |
| Opening balance | 367,629,233 | 521,836,590 |
| Add: Addition during the year | 209,827,272 | - |
| | 577,456,505 | 521,836,590 |
| Less: Amortisation for the year | 187,429,246 | 154,207,357 |
| Closing balance | 390,027,259 | 367,629,233 |
| Deferred expenditure consists of cost of spare parts of plant and machinery and other major repair and maintenance expenses. As per decision of 17th meeting of Audit Committee of APSCL, deferred expenditure should be amortised for a period of maximum 10 years. In the year 2014-15 the Audit Committee of APSCL, in its 57th meeting, decided to revise life time of some items in deferred expenditure which has been approved in 201st Board Meeting of APSCL. | | |
| Details are shown in Annex 2. | | |
| 6. Capital works-in-progress | | |
| 225 MW Combined Cycle Power Plant (note 6.1) | 16,608,415,377 | 17,227,515,646 |
| 450 MW (South) Project (note 6.2) | 30,051,217,866 | 31,098,354,969 |
| 450 MW (North) Project (note 6.3) | 23,765,765,112 | 16,136,445,423 |
| 200 MW Modular Project (note 6.4) | 168,164,667 | 168,164,667 |
| 400 MW (East) Project (note 6.5) | 19,120,219 | 4,836,606 |
| Vehicle (Complete Ambulance) | - | 6,100,000 |
| | 70,612,683,240 | 64,641,417,311 |

APSCL is going to implement new power plants namely, 225 MW Combined Cycle Power Plant, 450 MW (South), 450 MW (North), 200 MW Modular Project and 400 MW (East) Project. All costs in such projects are shown as capital works-in-progress.

6.1 225 MW Combined Cycle Power Plant

| | | |
|------------------------------------|-----------------------|-----------------------|
| Opening balance | 17,227,515,646 | 16,820,218,413 |
| Add: Addition during the year | 68,811,152 | 1,248,308,154 |
| | 17,296,326,798 | 18,068,526,567 |
| Less: Depreciation during the year | 687,911,421 | 841,010,921 |
| Closing balance | 16,608,415,377 | 17,227,515,646 |

Details are shown in **Annex 3A.**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 6.2 450 MW (South) Project | | |
| Opening balance | 31,098,354,969 | 25,747,606,583 |
| Add: Addition during the year | 64,599,768 | 5,350,748,386 |
| | 31,162,954,737 | 31,098,354,969 |
| Less: Depreciation during the year | 1,111,736,871 | - |
| Closing balance | 30,051,217,866 | 31,098,354,969 |
| Details are shown in Annex 3B. | | |
| 6.3 450 MW (North) Project | | |
| Opening balance | 16,136,445,423 | 9,336,067,333 |
| Add: Addition during the year | 7,678,907,822 | 6,800,378,090 |
| | 23,815,353,245 | 16,136,445,423 |
| Less: Depreciation during the year | 49,588,133 | - |
| Closing balance | 23,765,765,112 | 16,136,445,423 |
| Details are shown in Annex 3C. | | |
| 6.4 200 MW Modular Project | | |
| Opening balance | 168,164,667 | 168,164,667 |
| Add: Addition during the year | - | - |
| | 168,164,667 | 168,164,667 |
| Less: Depreciation during the year | - | - |
| Closing balance | 168,164,667 | 168,164,667 |
| Details are shown in Annex 3D. | | |
| 6.5 400 MW (East) Project | | |
| Opening balance | 4,836,606 | - |
| Add: Addition during the year | 14,283,613 | 4,836,606 |
| | 19,120,219 | 4,836,606 |
| Less: Depreciation during the year | - | - |
| Closing balance | 19,120,219 | 4,836,606 |
| Details are shown in Annex 3E. | | |
| 7. Stocks in stores | | |
| Opening balance | 1,164,346,942 | 887,979,012 |
| Add: Purchase during the year | 943,585,604 | 317,959,383 |
| Increase/(decrease) in goods-in-transit during the year | (332,904,417) | 225,575,686 |
| | 1,775,028,129 | 1,431,514,081 |
| Less: Consumption during the year | 507,869,294 | 267,167,139 |
| Closing balance | 1,267,158,835 | 1,164,346,942 |

The above amount represents the cost of spare parts and other materials namely, equipment's, accessories of electrical items and other materials necessary for generation of power including goods in transit which comprise customs duty and VAT deducted at source at the time of import.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | | 2017 | 2016 |
|---|-----|-----------------------|-----------------------|
| | | BDT | BDT |
| 8. Advances, deposits and pre-payments | | | |
| Advances | | | |
| Income tax deducted at source (TDS) | | 3,684,620 | 26,267,392 |
| Temporary advance | | 13,410,199 | 14,150,344 |
| Advance payment to Telephone Shilpa Sangstha | | - | 3,995,157 |
| Advance to Agrodoot Bangladesh Scouts | | 120,000 | 120,000 |
| Advance office rent (Patuakhali) | | 24,000 | 16,000 |
| Advance income tax (AIT) | | 9,555,698 | - |
| | | 26,794,517 | 44,548,893 |
| Deposits | | | |
| Titas Gas T & D Ltd (security deposit) | | 635,485 | 635,485 |
| Customs security deposit (For 50 MW gas engine project) | | 50,500 | 50,500 |
| Security deposit (Dhaka office) | | 300,000 | - |
| Trust Filling Station (Dhaka) | | 100,000 | - |
| | | 1,085,985 | 685,985 |
| | | 27,880,502 | 45,234,878 |
| 9. Accounts and other receivable | | | |
| Accounts receivable from BPDB | 9.A | 3,851,435,686 | 2,882,317,011 |
| Other receivable | 9.B | 151,672,626 | 3,348,404 |
| | | 4,003,108,312 | 2,885,665,415 |
| 9.A Accounts receivable from BPDB | | | |
| Opening balance | | 2,882,317,011 | 2,771,527,966 |
| Add: Electricity sales to BPDB during the year | | 15,660,032,053 | 8,413,064,246 |
| Debt service liability due (note 9.1) | | (346,965,246) | 66,655,400 |
| | | 18,195,383,818 | 11,251,247,612 |
| Less: Fuel cost paid by BPDB | | 3,634,776,138 | 3,006,020,018 |
| Cash collection during the year | | 10,709,171,994 | 5,304,081,103 |
| Uncollectable receivable written-off | | - | 58,829,480 |
| Closing balance | | 3,851,435,686 | 2,882,317,011 |
| 9.B Other receivables | | | |
| Accrued interest - FDR | | 9,753,733 | 3,348,404 |
| Operational insurance premium (225 MW) | | 53,174,840 | - |
| Operational insurance premium (450 MW-S) | | 88,744,053 | - |
| | | 151,672,626 | 3,348,404 |
| 9.1 Debt service liability (DSL) | | | |
| DSL against government loan (note 9.1.1) | | 2,079,087,594 | 1,589,843,420 |
| DSL against foreign loan (note 9.1.2) | | 8,100,283,500 | 7,892,962,428 |
| | | 10,179,371,094 | 9,482,805,848 |
| Less: Adjusted DSL | | 4,994,451,228 | 4,644,851,228 |
| | | 5,184,919,866 | 4,837,954,620 |
| Less: Opening balance | | 4,837,954,620 | 4,904,610,020 |
| Closing balance | | 346,965,246 | (66,655,400) |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|--|----------------------|----------------------|
| | BDT | BDT |
| 9.1.1 DSL against government loan | | |
| Opening balance | 1,589,843,420 | 1,240,599,246 |
| Add: Principal due during the year | 399,729,324 | 259,729,324 |
| Interest accrued during the year | 89,514,850 | 89,514,850 |
| Closing balance | 2,079,087,594 | 1,589,843,420 |
| Break-up of the above figure | | |
| Principal | 1,485,053,270 | 1,085,323,946 |
| Interest | 594,034,324 | 504,519,474 |
| | 2,079,087,594 | 1,589,843,420 |
| 9.1.2 Debt service liability (DSL) against foreign loan | | |
| Opening balance | 7,892,962,428 | 7,725,862,002 |
| Add: Principal due during the year | 132,898,124 | 91,668,632 |
| Interest accrued during the year | 74,422,948 | 75,431,728 |
| Foreign currency fluctuation loss | - | 66 |
| Closing balance | 8,100,283,500 | 7,892,962,428 |
| Break-up of the above figure | | |
| Principal | 4,565,842,083 | 4,432,943,959 |
| Interest | 3,342,570,700 | 3,268,147,752 |
| Foreign currency fluctuation loss | 191,870,717 | 191,870,717 |
| | 8,100,283,500 | 7,892,962,428 |
| 10. Cash and cash equivalents | | |
| Cash in hand | 629,035 | 432,574 |
| Cash at bank (note 10.1) | 5,105,781,878 | 3,561,464,374 |
| Cash and cash equivalents as previously reported | 5,106,410,913 | 3,561,896,948 |
| Effects of exchange rate changes on cash and cash equivalents | 54,160,310 | (19,077,550) |
| Cash and cash equivalents as restated | 5,160,571,223 | 3,542,819,398 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|-------------------------------------|----------------------|----------------------|
| | BDT | BDT |
| 10.1 Cash at bank | | |
| HSBC* | 1,966,344,305 | 1,996,751,530 |
| Standard Chartered Bank** | 1,708,891,107 | 521,028,200 |
| EXIM Bank Limited | 985,006,138 | 441,189,441 |
| Janata Bank Limited | 130,352,116 | 149,629,867 |
| AB Bank Limited | 118,699,170 | 134,512,235 |
| Mutual Trust Bank Limited | 129,061,027 | 122,931,959 |
| The Premier Bank Limited | - | 56,057,825 |
| Shahjalal Islami Bank Limited | - | 33,827,087 |
| Jamuna Bank Limited | 14,942,180 | 25,260,044 |
| IFIC Bank Limited | 11,639,206 | 23,085,823 |
| Pubali Bank Limited | 17,753,707 | 15,299,537 |
| The City Bank Limited | - | 11,999,675 |
| Sonali Bank Limited | 11,775,865 | 11,329,123 |
| Prime Bank Limited | - | 11,016,727 |
| Trust Bank Limited | 11,317,057 | 7,545,301 |
| | 5,105,781,878 | 3,561,464,374 |
| HSBC* | | |
| Debt Service Reserve Account (DSRA) | 1,840,756,207 | 1,796,826,164 |
| HSBC-450MW (S)-019 | 124,242,721 | - |
| STD Account | 967,562 | 35,611,136 |
| HSBC-450MW (S)-069 | 243,981 | - |
| HSBC-450MW (S)-070 | 133,815 | - |
| Debt Service Accrual Account (DSAA) | 19 | 164,314,230 |
| | 1,966,344,305 | 1,996,751,530 |

As per common terms agreement (CTA) APSCL shall not be permitted to make any withdrawal from the Debt Service Reserve Account (DSRA). APSCL can withdraw the amount from the PPA account after fulfilling certain conditions and with the consent of the intercreditor agent.

Standard Chartered Bank**

| | | |
|--------------------------|----------------------|--------------------|
| STD Account | 260,217 | 685,135 |
| Disbursement USD Account | 14,706,334 | 14,714,025 |
| Debt Reserve Account | 882,983,649 | - |
| PPA USD Account | 485,105,735 | 215,423,513 |
| PPA BDT Account | 325,835,172 | 290,205,527 |
| | 1,708,891,107 | 521,028,200 |

As per common terms agreement (CTA) APSCL shall not be permitted to make any withdrawal from the Debt Service Account (DSA). APSCL can withdraw the amount from the PPA account after fulfilling certain conditions and with the consent of the intercreditor agent.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 11. Share capital | | |
| Authorised capital | | |
| 300,000,000 ordinary shares of BDT 100 each | 30,000,000,000 | 30,000,000,000 |
| Issued, subscribed and paid-up capital | | |
| 66,150,000 ordinary shares of BDT 100 each | 6,615,000,000 | 6,615,000,000 |
| Shareholding position: | | |
| Name of shareholder/representative | No. of shares | No. of shares |
| Bangladesh Power Development Board (BPDB) | 66,147,098 | 66,147,098 |
| Power Division - Secretary, MOPEMR | 1,900 | 1,900 |
| Energy and Mineral Resources Division - Secretary, MOPEMR | 1 | 1 |
| Finance Division - Secretary, Ministry of Finance | 1,000 | 1,000 |
| Planning Division - Secretary, Ministry of Planning | 1 | 1 |
| Total number of shares | 66,150,000 | 66,150,000 |
| 12. Equity of BPDB | | |
| Assets as on 01 June 2003 | 16,057,600,000 | 16,057,600,000 |
| Assets taken over for overhauling Unit # 3 | 1,630,955,483 | 1,630,955,483 |
| Total assets transferred from BPDB | 17,688,555,483 | 17,688,555,483 |
| Government loan | 971,682,193 | 971,682,193 |
| Foreign loan | 4,289,400,000 | 4,289,400,000 |
| Debt service liability (DSL) | 10,252,300,000 | 10,252,300,000 |
| Total liabilities transferred from BPDB | 15,513,382,193 | 15,513,382,193 |
| Provision for equity (note 12.1) | 4,146,519,000 | 4,146,519,000 |
| Provision for equity (note 12.2) | 5,118,841,874 | 5,118,841,874 |
| Provision for equity (note 12.3) | 746,080,800 | 746,080,800 |
| | 12,186,614,964 | 12,186,614,964 |
| Less: Transferred to paid-up capital | 6,614,000,000 | 6,614,000,000 |
| | 5,572,614,964 | 5,572,614,964 |
| 12.1 Provision for equity (Units # 3, 4 and 5) has been increased for handing over of overhauling projects. | | |
| 12.2 Provision for equity has been added at the time of fixation of new tariff as per proposed vendor's agreement. | | |
| 12.3 Projects completion report (PCR) of overhauling projects (Unit # 3, 4 and 5) has been completed, so added remaining equity. | | |
| 13. Direct grant | 344,182,000 | 344,182,000 |
| An amount of BDT 344,182,000 was received as grant from Kreditanstalt Fur Wiederaufbau (KfW) in the year 2011. This was initially classified as "Foreign Loan" but as per instruction of PCR, this grant has to be shown as equity of the company after finalisation of Projects Completion Report (PCR). The PCR was finalised in November 2013, following which the said amount has been reclassified as equity for the financial year 2013-14. However, no shares were allotted against the said amount. | | |
| 14. Retained earnings | | |
| Opening balance | 3,653,723,463 | 3,446,181,382 |
| Add: Profit for the year | 1,507,187,203 | 240,617,081 |
| | 5,160,910,665 | 3,686,798,463 |
| Less: Dividend paid | 99,225,000 | 33,075,000 |
| Closing balance | 5,061,685,665 | 3,653,723,463 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 15. Subordinated loan - debt service liabilities | | |
| Transferred from BPDB | 10,252,300,000 | 10,252,300,000 |
| | 10,252,300,000 | 10,252,300,000 |
| Debt service liabilities (DSL) arises from debt service liability in accordance of provisional vendor's agreement and subsequently it will converted to Equity of BPDB which is under process. It was treated as non-current liabilities in the statement of financial position of APSCL and now it will be treated as subordinated loan and shown as separately instead of non- current liabilities as per letter reference no. 2513/BOB/(SOCI)/unnoyn-01/85 dated 27 November 2012 of BPDB. | | |
| 16. Government loan | | |
| Opening balance | 3,436,558,853 | 3,046,322,919 |
| Add: Addition during the year (450 MW - North) | 640,709,194 | 649,965,258 |
| | 4,077,268,047 | 3,696,288,177 |
| Less: Repayment due for the year | 399,729,324 | 259,729,324 |
| Closing balance | 3,677,538,723 | 3,436,558,853 |
| Break-up of the above figure | | |
| 450 MW (North) | 1,859,463,456 | 1,218,754,262 |
| Overhauling unit # 3 | 652,382,193 | 652,382,193 |
| Overhauling unit # 4 and 5 | 1,165,693,074 | 1,565,422,398 |
| | 3,677,538,723 | 3,436,558,853 |
| 17. Loan from BPDB | | |
| Opening balance | 3,280,000,000 | - |
| Add: Addition during the year | 2,261,600,000 | 3,280,000,000 |
| Less: Payment during the year | 800,000,000 | - |
| Closing balance | 4,741,600,000 | 3,280,000,000 |
| 18. Foreign loan | | |
| Opening balance | 15,663,052,949 | 9,621,169,871 |
| Add: Addition during the year (ADB loan) | 5,558,304,225 | 5,459,037,756 |
| Addition during the year (IDB loan) | 1,458,517,220 | 674,513,954 |
| | 22,679,874,394 | 15,754,721,581 |
| Less: Repayment during the year | 132,898,124 | 91,668,632 |
| Closing balance | 22,546,976,270 | 15,663,052,949 |
| Break-up of the above figure | | |
| Overhauling unit # 3, 4 and 5 | 653,844,772 | 786,742,896 |
| ADB loan (450 MW - north) | 13,913,818,880 | 8,355,514,655 |
| IDB loan (450 MW - north) | 7,979,312,618 | 6,520,795,398 |
| | 22,546,976,270 | 15,663,052,949 |
| 19. Export credit agency (ECA) loan | | |
| 450 MW (South) Project (note 19.1) | 21,459,606,903 | 26,235,052,661 |
| 225 MW Project (note 19.2) | 9,680,506,983 | 11,977,117,054 |
| | 31,140,113,886 | 38,212,169,715 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|---|------------------------|-----------------------|
| | BDT | BDT |
| 19.1 450 MW (South) Project | | |
| CESCE facilities | 3,325,679,913 | 3,325,679,913 |
| HERMES facilities | 5,987,345,763 | 5,987,345,763 |
| MIGA facilities | 11,477,391,745 | 11,477,391,745 |
| ONDD facilities | 4,142,757,314 | 4,142,757,314 |
| Interest during construction period (IDCP) | 1,153,646,724 | 1,153,646,724 |
| Add/(less): Effect of exchange rate changes | 1,044,007,309 | 148,231,202 |
| | 27,130,828,768 | 26,235,052,661 |
| Less: Repayment during the year (CESCE facilities) | (375,971,124) | - |
| Repayment during the year (HERMES facilities) | (676,749,850) | - |
| Repayment during the year (MIGA facilities) | (1,306,140,685) | - |
| Repayment during the year (ONDD facilities) | (459,866,955) | - |
| | (2,818,728,614) | - |
| Less: Provision for current year | (2,852,493,251) | - |
| | 21,459,606,903 | 26,235,052,661 |
| 19.2 225 MW Project | | |
| HERMES facilities | 4,947,870,206 | 4,947,870,206 |
| K-SURE facilities | 7,478,829,349 | 7,478,829,349 |
| Interest during construction period (IDCP) | 377,370,831 | 377,370,831 |
| Add/(less): Effect of exchange rate changes | 229,752,802 | (168,632,268) |
| | 13,033,823,188 | 12,635,438,118 |
| Less: Repayment during the year (HERMES facilities) | (792,379,881) | (261,555,876) |
| Repayment during the year (K-SURE facilities) | (1,201,994,611) | (396,765,188) |
| | (1,994,374,492) | (658,321,064) |
| Less: Provision for current year | (1,358,941,713) | - |
| | 9,680,506,983 | 11,977,117,054 |

The company has arranged an ECA loan facility for two new projects namely 225 MW CCPP and 450 MW CCPP power plant, amounting to USD 193 million and USD 420 million for the said plant. The loan will be drawn within three years of the availability period and should be repaid with interest within 10 years after the project completion. The ECA loan was received in USD and it was converted to BDT at the rate prevailing on the disbursement date.

20. Provision for income tax

| | | |
|---|----------------------|----------------------|
| Opening balance | 1,141,952,686 | 1,085,300,338 |
| Add: Provision made during the year (note 20.1) | 94,982,267 | 78,346,475 |
| | 1,236,934,953 | 1,163,646,813 |
| Less: Payment during the year | 52,145,071 | 21,694,127 |
| Less: Adjustment for over provision | 159,977,693 | - |
| Closing balance | 1,024,812,189 | 1,141,952,686 |

20.1 Provision made during the year

This comprises of as under:

(i) Minimum corporate income tax of BDT 94,982,267 which is calculated in accordance with section 82C of Income Tax Ordinance 1984 as imposed by the Finance Act 2017.

Calculation of minimum tax

| | | |
|---|-----------------------|----------------------|
| Revenue | 15,660,032,053 | 8,413,064,246 |
| Other operating income | 129,208,702 | 87,605,663 |
| Finance income | 41,137,027 | 190,175,309 |
| Gross receipts | 15,830,377,782 | 8,690,845,218 |
| Minimum tax @ 0.60% on gross receipts of 2016-17 and 2015-16 respectively | 94,982,267 | 52,145,071 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

(ii) Excess provision BDT 26,201,404 which had been made for the year end 30 June 2016 in accordance with prudence concept for mitigating further payments if required by the income tax authority.

| | 2017 | 2016 |
|--|----------------------|----------------------|
| | BDT | BDT |
| 21. Liabilities for gratuity | | |
| Opening balance | 220,081,432 | 196,067,332 |
| Add: Provision made during the year | 56,650,202 | 29,514,100 |
| | 276,731,634 | 225,581,432 |
| Less: Payment made during the year | 21,500,000 | 5,500,000 |
| Closing balance | 255,231,634 | 220,081,432 |
| 22. Outstanding liabilities | | |
| Liabilities for expenses (note 22.1) | 5,851,330,108 | 1,659,697,184 |
| Liabilities for interest expense (note 22.2) | 657,377,036 | 650,886,124 |
| | 6,508,707,144 | 2,310,583,308 |
| 22.1 Liabilities for expenses | | |
| Fuel cost payable | 1,356,016,480 | 1,324,687,943 |
| Provision for uncollectable receivable | 183,793,917 | 183,793,917 |
| Withholding taxes | 54,040,166 | 76,780,608 |
| VAT payable | 18,303,245 | 47,879,853 |
| Accounts payable | 4,898,739 | 12,296,715 |
| Security deposit (contractors and suppliers) | 6,890,976 | 6,890,976 |
| School fund | 6,496,595 | 5,191,360 |
| Overtime expense payable | 8,837,025 | 1,597,164 |
| Conveyance payable | 244,719 | 244,719 |
| Provision for audit fees | 150,000 | 115,000 |
| Elegant builders payable | 104,576 | 104,576 |
| Income tax consultancy fee payable | 60,000 | 60,000 |
| Provision for physical inventory verification | 50,000 | 50,000 |
| ECA Loan payable | 4,211,434,964 | - |
| Dividend payable | 8,706 | 4,353 |
| | 5,851,330,108 | 1,659,697,184 |
| 22.2 Liabilities for interest expense | | |
| Opening balance | 650,886,124 | 650,886,124 |
| Add: Provision made during the year | 169,212,443 | - |
| Less: Adjustment for overhauling loan interest | 162,721,531 | - |
| Closing balance | 657,377,036 | 650,886,124 |
| 23. Workers' profit participation fund | | |
| Opening balance | 16,787,556 | 23,381,720 |
| Add: Provision made during the year | 84,324,709 | 16,787,556 |
| | 101,112,265 | 40,169,276 |
| Less: Payment made during the year | 16,787,556 | 23,381,720 |
| Closing balance | 84,324,709 | 16,787,556 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|--|-----------------------|----------------------|
| | BDT | BDT |
| 24. Revenue (Sales) | | |
| Capacity payment (note 24.1) | 9,822,339,727 | 4,387,791,253 |
| Energy payment (O & M price) (note 24.2) | 3,289,992,652 | 3,491,699,268 |
| Energy payment (fuel price) (note 24.3) | 2,254,114,951 | 684,828,629 |
| Adjustment consumer price index (450 MW-S) | 38,067,779 | - |
| Adjustment consumer price index (225 MW) | 37,637,395 | - |
| Energy payment adjustment | - | (151,254,904) |
| Arrear energy payment (unit 2,3,4,5 and 50 MW) | 65,812,477 | - |
| Sales 450 MW (South) before COD | 152,067,072 | - |
| | 15,660,032,053 | 8,413,064,246 |

The entire sales of the company are made to Bangladesh Power Development Board and recognised on the basis of Power Purchase agreement with BPDB for various segments of its performance of the said contract, like, capacity payment, energy payment, etc.

24.1 Capacity payment**(i) Unit 2,3,4,5 and GT-2**

| | | |
|-----------|----------------------|----------------------|
| July | 216,065,688 | 224,641,145 |
| August | 216,065,688 | 224,662,141 |
| September | 216,065,688 | 224,851,106 |
| October | 216,065,688 | 224,851,106 |
| November | 216,065,688 | 226,012,894 |
| December | 216,065,688 | 226,012,894 |
| January | 216,065,688 | 226,012,894 |
| February | 216,065,688 | 217,516,285 |
| March | 216,065,688 | 217,516,284 |
| April | 216,862,715 | 217,516,285 |
| May | 239,976,502 | 217,516,285 |
| June | 239,976,502 | 217,516,285 |
| | 2,641,406,911 | 2,664,625,603 |

(ii) 50 MW plant

| | | |
|-----------|--------------------|--------------------|
| July | 10,769,099 | 29,505,136 |
| August | 16,455,805 | 29,505,136 |
| September | 17,004,331 | 29,505,136 |
| October | 17,889,819 | 29,505,136 |
| November | 18,486,146 | 14,843,160 |
| December | 17,333,505 | 13,324,975 |
| January | 17,128,124 | 13,864,339 |
| February | 18,963,280 | 14,820,500 |
| March | 17,128,124 | 13,164,847 |
| April | 29,505,136 | 29,505,136 |
| May | 29,505,136 | 29,505,136 |
| June | 29,505,136 | 29,505,136 |
| | 239,673,641 | 276,553,773 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|----------------------------------|----------------------|----------------------|
| | BDT | BDT |
| (iii) 225 MW plant | | |
| July | - | 90,881,014 |
| August | - | 90,881,013 |
| September | 88,419,785 | 87,866,441 |
| October | 190,846,767 | 90,795,323 |
| November | 239,886,257 | 88,861,550 |
| December | 276,532,986 | 225,825,245 |
| January | 278,769,560 | 284,417,437 |
| February | 284,155,030 | 275,242,682 |
| March | 285,892,209 | 275,242,681 |
| April | 290,443,757 | 211,936,865 |
| May | 234,831,132 | - |
| June | 274,617,035 | - |
| | 2,444,394,518 | 1,721,950,250 |
| (iv) 450 MW (South) plant | | |
| July | 157,425,285 | - |
| August | 488,018,384 | - |
| September | 437,200,362 | - |
| October | 282,455,054 | - |
| November | - | - |
| December | 321,773,118 | - |
| January | 354,488,399 | - |
| February | 321,553,151 | - |
| March | 461,756,225 | - |
| April | 448,466,779 | - |
| May | 241,159,719 | - |
| June | 416,474,055 | - |
| | 3,930,770,531 | - |
| (v) 450 MW (North) plant | | |
| July | - | - |
| August | - | - |
| September | - | - |
| October | - | - |
| November | - | - |
| December | - | - |
| January | - | - |
| February | 56,143,806 | - |
| March | 105,191,643 | - |
| April | 107,141,001 | - |
| May | 106,528,346 | - |
| June | 245,408,904 | - |
| | 620,413,700 | - |
| Capacity payment adjustment | 54,319,574 | 275,338,373 |
| Total capacity payment | 9,822,339,727 | 4,387,791,253 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|--|----------------------|----------------------|
| | BDT | BDT |
| 24.2 Energy payment (O & M) | | |
| (i) Unit 2,3,4,5 and GT-2 | | |
| July | 269,508,645 | 306,494,585 |
| August | 295,655,613 | 285,462,791 |
| September | 265,060,469 | 256,330,355 |
| October | 288,800,622 | 279,170,390 |
| November | 241,963,155 | 281,782,545 |
| December | 236,215,151 | 273,067,343 |
| January | 280,076,661 | 271,603,241 |
| February | 204,100,064 | 258,927,698 |
| March | 220,588,901 | 281,965,402 |
| April | 223,065,584 | 274,807,374 |
| May | 233,996,125 | 277,991,707 |
| June | 171,826,849 | 274,187,675 |
| | 2,930,857,839 | 3,321,791,105 |
| (ii) 50 MW plant | | |
| July | 8,949,843 | 16,290,086 |
| August | 13,675,565 | 13,811,432 |
| September | 13,668,217 | 11,930,985 |
| October | 14,868,279 | 12,932,834 |
| November | 12,250,453 | 11,974,765 |
| December | 14,405,811 | 11,072,890 |
| January | 14,235,076 | 11,520,006 |
| February | 13,366,130 | 10,706,806 |
| March | 15,883,787 | 10,953,074 |
| April | 15,083,024 | 6,773,748 |
| May | 14,591,957 | 5,313,707 |
| June | 15,407,070 | 5,165,335 |
| | 166,385,212 | 128,445,668 |
| (iii) 225 MW plant | | |
| July | - | 1,014,812 |
| August | - | 3,037,841 |
| September | 2,900,600 | 954,249 |
| October | 6,861,912 | 3,305,702 |
| November | 6,976,694 | 3,078,933 |
| December | 6,370,068 | 7,278,885 |
| January | 7,734,450 | 6,231,522 |
| February | 7,119,286 | 6,628,265 |
| March | 8,627,881 | 8,058,500 |
| April | 6,198,013 | 1,873,785 |
| May | 5,837,609 | - |
| June | 8,983,277 | - |
| | 67,609,790 | 41,462,495 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|---|----------------------|----------------------|
| | BDT | BDT |
| (iv) 450 MW (South) plant | | |
| July | 3,736,282 | - |
| August | 3,339,802 | - |
| September | 9,305,860 | - |
| October | 9,410,192 | - |
| November | - | - |
| December | 8,961,191 | - |
| January | 10,893,519 | - |
| February | 9,161,043 | - |
| March | 16,557,276 | - |
| April | 13,353,521 | - |
| May | 6,579,366 | - |
| June | 8,276,524 | - |
| | 99,574,576 | - |
| (v) 450 MW (North) plant | | |
| July | - | - |
| August | - | - |
| September | - | - |
| October | - | - |
| November | - | - |
| December | - | - |
| January | - | - |
| February | 401,355 | - |
| March | 86,489 | - |
| April | 2,863,267 | - |
| May | 6,814,239 | - |
| June | 15,399,885 | - |
| | 25,565,235 | - |
| Total energy payment (O & M Price) | 3,289,992,652 | 3,491,699,268 |

24.3 Energy payment (fuel price)

| | | |
|-------------------------|--------------------|--------------------|
| (i) 225 MW plant | | |
| July | - | 16,917,776 |
| August | - | 49,457,903 |
| September | 33,877,291 | 15,923,464 |
| October | 76,221,410 | 59,741,254 |
| November | 79,794,589 | 46,396,556 |
| December | 75,288,519 | 119,965,900 |
| January | 90,076,164 | 109,208,930 |
| February | 80,918,717 | 105,968,042 |
| March | 95,190,288 | 132,199,429 |
| April | 66,019,541 | 29,049,375 |
| May | 65,419,177 | - |
| June | 98,340,560 | - |
| | 761,146,256 | 684,828,629 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|--|----------------------|----------------------|
| | BDT | BDT |
| (ii) 450 MW (South) plant | | |
| July | 128,322,252 | - |
| August | 38,310,074 | - |
| September | 120,363,900 | - |
| October | 109,895,209 | - |
| November | - | - |
| December | 117,040,373 | - |
| January | 121,147,078 | - |
| February | 95,891,139 | - |
| March | 153,371,966 | - |
| April | 134,105,837 | - |
| May | 76,704,127 | - |
| June | 120,459,253 | - |
| | 1,215,611,208 | - |
| (iii) 450 MW (North) plant | | |
| July | - | - |
| August | - | - |
| September | - | - |
| October | - | - |
| November | - | - |
| December | - | - |
| January (before COD) | 77,055,951 | - |
| February | 2,269,446 | - |
| March | 1,055,638 | - |
| April | 16,791,710 | - |
| May | 73,643,882 | - |
| June | 106,540,860 | - |
| | 277,357,487 | - |
| Total energy payment (fuel price) | 2,254,114,951 | 684,828,629 |
| 25. Cost of sales | | |
| Fuel cost - gas and diesel (note 25.1) | 5,579,827,856 | 3,998,398,762 |
| Depreciation on plant and machinery (Annex 1) | 1,100,851,592 | 1,103,949,567 |
| Depreciation on overhauling | 607,036,786 | 607,036,786 |
| Depreciation on project cost | 1,849,236,426 | 841,010,921 |
| Amortisation of deferred expenditure (Annex 2) | 187,429,246 | 154,207,357 |
| Repair and maintenance (note 25.2) | 309,760,036 | 253,014,089 |
| | 9,634,141,942 | 6,957,617,482 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | | 2017 | 2016 |
|-------------|-----------------------------------|----------------------|----------------------|
| | | BDT | BDT |
| 25.1 | Fuel cost - gas and diesel | | |
| | Cost of gas | | |
| (i) | Unit - 2,3,4,5 and GT-2 | | |
| | July | 266,454,394 | 302,225,245 |
| | August | 299,099,690 | 285,073,877 |
| | September | 268,512,178 | 255,725,394 |
| | October | 289,859,106 | 273,785,647 |
| | November | 241,111,537 | 279,559,569 |
| | December | 234,482,503 | 274,590,890 |
| | January | 272,234,827 | 269,595,362 |
| | February | 199,754,672 | 256,916,396 |
| | March | 224,793,767 | 273,603,788 |
| | April | 232,367,623 | 274,221,439 |
| | May | 244,144,030 | 282,598,694 |
| | June | 198,731,353 | 275,681,920 |
| | | 2,971,545,680 | 3,303,578,221 |
| (ii) | 50 MW plant | | |
| | July | 9,287,208 | 18,010,277 |
| | August | 14,021,161 | 15,246,950 |
| | September | 14,088,238 | 13,282,725 |
| | October | 15,209,766 | 14,268,752 |
| | November | 12,399,470 | 13,135,385 |
| | December | 14,400,494 | 12,732,836 |
| | January | 14,350,571 | 13,062,356 |
| | February | 13,464,011 | 12,056,174 |
| | March | 16,897,202 | 12,048,385 |
| | April | 16,078,094 | 7,656,988 |
| | May | 15,985,933 | 5,887,793 |
| | June | 17,657,423 | 5,652,738 |
| | | 173,839,571 | 143,041,359 |
| (iii) | 225 MW plant | | |
| | July | - | 14,225,941 |
| | August | - | 52,148,740 |
| | September | 48,517,623 | 17,562,337 |
| | October | 86,237,422 | 63,554,174 |
| | November | 77,756,201 | 50,529,970 |
| | December | 74,640,860 | 86,668,377 |
| | January | 90,089,302 | 79,661,311 |
| | February | 87,763,524 | 78,287,447 |
| | March | 94,307,360 | 86,321,827 |
| | April | 64,140,957 | 22,726,924 |
| | May | 80,037,118 | - |
| | June | 95,311,595 | - |
| | | 798,801,962 | 551,687,048 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|--|----------------------|----------------------|
| | BDT | BDT |
| (iv) 450 MW plant (South) | | |
| July | 238,233,256 | - |
| August | 45,691,473 | - |
| September | 127,097,022 | - |
| October | 123,722,083 | - |
| November | 61,549 | - |
| December | 107,705,433 | - |
| January | 131,518,771 | - |
| February | 107,819,220 | - |
| March | 129,824,173 | - |
| April | 124,498,738 | - |
| May | 69,907,306 | - |
| June | 116,887,676 | - |
| | 1,322,966,700 | - |
| (v) 450 MW plant (North) | | |
| July | - | - |
| August | - | - |
| September | - | - |
| October | - | - |
| November | - | - |
| December | - | - |
| January (before COD) | 77,055,951 | - |
| February | 1,689,842 | - |
| March | 5,967,702 | - |
| April | 47,738,020 | - |
| May | 73,643,882 | - |
| June | 106,540,860 | - |
| | 312,636,257 | - |
| Total cost of gas | 5,579,790,170 | 3,998,306,628 |
| Total cost of gas | 5,579,790,170 | 3,998,306,628 |
| Cost of diesel | 37,686 | 92,134 |
| Total fuel cost - gas and diesel | 5,579,827,856 | 3,998,398,762 |
| 25.2 Repair and maintenance | | |
| Chemical and gas consumption | 36,928,128 | 23,037,812 |
| Lube oil, grease, vaseline etc. | 28,855,304 | 21,611,897 |
| Spare parts | 133,023,039 | 129,232,521 |
| Repair and maintenance plant and machinery | 110,953,565 | 79,131,859 |
| | 309,760,036 | 253,014,089 |
| 26. Other operating Income | | |
| Sale of scraps | 3,974,214 | 20,586,753 |
| Forfeited of pay order | 474,500 | 293,539 |
| House rent | 90,087,418 | 59,969,890 |
| Income from lease rent amortization | 20,270,000 | - |
| Income from recruitment | 10,047,700 | 727,600.00 |
| Income from power plant training centre | 220,600 | 142,174 |
| Sale of hydrogen gas | 21,262 | 15,438 |
| Sale of tender documents | 1,569,100 | 1,504,260 |
| Miscellaneous income | 2,543,908 | 4,366,009 |
| | 129,208,702 | 87,605,663 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|---|--------------------|--------------------|
| | BDT | BDT |
| 27. Personnel expenses | | |
| Salary and allowances (executive directors) | 12,715,120 | 4,963,866 |
| Salary and allowances (workers) | 295,836,378 | 191,353,599 |
| Salary and allowances (officers) | 274,255,059 | 146,291,154 |
| KPI bonus | - | 51,632,815 |
| Overtime allowance | 47,949,652 | 24,568,460 |
| Employer's contribution to CPF | 31,074,447 | 17,074,273 |
| Festival allowances (workers) | 24,973,391 | 21,126,420 |
| Leave encashment | 45,611,010 | 8,035,216 |
| Domestic gas and electricity for employees | 17,979,470 | 11,941,743 |
| Festival allowances (officers) | 26,552,546 | 19,100,510 |
| Salaries (casual employees) | 24,168,316 | 17,152,279 |
| Uniform and liveries | 4,579,880 | 1,698,300 |
| Education allowance | 5,534,245 | 1,859,489 |
| Conveyance | 21,294,588 | 6,719,536 |
| Bangla new year allowance | 5,428,617 | 3,036,000 |
| Group insurance premium | 5,754,855 | 3,143,550 |
| Employees welfare and recreation expenses | 2,070,805 | 948,909 |
| Festival allowances (casual employees) | 3,064,156 | 2,865,927 |
| Gratuity 27 (a) | 57,370,322 | 30,193,420 |
| Festival allowances (executive directors) | 1,251,000 | 720,500 |
| Medical expenses re-imbursed | 11,113,757 | 6,884,202 |
| | 918,577,614 | 571,310,168 |
| 27 (a) Gratuity | | |
| Gratuity (executive directors) | 1,269,920 | 710,000 |
| Gratuity (officers) | 28,120,190 | 14,054,242 |
| Gratuity (worker) | 27,260,092 | 14,749,858 |
| Gratuity (casual employees) | 720,120 | 679,320 |
| | 57,370,322 | 30,193,420 |
| 28. Office and Other Expenses | | |
| Directors' honorarium | 1,898,684 | 1,618,026 |
| Board meeting expenses | 559,836 | 708,156 |
| Committee meeting expenses | 2,980,876 | 1,845,952 |
| AGM and EGM expenses | 1,948,790 | 1,979,066 |
| Audit fee | 150,000 | 115,000 |
| Hospitalization benefit | 112,762 | 187,711 |
| Legal expenses | 344,555 | 349,224 |
| Advertising and procurement processing expenses | 4,513,020 | 7,886,507 |
| Physical inventory verification | - | - |
| Recruitment and appointment affairs expenses | 7,955,273 | 4,613,747 |
| Printing and stationery | 4,836,584 | 2,841,318 |
| Postage, internet and telephone | 1,653,974 | 1,553,048 |
| Newspapers and periodicals | 247,693 | 206,298 |
| Entertainment | 3,489,471 | 2,063,082 |
| Training and education | 1,807,503 | 1,290,489 |
| Honorarium to technical committee members | 12,000 | - |
| Bank charges | 472,862 | 420,920 |
| Travelling and daily allowances | 10,519,052 | 4,233,333 |
| Defence service expense | 2,100,087 | 305,739 |
| Rent/Service expense (Dhaka office) | 434,280 | 445,404 |
| Business development expense | 13,642,787 | 13,454,491 |
| | 59,680,089 | 46,117,511 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| | 2017 | 2016 |
|--|----------------------|--------------------|
| | BDT | BDT |
| 29. Repair and maintenance | | |
| Carriage inward, freight and handling | 1,481,028 | 1,842,419 |
| Insurance expenses (vehicle) | 658,620 | 686,046 |
| Cleaning and gardening | 8,585,063 | 8,455,410 |
| Building maintenance | 24,604,316 | 26,963,616 |
| Roads and other civil maintenance | 3,561,933 | 2,654,014 |
| Electrical maintenance | 3,137,756 | 2,929,381 |
| Rent, rates and taxes | 5,524,376 | 3,241,187 |
| Annual licence renewal fees | 1,748,460 | 2,500,000 |
| Consultancy services | 4,663,402 | 3,720,746 |
| Transformer oil, silica Jel, etc. | 1,255,794 | 1,715,312 |
| Other operating expenses | 5,131,457 | 5,242,456 |
| Repair of office equipment and furniture | 118,050 | 34,895 |
| Fuel for transport | 6,035,473 | 6,214,524 |
| Vehicle maintenance | 4,757,079 | 4,483,575 |
| | 71,262,807 | 70,683,581 |
| 30. Depreciation expenses | | |
| As per existing value - Annex-1(a) | 64,983,010 | 78,204,252 |
| | 64,983,010 | 78,204,252 |
| 31. Uncollectable receivable written off | - | 58,829,480 |
| 32. Finance income | | |
| Interest income | 41,137,027 | 123,383,309 |
| Dividend income | - | 66,792,000 |
| | 41,137,027 | 190,175,309 |
| 33. Financial expenses | | |
| Interest on government loan (overhauling) | 89,514,850 | 89,514,850 |
| Interest on loan from BPDB | 122,293,151 | - |
| Interest on foreign loan (overhauling) | 74,422,948 | 75,431,728 |
| Interest on 225 MW ECA loan | 793,842,167 | 388,307,438 |
| Interest on 450 MW (S) ECA loan | 1,337,982,147 | - |
| Interest on 450 MW (N) | 46,919,292 | - |
| Loan adjustment of overhauling | (162,721,532) | - |
| | 2,302,253,023 | 553,254,016 |
| 34. Provision no longer required | | |
| During this year | 159,977,693 | - |
| As per Income Tax Ordinance, 1984, Section 93(3) (b) and BAS-37, Para-59, over provision for income tax for the year beyond six years Tk. 159,977,693 is no longer required. For this reason this amount is written back in the income statement as income during this period. | | |
| 35. Basic earnings per share | | |
| Profit attributable to ordinary shareholders | 1,507,187,203 | 240,617,081 |
| Total weighted average number of shares outstanding during the year | 66,150,000 | 66,150,000 |
| Basic earnings per share | 22.78 | 3.64 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

36. General

- (i) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- (ii) Previous period's figures have been rearranged, wherever considered necessary, to conform to current period's presentation without causing any impact on the operating results for the period and value of assets and liabilities at the end of that period as shown in the financial statements under reporting.
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Company Secretary

Executive Director (Finance)

Managing Director

Director

Dhaka, Bangladesh
Dated, 22 October 2017

ANNEX 1

DETAILS OF PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2017

| Particulars | Cost | | | Rate (%) | Depreciation | | | Written down value at 30 June |
|------------------------|----------------|--------------------------|------------------|--------------|----------------|---------------------|------------------|-------------------------------|
| | At 01 July | Addition during the year | Total at 30 June | | At 01 July | Charge for the year | Total at 30 June | |
| | BDT | BDT | BDT | | BDT | BDT | BDT | BDT |
| Land | 1,180,354 | - | 1,180,354 | - | - | - | - | 1,180,354 |
| Building | 2,520,823,563 | - | 2,520,823,563 | 1.55 - 13.33 | 682,558,399 | 52,602,492 | 735,160,891 | 1,785,662,672 |
| Plant and machinery | 23,327,652,432 | 4,599,555 | 23,332,251,987 | 5 - 40 | 11,903,212,717 | 1,100,851,592 | 13,004,064,309 | 10,328,187,678 |
| Office equipments | 45,679,486 | 5,835,151 | 51,514,637 | 10 - 33.33 | 29,578,720 | 3,597,210 | 33,175,930 | 18,338,707 |
| Vehicles | 67,475,846 | 30,308,500 | 97,784,346 | 12.5 | 38,043,133 | 6,290,766 | 44,333,899 | 53,450,447 |
| Furniture and fixtures | 16,684,061 | 3,622,247 | 20,306,308 | 20 | 14,046,140 | 2,492,542 | 16,538,682 | 3,767,626 |
| Overhauling project | 8,498,515,000 | - | 8,498,515,000 | 7.14 | 3,738,677,884 | 607,036,786 | 4,345,714,670 | 4,152,800,330 |
| Total 2017 | 34,478,010,742 | 44,365,453 | 34,522,376,195 | | 16,406,116,993 | 1,772,871,388 | 18,178,988,381 | 16,343,387,814 |
| Total 2016 | 34,456,512,844 | 21,497,898 | 34,478,010,742 | | 14,616,926,388 | 1,789,190,605 | 16,406,116,993 | 18,071,893,748 |

ANNEX 1A

| | |
|--|----------------------|
| Total depreciation | 1,772,871,388 |
| Less: Depreciation of plant and machinery - COGS | 1,100,851,592 |
| Less: Depreciation overhauling project - COGS | 607,036,786 |
| | 64,983,010 |
| Depreciation on property, plant and equipment | 1,772,871,388 |
| Depreciation for 225 MW | 687,911,421 |
| Depreciation for 450 MW CCPP (south) | 1,111,736,871 |
| Depreciation for 450 MW CCPP (north) | 49,588,133 |
| Total depreciation | 3,622,107,814 |

ANNEX 2

DETAILS OF DEFERRED EXPENDITURE

As at 30 June 2017

| Year of acquisition | Particulars | Division | Balance as on 01 July 2016 | Annual Amortization | Balance as on 30 June 2017 |
|---------------------------------|---|------------------|----------------------------|---------------------|----------------------------|
| | | | BDT | BDT | BDT |
| 2009-2010 | Rectifier OEC | Generator | 929,330 | 929,330 | - |
| | Gravel filter (stone) | Switchyard | 2,142,788 | 714,263 | 1,428,525 |
| 2010-2011 | Ball joint | Boiler | 1,947,690 | 973,845 | 973,845 |
| | Bush | Boiler | 469,300 | 234,650 | 234,650 |
| | Gravel filter (stone) | Switchyard | 149,184 | 37,296 | 111,888 |
| | Air preheater tube | Boiler | 5,353,269 | 1,338,317 | 4,014,951 |
| | 230 KV SF6 circuit breaker with accessories | Sub-Station | 858,400 | 214,600 | 643,800 |
| | 132 KV single phase hermitically sealed outdoor current | Sub-Station | 1,238,126 | 309,531 | 928,594 |
| 2011-2012 | Tilting pad for thrust bearing unit with p/no.31 thrust pad | Boiler | 2,017,469 | 672,490 | 1,344,979 |
| | Thrust pad | Boiler | 1,538,519 | 512,840 | 1,025,679 |
| | LP blade carrier | Unit - 4 | 152,355,004 | 50,785,001 | 101,570,003 |
| | Turbine blade | Turbine | 139,608,011 | 46,536,004 | 93,072,007 |
| 2012-2013 | Supply of turbine blade, accessories and spare parts | Turbine, Unit -1 | 19,223,849 | 19,223,849 | - |
| | Solar panel | | 4,702,426 | 1,175,606 | 3,526,819 |
| 2013-2014 | Shaft with keys | Turbine | 2,878,622 | 575,724 | 2,302,898 |
| | Complete rotor assembly | Turbine | 5,444,640 | 1,814,880 | 3,629,760 |
| | Service payment for overhauling | Unit - 04 | 16,433,067 | 5,477,689 | 10,955,378 |
| | Service payment for overhauling | Unit - 05 | 10,339,543 | 3,446,514 | 6,893,029 |
| Total | | | 367,629,233 | 134,972,428 | 232,656,805 |
| Addition during the year | | | | | |
| 2016-17 | 30 K Spares | 50 MW | 142,973,878 | 35,743,470 | 107,230,409 |
| | CrankShaft | 50 MW | 34,324,096 | 8,581,024 | 25,743,072 |
| | DCS System of Unit 5 | Unit - 5 | 32,529,298 | 8,132,325 | 24,396,974 |
| | Total | | 209,827,272 | 52,456,818 | 157,370,454 |
| | Grand total | | 577,456,505 | 187,429,246 | 390,027,259 |

DETAILS OF CAPITAL WORK-IN-PROGRESS

As at 30 June 2017

ANNEX 3A

225 MW combined cycle power plant

| Particulars | 01 July 2016 | Addition during the year | 30 June 2017 |
|-----------------------------------|-----------------------|--------------------------|-----------------------|
| | BDT | BDT | BDT |
| Office furniture | 739,730 | - | 739,730 |
| Building | - | 1,928,052 | 1,928,052 |
| Land development | 3,701,442 | - | 3,701,442 |
| Civil works | 22,373,367 | - | 22,373,367 |
| Advance payment against LC | 2,035,083,078 | - | 2,035,083,078 |
| Plant and machinery | 11,665,766,434 | 30,000,000 | 11,695,766,434 |
| LC commission | 159,397,771 | - | 159,397,771 |
| Bank charges and others | 496,443 | 82,880 | 579,323 |
| Premium | 1,856,064,509 | - | 1,856,064,509 |
| Fees, rent, rates and taxes | 876,978,425 | 11,353,716 | 888,332,141 |
| Printing and stationary | 289,801 | - | 289,801 |
| Consultancy services | 10,274,345 | 3,576,803 | 13,851,148 |
| Entertainment | 121,037 | - | 121,037 |
| Travelling and daily allowance | 200,528 | - | 200,528 |
| Office equipment | 712,260 | - | 712,260 |
| Store equipment | 5,947,774 | - | 5,947,774 |
| Salary and allowances | 10,418,562 | - | 10,418,562 |
| CD VAT | 1,078,691,630 | - | 1,078,691,630 |
| Other operating expense | 5,440,786 | - | 5,440,786 |
| Interest expense | 265,596,439 | - | 265,596,439 |
| Legal expense | 70,232,206 | 21,869,701 | 92,101,907 |
| Total | 18,068,526,567 | 68,811,152 | 18,137,337,719 |
| Depreciation during the year 2016 | 841,010,921 | | |
| Value as at 01 July 2016 | 17,227,515,646 | | |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| 450 MW (south) project | | | Annex 3B |
|---------------------------------|-----------------------|--------------------------|-----------------------|
| Particulars | 01 July 2016 | Addition during the year | 30 June 2017 |
| | BDT | BDT | BDT |
| Legal fee | 4,082,333 | 135,000 | 4,217,333 |
| Civil works | 4,228,868 | - | 4,228,868 |
| Office equipment | 955,730 | 315,000 | 1,270,730 |
| Office furniture | 1,022,849 | 309,609 | 1,332,458 |
| Interest expense | 1,908,431,730 | - | 1,908,431,730 |
| Loan processing fee | 463,600,277 | - | 463,600,277 |
| Premium | 5,536,272,023 | - | 5,536,272,023 |
| Fees, rent, rent and taxes | 1,184,344,956 | 60,871,510 | 1,245,216,466 |
| CD VAT | 1,363,659,766 | 71,511 | 1,363,731,277 |
| ORM REF (VAT) commitment fee | 55,773,210 | - | 55,773,210 |
| LC commission and charges | 315,884,716 | - | 315,884,716 |
| Consultancy services | 23,128,909 | 1,238,750 | 24,367,659 |
| Bank charges and others | 31,059,891 | 1,658,387 | 32,718,278 |
| Salary and allowances | 22,149,668 | - | 22,149,668 |
| Printing and stationary | 498,072 | - | 498,072 |
| Other operating expense | 520,475 | - | 520,475 |
| Entertainment | 112,438 | - | 112,438 |
| Design, installation and others | 5,659,448,097 | - | 5,659,448,097 |
| Plant , machinery and equipment | 10,872,431,017 | - | 10,872,431,017 |
| 15% down payment | 3,650,749,943 | - | 3,650,749,943 |
| Total | 31,098,354,968 | 64,599,768 | 31,162,954,736 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| 450 MW (north) project | | | Annex 3C |
|---|----------------|--------------------------|----------------|
| Particulars | 01 July 2016 | Addition during the year | 30 June 2017 |
| | BDT | BDT | BDT |
| Land development/civil works | 32,426,196 | 11,526,625 | 43,952,821 |
| Building | 4,541,759 | - | 4,541,759 |
| Travelling and daily allowance | 52,800 | - | 52,800 |
| Office equipment | 1,171,330 | - | 1,171,330 |
| Advertisement | 1,778,178 | - | 1,778,178 |
| Consultancy service | 64,568,219 | 30,345,170 | 94,913,389 |
| Printing and stationary | 138,868 | 155,958 | 294,826 |
| Entertainment | 208,687 | 149,044 | 357,731 |
| Advance payment (installation and others) | 1,417,242,504 | - | 1,417,242,504 |
| Plant and machinery | 13,821,562,388 | 6,111,797,282 | 19,933,359,670 |
| Bank charge | 47,670 | 129,228 | 176,898 |
| CD VAT | 571,413,785 | 150,795,501 | 722,209,286 |
| CD VAT account | 78,586,214 | (80,316,932) | (1,730,718) |
| Interest expense | 4,094,311 | 1,433,771,591 | 1,437,865,902 |
| Legal expense | 62,500 | - | 62,500 |
| Other operating expense | 61,090 | 175,000 | 236,090 |
| Fees, rent, rates and taxes | 113,638,188 | - | 113,638,188 |
| Office furniture | 907,819 | 277,766 | 1,185,585 |
| Salary and allowances | 23,942,916 | 20,101,589 | 44,044,505 |
| Total | 16,136,445,422 | 7,678,907,822 | 23,815,353,245 |

ANNEX 1

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

| 200 MW modular project | | | Annex 3D |
|------------------------|--------------|--------------------------|--------------|
| Particulars | 01 July 2016 | Addition during the year | 30 June 2017 |
| | BDT | BDT | BDT |
| Legal expense | 291,000 | - | 291,000 |
| Entertainment | 10,700 | - | 10,700 |
| Land | 167,862,967 | - | 167,862,967 |
| Total | 168,164,667 | - | 168,164,667 |

| 400 MW (east) project | | | Annex 3E |
|--------------------------------|--------------|--------------------------|--------------|
| Particulars | 01 July 2016 | Addition during the year | 30 June 2017 |
| | BDT | BDT | BDT |
| Office furniture | 187,420 | 714,200 | 901,620 |
| Office equipment | 143,000 | 476,000 | 619,000 |
| Entertainment | 14,476 | 184,530 | 199,006 |
| Consultancy service | 955,000 | - | 955,000 |
| Vehicle rent | - | 713,550 | 713,550 |
| Advertisement | 3,454,851 | 2,451,008 | 5,905,859 |
| Travelling and daily allowance | 44,250 | - | 44,250 |
| Salary and allowances | - | 9,261,552 | 9,261,552 |
| Honorarium expense | - | 69,339 | 69,339 |
| Legal expense | - | 103,500 | 103,500 |
| Safety materials | - | 164,600 | 164,600 |
| Printing and stationary | 37,609 | 145,334 | 182,943 |
| Total | 4,836,606 | 14,283,613 | 19,120,219 |

- b) Information as is required under Section 186 of the কোম্পানি আইন ১৯৯৪ relating to holding company
Not applicable for Ashuganj Power Station Company Limited since the company has no subsidiary.
- c) Selected ratios

S. F. AHMED & CO
Chartered Accountants

Ashuganj Power Station Company Limited
Statement of Accounting Ratio

Following are the various accounting ratios of Ashuganj Power Station Company Limited (APSC) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017 as calculated from the audited financial statements of APSC:

| Name of Ratio | | 30 June 2017 | | 30 June 2016 | | 30 June 2015 | | 30 June 2014 | | Amounts in BDT | |
|---------------------|---|--------------------------------|----------------|----------------|--------|----------------|--------|----------------|--------|----------------|--------|
| Formula | | Calculation | Result | Calculation | Result | Calculation | Result | Calculation | Result | Calculation | Result |
| A. Liquidity Ratios | | | | | | | | | | | |
| 1 | Current Ratio (Times) | Current Assets | 10,458,718,872 | 7,638,066,833 | 3.282 | 5,083,144,790 | 2.402 | 4,455,070,967 | 2.459 | 6,208,071,774 | 2.144 |
| 2 | Quick Ratio (Times) | Current Liabilities | 6,593,031,853 | 2,327,370,864 | 2.782 | 2,116,362,792 | 1.982 | 1,812,000,162 | 2.073 | 2,895,942,252 | 1.930 |
| | | Current Assets - Inventory | 9,191,560,037 | 6,473,719,691 | | 4,195,165,778 | | 3,757,088,826 | | 5,588,926,545 | |
| 3 | Times Interest Earned Ratio (Times) | Current Liabilities | 6,593,031,853 | 2,327,370,864 | 1.577 | 2,116,362,792 | 3.818 | 1,812,000,162 | 5.367 | 2,895,942,252 | 4.359 |
| | | Profit before Tax and Interest | 3,904,422,493 | 872,217,572 | | 633,589,776 | | 984,635,972 | | 1,256,915,345 | |
| 4 | Debt to Equity Ratio (Times) | Interest Expenses | 2,302,253,023 | 553,254,016 | 4.605 | 185,955,369 | 3.851 | 183,456,017 | 2.524 | 288,320,486 | 2.111 |
| | | Total debt | 80,515,384,555 | 74,533,486,499 | | 61,538,646,486 | | 39,478,009,230 | | 29,358,999,999 | |
| | | Total Shareholders Equity | 17,593,482,629 | 16,185,520,427 | | 15,977,978,347 | | 15,643,418,939 | | 13,905,051,184 | |
| 5 | Debt to Assets Ratio (Times) | Total debt | 80,515,384,555 | 74,533,486,499 | 0.822 | 61,538,646,486 | 0.794 | 39,479,009,230 | 0.716 | 29,358,999,999 | 0.679 |
| | | Total Assets | 98,108,867,184 | 90,719,006,926 | | 77,516,824,833 | | 55,122,428,169 | | 43,264,051,182 | |
| B. Operating Ratios | | | | | | | | | | | |
| 1 | Trade Receivable Turnover Ratio (Times) | Revenue | 15,660,032,053 | 8,413,064,246 | 2.976 | 7,094,702,639 | 2.815 | 6,971,021,960 | 1.985 | 7,537,809,811 | 2.000 |
| | | Average Receivable | 3,368,876,349 | 2,826,922,489 | | 2,519,966,515 | | 3,511,386,016 | | 3,769,705,054 | |
| 2 | Inventory Turnover Ratio (Times) | Cost of Services | 9,634,141,942 | 6,957,617,482 | 6.780 | 5,858,336,963 | 7.388 | 5,573,109,110 | 8.463 | 5,860,299,920 | 8.645 |
| | | Average Inventory | 1,215,752,889 | 1,026,162,977 | | 792,975,577 | | 658,558,685 | | 677,962,142 | |
| 3 | Assets Turnover Ratio (Times) | Revenue | 15,660,032,053 | 8,413,064,246 | 0.100 | 7,094,702,639 | 0.107 | 6,971,021,960 | 0.142 | 7,537,809,811 | 0.203 |
| | | Average Total Assets | 94,413,937,055 | 84,117,815,880 | | 66,319,526,501 | | 49,193,239,676 | | 37,057,673,437 | |
| 4 | Fixed Assets Turnover Ratio (Times) | Revenue | 15,660,032,053 | 8,413,064,246 | 0.444 | 7,094,702,639 | 0.343 | 6,971,021,960 | 0.363 | 7,537,809,811 | 0.436 |
| | | Average Total Fixed Asset | 17,207,640,782 | 18,955,740,103 | | 20,712,849,017 | | 19,182,215,262 | | 17,291,176,995 | |



S. F. AHMED & CO
Chartered Accountants

Ashuganj Power Station Company Limited
Statement of Accounting Ratio

| Name of Ratio | | 30 June 2017 | | 30 June 2016 | | 30 June 2015 | | 30 June 2014 | | 30 June 2013 | | |
|-------------------------|----------------------------|---|---------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------|
| | Formula | Calculation | Result | Calculation | Result | Calculation | Result | Calculation | Result | Calculation | Result | |
| C. Profitability Ratios | | | | | | | | | | | | |
| 1 | Gross Margin Ratio (%) | Gross Profit Revenue | 6,025,890,111 15,660,032,053 | 38.48% | 1,455,446,764 8,413,064,246 | 17.30% | 1,236,365,676 7,094,702,639 | 17.43% | 1,397,912,850 6,971,021,960 | 20.05% | 1,677,509,891 7,537,809,811 | 22.25% |
| 2 | Operating Income Ratio (%) | Operating profit Revenue | 5,040,595,293 15,660,032,053 | 32.19% | 717,907,435 8,413,064,246 | 8.53% | 552,855,273 7,094,702,639 | 7.79% | 773,142,674 6,971,021,960 | 11.09% | 1,158,209,320 7,537,809,811 | 15.37% |
| 3 | Net Income Ratio (%) | Profit after tax Revenue | 1,507,187,203 15,660,032,053 | 9.62% | 240,617,081 8,413,064,246 | 2.86% | 367,634,407 7,094,702,639 | 5.18% | 681,179,955 6,971,021,960 | 9.77% | 718,594,879 7,537,809,811 | 9.53% |
| 4 | Return on Assets Ratio (%) | Profit after tax Average Total Assets | 1,507,187,203 94,413,937,055 | 1.60% | 240,617,081 84,117,815,880 | 0.29% | 367,634,407 66,319,526,501 | 0.55% | 681,179,955 49,193,239,676 | 1.38% | 718,594,879 37,057,673,437 | 1.94% |
| 5 | Return on Equity Ratio (%) | Profit after tax Shareholders' Equity | 1,507,187,203 17,593,482,629 | 8.57% | 240,617,081 16,185,520,427 | 1.49% | 367,634,407 15,977,978,347 | 2.30% | 681,179,955 15,643,418,939 | 4.35% | 718,594,879 13,905,051,184 | 5.17% |
| 6 | Earnings Per Share (EPS) | Profit after tax Weighted Average No. of Shares | 1,507,187,203 66,150,000 | 22.78 | 240,617,081 66,150,000 | 3.64 | 367,634,407 66,150,000 | 5.56 | 681,179,955 66,150,000 | 10.30 | 718,594,879 66,150,000 | 10.86 |
| 7 | EBITDA Margin | EBITDA * 100 Revenue | 7,713,959,553 15,660,032,053 | 49.26% | 3,656,626,455 8,413,064,246 | 43.46% | 2,685,847,305 7,094,702,639 | 37.86% | 2,903,933,154 6,971,021,960 | 41.66% | 2,553,375,398 7,537,809,811 | 33.87% |



Dhaka, Bangladesh
Dated, 25 January 2018

S. F. AHMED & CO
Chartered Accountants

Industry Average Compared with APSCL:

| Sl. | Financial Ratio | 2018 | | 2017 | | 2016 | | 2015 | | 2014 | |
|----------------------------|--|--------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|
| | | APSCL | Ind. Avg. | APSCL | Ind. Avg. | APSCL | Ind. Avg. | APSCL | Ind. Avg. | APSCL | Ind. Avg. |
| Liquidity Ratio | | | | | | | | | | | |
| 1 | Current Ratio | 1.25 | 1.14 | 1.59 | 2.45 | 3.28 | 1.38 | 2.4 | 1.97 | 2.5 | 3.33 |
| 2 | Quick Ratio | 1.12 | 0.95 | 1.39 | 2.13 | 2.78 | 0.98 | 1.98 | 0.94 | 2.07 | 3.06 |
| Operating Efficiency Ratio | | | | | | | | | | | |
| 1 | Accounts Receivable Turnover Ratio | 3.39 | 3.08 | 4.65 | 3.27 | 2.97 | 3.54 | 2.82 | 3.96 | 1.99 | 2.72 |
| 2 | Inventory Turnover Ratio | 8.48 | 11.47 | 7.92 | 10.26 | 6.78 | 12 | 7.39 | 8.63 | 8.46 | 4.83 |
| 3 | Asset Turnover Ratio | 0.21 | 3.63 | 0.17 | 3.22 | 0.1 | 4.42 | 0.11 | 5.95 | 0.14 | 2.32 |
| Profitability Ratio | | | | | | | | | | | |
| 1 | Gross Margin (%) | 47.27 | 36.87 | 38.48 | 37.84 | 17.3 | 41.57 | 17.43 | 28.35 | 20.05 | 42.6 |
| 2 | Operating Profit (%) | 41.46 | 34.5 | 31.19 | 36.17 | 8.53 | 41.11 | 7.79 | 25.6 | 11.09 | 38.82 |
| 3 | Net Profit (%) | 15.14 | 33.6 | 9.62 | 34.15 | 2.86 | 45.41 | 5.18 | 23.54 | 9.77 | 32.67 |
| 4 | Return on Assets (%) | 3.23 | 7.45 | 1.6 | 7.97 | 0.29 | 11.26 | 0.55 | 12.2 | 1.38 | 5.97 |
| 5 | Return on Equity (%) | 20.48 | 18.81 | 8.57 | 18.83 | 1.49 | 24.7 | 2.3 | 18.42 | 4.35 | 14.31 |
| 6 | Earnings per Share (EPS) | 49.82 | 6.22 | 22.48 | 6.1 | 3.64 | 6.97 | 5.56 | 4.83 | 10.3 | 4.09 |
| 7 | Earnings before interest, taxes, depreciation and amortization (EBITDA) margin (%) | 64.09 | 38.79 | 49.26 | 41.1 | 43.46 | 46.26 | 36.86 | 40.39 | 41.66 | 45.57 |
| Solvency Ratio | | | | | | | | | | | |
| 1 | Debt to Total Assets Ratio | 0.74 | 0.3 | 0.82 | 0.23 | 0.82 | 0.26 | 0.29 | 0.32 | 0.72 | 0.32 |
| 2 | Debt to Equity Ratio | 4.86 | 0.55 | 4.57 | 0.38 | 4.6 | 0.45 | 3.85 | 0.61 | 2.82 | 0.63 |
| 3 | Times Interest Earned Ratio | 2.83 | 8.43 | 1.7 | 9.27 | 1.58 | 28.61 | 3.82 | 22.81 | 5.37 | 6.54 |
| 4 | Debt Service Coverage Ratio | 1.39 | 2.83 | 1.14 | 9.27 | 3.94 | 28.61 | 3.96 | 22.81 | 3.69 | 6.54 |
| Cash Flow Ratios | | | | | | | | | | | |
| 1 | Net Operating Cash Flow per Share (NOCFPS) | 139.12 | 5.54 | 80.51 | 5.82 | 43.4 | 8.07 | 32.24 | 7.32 | 61.19 | 6.42 |
| 2 | NOCFPS to EPS Ratio | 2.79 | 1.08 | 3.53 | 0.96 | 11.93 | 1.17 | 5.8 | 1.45 | 5.94 | 1.29 |

The stand-alone ratio of APSCL has been calculated based on Audited Financial Statements and Industry average ratios are calculated on the basis of financial data collected from Annual Report of following five publicly traded Companies corresponding accounting years:

| Sl. | Name of the Company | Considered Accounting years | Remarks |
|-----|--|--|---------|
| 1 | Ashuganj Power Station Company Limited | For the year ended 31 December 2014, 2015 and 30 June, 2016, 2017 and 2018 | |
| 2 | United Power Generation and Distribution Company Limited | For the year ended 31 December 2014, 2015 and 30 June, 2016, 2017 and 2018 | |
| 3 | Summit Power Limited | For the year ended 31 December 2014, 2015 and 30 June, 2016, 2017 and 2018 | |
| 4 | Khulna Power Company Limited | For the year ended 31 December 2014, 2015 and 30 June, 2016, 2017 and 2018 | |
| 5 | Baraka Power Limited | For the year ended 30 June 2014, 2015, 2016, 2017 and 2018 | |

d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন 1994

Ashuganj Power Station Company Limited

Statement of Assets and Liabilities

Following are the amounts as appearing in the Statements of Assets and Liabilities (Statements of Financial Position) of Ashuganj Power Station Company Limited (APSCL) as at 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017, extracted from the audited financial statements of APSCL:

| Particulars | Amounts in BDT | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30 June 2017 | 30 June 2016 | 30 June 2015 | 30 June 2014 | 30 June 2013 |
| | BDT | BDT | BDT | BDT | BDT |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 16,343,387,814 | 18,071,893,749 | 19,839,586,457 | 21,588,111,577 | 16,778,318,947 |
| Project in progress | - | - | - | - | 6,580,947,475 |
| Deferred expenditure | 390,027,259 | 367,629,233 | 521,836,590 | 807,170,999 | 854,024,325 |
| Investment in UAEL | 304,050,000 | - | - | - | - |
| Capital works-in-progress | 70,612,683,240 | 64,641,417,311 | 52,072,056,996 | 28,274,074,626 | 12,842,688,661 |
| Total non-current assets | 87,650,148,313 | 83,080,940,293 | 72,433,480,043 | 50,667,357,202 | 37,055,979,408 |
| Current assets | | | | | |
| Stock in stores | 1,267,158,835 | 1,164,346,942 | 887,979,012 | 697,972,141 | 619,145,229 |
| Advances, deposits and pre-payments | 27,880,502 | 45,234,878 | 30,796,061 | 27,198,279 | 23,757,444 |
| Accounts and other receivable | 4,003,108,312 | 2,885,665,415 | 2,778,637,301 | 2,282,107,377 | 4,762,302,305 |
| Cash and bank balances | 5,160,571,223 | 3,542,819,398 | 1,385,732,416 | 1,447,793,170 | 802,866,796 |
| Total current assets | 10,458,718,872 | 7,638,066,633 | 5,083,144,790 | 4,455,070,967 | 6,208,071,774 |
| Total assets | 98,108,867,184 | 90,719,006,926 | 77,516,624,833 | 55,122,428,169 | 43,264,051,182 |
| Equity and Liabilities | | | | | |
| Share capital | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 | 6,615,000,000 |
| Equity of BPDB | 5,572,614,964 | 5,572,614,964 | 5,572,614,964 | 5,572,614,964 | 4,826,534,164 |
| Direct grant | 344,182,000 | 344,182,000 | 344,182,000 | 344,182,000 | - |
| Retained earnings | 5,061,685,665 | 3,653,723,463 | 3,446,181,383 | 3,111,621,975 | 2,463,517,020 |
| Total equity | 17,593,842,629 | 16,185,520,427 | 15,977,978,347 | 15,643,418,939 | 13,905,051,184 |
| Subordinated loan | | | | | |
| Debt service liabilities (DSL) | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 | 10,252,300,000 |
| Non-current liabilities | | | | | |
| Government loan | 3,677,538,723 | 3,436,558,853 | 3,046,322,919 | 2,894,298,607 | 2,588,956,460 |
| Loan from BPDB | 4,741,600,000 | 3,280,000,000 | - | - | - |
| Foreign loan | 22,546,976,270 | 15,663,052,949 | 9,621,169,871 | 3,200,907,696 | 2,912,221,050 |
| Export credit agency (ECA) | 31,140,113,886 | 38,212,169,715 | 35,221,123,234 | 20,136,635,611 | 9,627,176,447 |
| Advance land lease rent UAEL | 283,780,000 | - | - | - | - |
| Provision for income tax | 1,024,812,189 | 1,141,952,686 | 1,085,300,338 | 1,007,036,308 | 925,573,144 |
| Liabilities for gratuity | 255,231,634 | 220,081,432 | 196,067,332 | 175,830,846 | 156,830,646 |
| Total non-current liabilities | 63,670,052,702 | 61,953,815,635 | 49,169,983,694 | 27,414,709,068 | 16,210,757,747 |
| Current liabilities | | | | | |
| Outstanding liabilities | 6,508,707,144 | 2,310,583,308 | 2,092,981,072 | 1,771,941,164 | 2,847,512,508 |
| Workers' profit participation fund (WPPF) | 84,324,709 | 16,787,556 | 23,381,720 | 40,058,998 | 48,429,744 |
| Total current liabilities | 6,593,031,853 | 2,327,370,864 | 2,116,362,792 | 1,812,000,162 | 2,895,942,252 |
| Total liabilities | 80,515,384,555 | 74,533,486,499 | 61,538,646,486 | 39,479,009,230 | 29,358,999,999 |
| Total equity and liabilities | 98,108,867,184 | 90,719,006,926 | 77,516,624,833 | 55,122,428,169 | 43,264,051,182 |

Ashuganj Power Station Company Limited

Income Statement

Following are the amounts as appearing in the Income Statements (Profit and Loss Statements) of Ashuganj Power Station Company Limited (APSCL) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017, extracted from the audited financial statements of APSCL:

| Particulars | Amounts in BDT | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 30 June 2017 | 30 June 2016 | 30 June 2015 | 30 June 2014 | 30 June 2013 |
| | BDT | BDT | BDT | BDT | BDT |
| Revenue | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| Cost of sales | 9,634,141,942 | 6,957,617,482 | 5,858,336,963 | 5,573,109,110 | 5,860,299,920 |
| Gross profit | 6,025,890,111 | 1,455,446,764 | 1,236,365,676 | 1,397,912,850 | 1,677,509,891 |
| Other operating income | 129,208,702 | 87,605,663 | 85,967,144 | 22,748,951 | 22,421,561 |
| | 6,155,098,813 | 1,543,052,427 | 1,322,332,820 | 1,420,661,801 | 1,699,931,452 |
| Operation and maintenance expenses | | | | | |
| Personnel expenses | 918,577,614 | 571,310,168 | 499,718,135 | 392,443,418 | 311,615,547 |
| Office and other expenses | 59,680,089 | 46,117,511 | 26,270,840 | 24,128,063 | 15,701,135 |
| Repair and maintenance | 71,262,807 | 70,683,581 | 49,796,052 | 58,806,620 | 42,820,417 |
| Depreciation expenses | 64,983,010 | 78,204,252 | 60,941,347 | 59,308,860 | 56,886,013 |
| Provision for uncollectable receivable | - | - | 73,921,693 | 54,002,685 | 55,869,539 |
| Uncollectable receivable written -off | - | 58,829,480 | 58,829,480 | 58,829,481 | 58,829,481 |
| | 1,114,503,520 | 825,144,992 | 769,477,547 | 647,519,127 | 541,722,132 |
| Operating profit | 5,040,595,293 | 717,907,435 | 552,855,273 | 773,142,674 | 1,158,209,320 |
| Finance income | 41,137,027 | 190,175,309 | 104,116,223 | 188,459,474 | 147,135,770 |
| Financial expense | 2,302,253,023 | 553,254,016 | 165,955,369 | 183,456,017 | 288,320,466 |
| Foreign currency fluctuation (gain)/loss | 1,252,962,811 | 19,077,616 | - | - | - |
| Provision no longer required | 159,977,693 | - | - | 63,092,822 | - |
| | 1,686,494,179 | 335,751,112 | 491,016,127 | 841,238,953 | 1,017,024,624 |
| Workers' profit participation fund | 84,324,709 | 16,787,556 | 23,381,720 | 40,058,998 | 48,429,744 |
| Net profit before tax | 1,602,169,470 | 318,963,556 | 467,634,407 | 801,179,955 | 968,594,879 |
| Income tax expense | 94,982,267 | 78,346,475 | 100,000,000 | 120,000,000 | 250,000,000 |
| Net profit after tax | 1,507,187,203 | 240,617,081 | 367,634,407 | 681,179,955 | 718,594,879 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income | 1,507,187,203 | 240,617,081 | 367,634,407 | 681,179,955 | 718,594,879 |
| Earnings per share | | | | | |
| Basic earnings per share (face value BDT 100) | 22.78 | 3.64 | 5.56 | 10.30 | 10.86 |

Ashuganj Power Station Company Limited

Statement of Cash Flows

Following are the amounts as appearing in the Statements of Cash Flows of Ashuganj Power Station Company Limited (APSCL) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017, extracted from the audited financial statements of APSCL:

| Particulars | Amounts in BDT | | | | |
|---|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 30 June 2017 | 30 June 2016 | 30 June 2015 | 30 June 2014 | 30 June 2013 |
| | BDT | BDT | BDT | BDT | BDT |
| Cash flows from operating activities | | | | | |
| Cash received from operation | 14,542,589,156 | 8,306,036,132 | 6,591,579,737 | 9,456,983,863 | 5,568,485,985 |
| Cash received from other income | 170,345,729 | 210,988,972 | 143,266,007 | 205,441,450 | 182,913,504 |
| Payment for salary and allowances | (874,345,668) | (547,296,068) | (426,071,311) | (373,443,281) | (292,898,355) |
| Payment to suppliers | (6,314,385,530) | (4,523,631,105) | (3,988,464,039) | (5,018,990,100) | (2,068,672,974) |
| Finance expense paid | (2,146,002,524) | (553,254,082) | (165,955,369) | (183,456,017) | (66,823,256) |
| Income tax paid | (52,145,071) | (21,694,127) | (21,735,970) | (38,536,836) | (37,683,924) |
| Net cash from operating activities | 5,326,056,092 | 2,871,149,722 | 2,132,619,055 | 4,047,999,142 | 3,285,320,979 |
| Cash flows from investing activities | | | | | |
| Acquisition of property, plant and equipment | (38,265,453) | (21,497,898) | (20,398,000) | (30,248,717) | (165,399,119) |
| Payments towards project cost | (6,401,007,039) | (13,410,371,236) | (23,797,982,370) | (15,431,385,965) | (12,831,156,449) |
| Investment in UAEL | (304,050,000) | - | - | - | - |
| Addition to deferred expenditure | (209,827,272) | - | - | (69,040,294) | (182,419,488) |
| Net cash used in investing activities | (6,953,149,764) | (13,431,869,134) | (23,818,380,370) | (15,530,674,976) | (13,178,975,056) |
| Cash flows from financing activities | | | | | |
| Repayment of government loan | (399,729,324) | (259,729,324) | (399,729,324) | (116,110,798) | (8,238,000) |
| Repayment of foreign loan | (132,898,124) | (91,668,632) | (91,668,632) | (427,205,983) | (437,851,332) |
| Dividend received | - | 66,792,000 | - | - | - |
| Dividend paid | (99,220,647) | (33,073,549) | (33,073,549) | (66,148,549) | - |
| Advance land lease rent UAEL | 283,780,000 | - | - | - | - |
| Loan paid to BPDB | (800,000,000) | - | - | - | - |
| Government loan received for 450 MW (N) project | 618,971,450 | 649,965,258 | 551,753,636 | 8,354,601 | 8,680,767 |
| ADB loan received for 450 MW (N) project | 4,809,419,002 | 5,459,037,756 | 1,560,975,364 | 1,323,927,774 | 11,573,762 |
| IDB loan received for 450 MW (N) project | 803,544,871 | 674,513,954 | 4,950,955,443 | 895,325,999 | - |
| Loan from BPDB | 2,261,600,000 | 3,280,000,000 | - | - | - |
| Export credit agency (ECA) | (4,154,782,041) | 2,991,046,481 | 15,084,487,623 | 10,509,459,164 | 9,627,176,447 |
| Net cash from financing activities | 3,190,685,187 | 12,736,883,944 | 21,623,700,561 | 12,127,602,208 | 9,201,341,644 |
| Net increase/ (decrease) in cash and cash equivalents | 1,563,591,515 | 2,176,164,532 | (62,060,754) | 644,926,374 | (692,312,433) |
| Opening cash and cash equivalents | 3,542,819,398 | 1,385,732,416 | 1,447,793,170 | 802,866,796 | 1,495,179,228 |
| Effects of exchange rate changes on cash and cash equivalents | 54,160,310 | (19,077,550) | - | - | - |
| Closing cash and cash equivalents | 5,160,571,223 | 3,542,819,398 | 1,385,732,416 | 1,447,793,170 | 802,866,796 |

STATEMENT OF DIVIDEND PAYMENT

Following amounts are the dividends paid by Ashuganj Power Station Company Limited (APSCL) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017 as extracted from the audited financial statements of APSCL.

Amounts in BDT

| Particulars | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 | 30-Jun-14 | 30-Jun-13 |
|----------------------|------------|------------|------------|------------|-----------|
| Dividend Paid (Cash) | 99,220,647 | 33,073,549 | 33,073,549 | 66,148,549 | - |

Dhaka, Bangladesh
January 25 2018

Sd/-
S.F Ahmed & Co.
Chartered Accountants

e. Financial spread sheet analysis for the latest audited financial statements;

ASHUGANJ POWER STATION COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June, 2017

| Particulars | BDT | % of total assets |
|--|-----------------------|-------------------|
| Non-current assets | 87,650,148,313 | 89.340% |
| Property, plant and equipment | 16,343,387,814 | 16.658% |
| Land | 1,180,354 | 0.001% |
| Building | 1,785,662,672 | 1.820% |
| Plant and machinery | 10,328,187,678 | 10.527% |
| Office equipments | 18,338,707 | 0.019% |
| Vehicles | 53,450,447 | 0.054% |
| Furniture and fixtures | 3,767,626 | 0.004% |
| Overhauling project | 4,152,800,330 | 4.233% |
| Deferred expenditure | 390,027,259 | 0.398% |
| Investment in UAEL | 304,050,000 | 0.310% |
| Capital works-in-progress | 70,612,683,240 | 71.974% |
| 225 MW Combined Cycle Power Plant | 16,608,415,377 | 16.929% |
| 450 MW (South) Project | 30,051,217,866 | 30.630% |
| 450 MW (North) Project | 23,765,765,112 | 24.224% |
| 200 MW Modular Project | 168,164,667 | 0.171% |
| 400 MW (East) Project | 19,120,219 | 0.019% |
| Vehicle (Complete Ambulance) | - | 0.000% |
| Total current assets | 10,458,718,872 | 10.660% |
| Stock in stores | 1,267,158,835 | 1.292% |
| Opening balance | 1,164,346,942 | 1.187% |
| Purchase during the year | 943,585,604 | 0.962% |
| Decrease in goods-in-transit during the year | 332,904,417 | 0.339% |
| Consumption during the year | 507,869,294 | 0.518% |
| | | 0.000% |
| Advances, deposits and pre-payments | 27,880,502 | 0.028% |
| Accounts and other receivable | 4,003,108,312 | 4.080% |
| Opening balance | 2,882,317,011 | 2.938% |
| Electricity sales to BPDB during the year | 15,660,032,053 | 15.962% |
| Less: Debt service liability due | 346,965,246 | 0.354% |

| Particulars | BDT | % of total assets |
|--|-----------------------|-------------------|
| Less: Fuel cost paid by BPDB | 3,634,776,138 | 3.705% |
| Cash collection during the year | 10,709,171,994 | 10.916% |
| Accrued interest - FDR | 9,753,733 | 0.010% |
| Operational insurance premium (225 MW) | 53,174,840 | 0.054% |
| Operational insurance premium (450 MW-S) | 88,744,053 | 0.090% |
| Cash and bank balances | 5,160,571,223 | 5.260% |
| Total assets | 98,108,867,184 | 100.000% |
| Shareholders Equity | 17,593,482,629 | 17.933% |
| Share capital | 6,615,000,000 | 6.743% |
| Equity of BPDB | 5,572,614,964 | 5.680% |
| Direct Grant | 344,182,000 | 0.351% |
| Retained earnings | 5,061,685,665 | 5.159% |
| Subordinated loan | | 0.000% |
| Debt service liabilities (DSL) | 10,252,300,000 | 10.450% |
| | | 0.000% |
| Non-current liabilities | 63,670,052,702 | 64.897% |
| Government loan | 3,677,538,723 | 3.748% |
| Loan from BPDB | 4,741,600,000 | 4.833% |
| Foreign loan | 22,546,976,270 | 22.982% |
| Export credit agency (ECA) | 31,140,113,886 | 31.740% |
| Advance land lease rent UAEL | 283,780,000 | 0.289% |
| Provision for income tax | 1,024,812,189 | 1.045% |
| Liabilities for gratuity | 255,231,634 | 0.260% |
| Current liabilities | 6,593,031,853 | 6.720% |
| Outstanding liabilities | 6,508,707,144 | 6.634% |
| Fuel cost payable | 1,356,016,480 | 1.382% |
| Provision for uncollectable receivable | 183,793,917 | 0.187% |
| Withholding taxes | 54,040,166 | 0.055% |
| VAT payable | 18,303,245 | 0.019% |
| Accounts payable | 4,898,739 | 0.005% |
| Security deposit (contractors and suppliers) | 6,890,976 | 0.007% |
| School fund | 6,496,595 | 0.007% |
| Overtime expense payable | 8,837,025 | 0.009% |
| Conveyance payable | 244,719 | 0.000% |
| Provision for audit fees | 150,000 | 0.000% |
| Elegant builders payable | 104,576 | 0.000% |
| Income tax consultancy fee payable | 60,000 | 0.000% |
| Provision for physical inventory verification | 50,000 | 0.000% |
| ECA Loan payable | 4,211,434,964 | 4.293% |
| Dividend payable | 8,706 | 0.000% |
| Workers' profit participation fund (WPPF) | 84,324,709 | 0.086% |
| Total current liabilities | 6,593,031,853 | 6.720% |
| Total liabilities | 80,515,384,555 | 82.067% |
| Total equity and liabilities | 98,108,867,184 | 100.000% |

ASHUGANJ POWER STATION COMPANY LIMITED

INCOME STATEMENT

For the year ended June 30, 2017

| Particulars | BDT | % of sales |
|--|----------------------|---------------|
| Revenue | 15,660,032,053 | 100.00% |
| Cost of sales | 9,634,141,942 | 61.52% |
| Gross profit | 6,025,890,111 | 38.48% |
| Other operating Income | 129,208,702 | 0.83% |
| Operation and maintenance expenses | 1,114,503,520 | 7.12% |
| Personnel expenses | 918,577,614 | 5.87% |
| Office and other expenses | 59,680,089 | 0.38% |
| Repair and maintenance | 71,262,807 | 0.46% |
| Depreciation expenses | 64,983,010 | 0.41% |
| Uncollectable receivable written off | - | 0.00% |
| Operating profit | 5,040,595,293 | 32.19% |
| Finance Income | 41,137,027 | 0.26% |
| Financial Expense | 2,302,253,023 | 14.70% |
| Foreign currency fluctuation (gain)/loss | 1,252,962,811 | 8.00% |
| Provision no longer required | 159,977,693 | 1.02% |
| Workers' profit participation fund | 84,324,709 | 0.54% |
| Net profit before tax | 1,602,169,470 | 10.23% |
| Income tax expense | 94,982,267 | 0.61% |
| Total comprehensive income | 1,507,187,203 | 9.62% |
| Earnings per share | | |
| Basic earnings per share (face value BDT 100) | 22.78 | |

f. Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis

| Earnings Per Share (EPS) on fully diluted basis (with the total existing no. of shares) | |
|---|---------------|
| Particulars | Amount In BDT |
| Net profit after Tax for the year ended June 30, 2017 | 1,507,187,203 |
| Number of Ordinary Shares outstanding | 66,150,000 |
| EPS | 22.78 |

| Earnings Per Share (EPS) on weighted average number of shares basis | |
|--|---------------|
| Particulars | Amount In BDT |
| Weighted Average Net profit after Tax for the year ended June 30, 2017 | 703,042,705 |
| Number of Ordinary Shares outstanding | 66,150,000 |
| EPS (As Bonus issue without consideration) | 10.63 |

- g. All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share

| Particulars | BDT |
|--|---------------|
| Net Profit before tax | 1,507,187,203 |
| Extra-ordinary income | 41,137,027 |
| Net profit excluding extra ordinary income | 1,536,089,294 |
| EPS | 22.19 |

- h. Quarterly or half yearly EPS should not be annualized while calculating the EPS

Quarterly or half yearly EPS is not applicable for APSCL

- i. Net asset value (with and without considering revaluation Surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position:

| NAV Based Valuation | 2017 |
|-----------------------------------|----------------|
| Share Capital | 6,615,000,000 |
| Equity of BPDB | 5,572,614,964 |
| Direct Grant | 344,182,000 |
| Retained Earnings | 5,061,685,665 |
| Total Equity | 17,593,482,629 |
| NAV per share | 265.96 |
| NAV per share without revaluation | 265.96 |

k) Auditor's Certificates

- (i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;

S. F. AHMED & CO
Chartered Accountants

Ashuganj Power Station Company Limited
Statement of Long Term and Short Term Borrowings including Borrowings from Related Parties or Connected Persons

We certify that the long term and short term borrowings including borrowings from related parties or connected persons of Ashuganj Power Station Company Limited (APSC) for the years ended 30 June 2013 to 30 June 2017 are made up as under:

For the year ended 30 June 2017:

Amounts in BDT

| Name of the lender/Type of borrowing facility | Nature of relationship | Nature of borrowings | Purpose of loan | Opening balance | Addition during the year | Payment during the year | Closing balance (current portion) | Closing balance (non-current portion) | Interest paid during the year | Interest accrued during the year |
|---|------------------------|----------------------|--|-----------------|--------------------------|-------------------------|-----------------------------------|---------------------------------------|-------------------------------|----------------------------------|
| Government of Bangladesh | Finance provider | Long term | Overhauling Unit 3,4,5 450 MW (N) Project | 2,217,604,551 | - | 399,729,324 | - | 1,818,075,267 | 89,514,850 | - |
| | | | | 1,218,754,262 | 640,709,194 | - | - | 1,859,463,456 | - | 21,737,744 |
| | | Total | | 3,436,558,853 | 640,709,194 | 399,729,324 | - | 3,677,538,723 | - | - |
| Bangladesh Power Development Board (BPDP) | Shareholder | Long term | Funding DSRA & DSAA Account | 3,280,000,000 | 2,261,600,000 | 800,000,000 | - | 4,741,600,000 | - | 122,263,151 |
| | | Total | | 3,280,000,000 | 2,261,600,000 | 800,000,000 | - | 4,741,600,000 | - | - |
| BPDP | Shareholder | Long term | Not know to APSC as this was inherited from BPDP | 10,252,300,000 | - | - | 10,252,300,000 | - | - | - |
| | Total | | | 10,252,300,000 | - | - | 10,252,300,000 | - | - | - |
| Foreign Loan: | | | | | | | | | | |
| Kreditanstalt Fur Wiederaufbau (KfW) | Lender | Long term | Overhauling Unit 3,4,5 | 786,742,896 | - | 132,898,124 | - | 653,844,772 | 74,422,948 | - |
| Asian Development Bank (ADB) | Lender | Long term | 450 MW (N) Project | 8,355,514,655 | 5,558,304,225 | - | - | 13,913,818,880 | - | 778,885,521 |
| Islamic Development Bank (IDB) | Lender | Long term | 450 MW (N) Project | 6,520,795,398 | 1,458,517,220 | - | - | 7,979,312,618 | - | 671,851,343 |
| | | Total | | 15,663,052,949 | 7,016,821,445 | 132,898,124 | - | 22,546,976,270 | - | - |
| Export Credit Agency (ECA) 450 MW south: | | | | | | | | | | |
| HERMES facility | Lender | Long term | 450 MW (S) Project | 5,987,345,763 | - | 576,749,850 | 684,856,418 | 4,625,739,495 | 183,361,722 | - |
| CESCE facility | Lender | Long term | 450 MW (S) Project | 3,325,679,913 | - | 375,971,124 | 380,474,759 | 2,569,234,030 | 145,193,562 | - |
| ONDD facility | Lender | Long term | 450 MW (S) Project | 4,142,757,314 | - | 459,866,955 | 465,375,563 | 3,217,514,808 | 143,114,782 | - |
| MIGA facility | Lender | Long term | 450 MW (S) Project | 11,477,391,745 | - | 1,306,140,685 | 1,321,786,521 | 8,849,464,539 | 443,154,103 | - |
| | | Total | | 24,933,174,735 | - | 2,818,728,614 | 2,852,493,251 | 19,261,952,870 | 914,824,159 | - |
| Interest during construction period (IDCP) | - | - | - | 1,153,646,724 | - | - | - | 1,153,646,724 | 423,157,989 | - |
| Effect of exchange rate changes | - | - | - | 148,231,202 | 895,776,107 | - | - | 1,044,007,309 | - | - |
| | | Total | | 26,235,052,661 | 895,776,107 | 2,818,728,614 | 2,852,493,251 | 21,459,606,903 | 1,337,982,148 | - |
| Export Credit Agency (ECA) 225 MW: | | | | | | | | | | |
| HERMES facility | Lender | Long term | 225 MW Project | 4,686,314,330 | - | 530,824,005 | 539,917,692 | 3,615,572,633 | 166,300,618 | - |
| K-SURE facility | Lender | Long term | 225 MW Project | 7,082,064,161 | - | 805,229,423 | 819,024,021 | 5,467,810,717 | 290,332,576 | - |
| | | Total | | 11,768,378,491 | - | 1,336,053,428 | 1,358,941,713 | 9,073,383,350 | 456,633,193 | - |
| IDCP | | | | 377,370,831 | - | - | - | 377,370,831 | 337,208,974 | - |
| Effect of exchange rate changes | | | | (168,632,268) | 398,385,070 | - | - | 229,752,802 | - | - |
| | | Total | | 23,745,496,545 | 398,385,070 | 2,672,106,856 | 2,717,883,426 | 18,753,890,333 | 793,842,167 | - |



S. F. AHMED & CO
Chartered Accountants

Ashuganj Power Station Company Limited
Statement of Long Term and Short Term Borrowings Including Borrowings from Related Parties or Connected Persons

For the year ended 30 June 2016:

Amounts in BDT

| Name of the lender/Type of borrowing facility | Nature of relationship | Nature of borrowing | Purpose of loan | Opening balance | Addition during the year | Payment during the year | Closing balance | Interest paid | Interest accrued |
|---|------------------------|---------------------|---|-----------------|--------------------------|-------------------------|-----------------|---------------|------------------|
| Government of Bangladesh | Finance provider | Long Term | Overhauling Unit 3,4,5 450 MW (N) Project | 2,477,533,915 | - | 259,729,324 | 2,217,804,591 | 89,514,850 | - |
| | | | | 568,788,004 | 649,965,258 | - | 1,218,754,262 | - | - |
| | | | | 3,046,322,919 | 649,965,258 | 259,729,324 | 3,436,558,853 | - | - |
| BPDB | Shareholder | Long term | Funding DSRA & DSAA Account | - | 3,280,000,000 | - | 3,280,000,000 | - | - |
| | | Total | | - | 3,280,000,000 | - | 3,280,000,000 | - | - |
| BPDP | Shareholder | Long term | Not know to APSCL as this was inherited from BPDP | 10,252,300,000 | - | - | 10,252,300,000 | - | - |
| | | Total | | 10,252,300,000 | - | - | 10,252,300,000 | - | - |
| Foreign Loan: | | | | | | | | | |
| KFW | Lender | Long term | Overhauling Unit 3,4,5 | 878,411,529 | - | 91,668,632 | 786,742,897 | 75,431,728 | - |
| ADB | Lender | Long term | 450 MW (N) Project | 2,896,476,900 | 5,459,037,756 | - | 8,355,514,656 | - | - |
| IDB | Lender | Long term | 450 MW (N) Project | 5,846,281,442 | 674,513,854 | - | 6,520,795,296 | - | - |
| | | Total | | 9,621,169,871 | 6,133,551,710 | 91,668,632 | 15,663,052,949 | - | - |
| ECA (450 MW-S): | | | | | | | | | |
| HERMES facility | Lender | Long term | 450 MW (S) Project | 5,988,443,748 | 394,822,015 | 395,919,999 | 5,987,345,764 | - | - |
| CESCE facility | Lender | Long term | 450 MW (S) Project | 2,637,694,844 | 872,846,379 | 184,861,311 | 3,325,679,912 | - | - |
| ONDD facility | Lender | Long term | 450 MW (S) Project | 3,414,921,907 | 953,947,475 | 226,112,068 | 4,142,757,314 | - | - |
| MIGA facility | Lender | Long term | 450 MW (S) Project | 10,408,504,480 | 1,700,805,081 | 631,917,815 | 11,477,391,746 | - | - |
| | | Total | | 22,449,564,979 | 3,922,420,950 | 1,438,811,193 | 24,933,174,736 | - | - |
| IDCP | - | - | - | 783,930,809 | 369,715,916 | - | 1,153,646,725 | - | - |
| Effect of exchange rate changes | - | - | - | - | 148,231,202 | - | 148,231,202 | - | - |
| | | Total | | 23,233,495,788 | 4,440,368,068 | 1,438,811,193 | 26,235,052,663 | - | - |
| ECA (225 MW): | | | | | | | | | |
| HERMES facility | Lender | Long term | 225 MW Project | 4,661,132,741 | 286,737,465 | 261,555,876 | 4,686,314,330 | 70,219,252 | - |
| K-SURE facility | Lender | Long term | 225 MW Project | 7,117,513,077 | 361,316,272 | 396,765,188 | 7,082,064,161 | 124,262,779 | - |
| | | Total | | 11,778,645,818 | 648,053,737 | 658,321,064 | 11,768,378,491 | 194,482,031 | - |
| IDCP | - | - | - | 208,981,628 | 168,389,203 | - | 377,370,831 | 193,825,406 | - |
| Effect of exchange rate changes | - | - | - | - | (168,632,268) | - | (168,632,268) | - | - |
| | | Total | | 11,987,627,446 | 647,810,672 | 658,321,064 | 11,977,117,054 | 388,307,437 | - |

S. F. AHMED & CO
Chartered Accountants

Ashuganj Power Station Company Limited
Statement of Long Term and Short Term Borrowings Including Borrowings from Related Parties or Connected Persons

For the year ended 30 June 2015:

Amounts in BDT

| Name of the lender/Type of borrowing facility | Nature of relationship | Nature of borrowings | Purpose of loan | Opening balance | Addition during the year | Payment during the year | Closing balance | Interest paid during the year | Interest accrued |
|---|------------------------|----------------------|---|-----------------|--------------------------|-------------------------|-----------------|-------------------------------|------------------|
| Government of Bangladesh | Finance provider | Long term | Overhauling Unit 3,4,5 | 2,877,263,238 | - | 389,729,324 | 2,477,533,915 | 89,514,850 | - |
| | | Long term | 450 MW (N) Project | 17,035,368 | 551,753,636 | - | 568,788,004 | - | - |
| | | Total | | 2,894,298,607 | 551,753,636 | 389,729,324 | 3,046,322,919 | - | - |
| BPDP | Shareholder | Long term | Not know to APSCL as this was inherited from BPDP | 10,252,300,000 | - | - | 10,252,300,000 | - | - |
| | | Total | | 10,252,300,000 | - | - | 10,252,300,000 | - | - |
| Foreign Loan: | | | | | | | | | |
| KFW | Lender | Long term | Overhauling Unit 3,4,5 | 970,080,161 | - | 91,668,632 | 878,411,529 | 76,440,511 | - |
| ADB | Lender | Long term | 450 MW (N) Project | 1,335,501,536 | 1,660,975,364 | - | 2,896,476,900 | - | - |
| IDB | Lender | Long term | 450 MW (N) Project | 895,325,999 | 4,950,955,443 | - | 5,846,281,442 | - | - |
| | | Total | | 3,200,907,696 | 6,511,930,807 | 91,668,632 | 9,621,169,871 | - | - |
| ECA (450 MW-S): | | | | | | | | | |
| HERMES facility | Lender | Long term | 450 MW (S) Project | 4,440,564,843 | 1,547,878,905 | - | 5,988,443,748 | - | - |
| CESCE facility | Lender | Long term | 450 MW (S) Project | 785,279,135 | 1,852,415,709 | - | 2,637,694,844 | - | - |
| ONDD facility | Lender | Long term | 450 MW (S) Project | 878,212,615 | 2,536,709,292 | - | 3,414,921,907 | - | - |
| MIGA facility | Lender | Long term | 450 MW (S) Project | 7,836,857,106 | 2,571,647,374 | - | 10,408,504,480 | - | - |
| | | Total | | 13,940,913,699 | 8,508,651,280 | - | 22,449,564,979 | - | - |
| IDCP | - | - | - | 293,553,157 | 490,377,652 | - | 783,930,809 | - | - |
| | | Total | | 14,234,466,856 | 8,999,028,932 | - | 23,233,495,788 | - | - |
| ECA (225 MW): | | | | | | | | | |
| HERMES facility | Lender | Long term | 225 MW Project | 2,763,138,152 | 1,897,994,589 | - | 4,661,132,741 | - | - |
| K-SURE facility | Lender | Long term | 225 MW Project | 3,110,597,323 | 4,006,915,754 | - | 7,117,513,077 | - | - |
| | | Total | | 5,873,735,475 | 5,904,910,343 | - | 11,778,645,818 | - | - |
| IDCP | - | - | - | 28,433,280 | 180,548,348 | - | 208,981,628 | - | - |
| | | Total | | 5,902,168,755 | 6,085,458,691 | - | 11,987,627,446 | - | - |



Ashuganj Power Station Company Limited
Statement of Long Term and Short Term Borrowings Including Borrowings from Related Parties or Connected Persons

For the year ended 30 June 2014:

Amounts in BDT

| | | | | | | | | | Amounts in BDT | |
|---|------------------------|----------------------|---|-----------------|--------------------------|-------------------------|-----------------|---------------|------------------|--|
| Name of the lender/Type of borrowing facility | Nature of relationship | Nature of borrowings | Purpose of loan | Opening balance | Addition during the year | Payment during the year | Closing balance | Interest paid | Interest accrued | |
| Government of Bangladesh | Finance provider | Long term | Received by Vendors agreement | 9,545,500 | - | 9,545,500 | - | 412,000 | - | |
| | | | Overhauling Unit 3,4,5 | 2,570,730,193 | 413,098,344 | 106,565,298 | 2,877,263,239 | - | 89,514,850 | |
| | | | 450 MW (N) Project | 8,660,767 | 8,354,601 | - | 17,035,368 | - | - | |
| | | Total | 2,588,956,460 | 421,452,945 | 116,110,798 | 2,894,298,607 | - | - | | |
| BPDP | Shareholder | Long term | Not know to APSCL as this was inherited from BPDP | 10,252,300,000 | - | - | 10,252,300,000 | - | - | |
| | Total | | | 10,252,300,000 | - | - | 10,252,300,000 | - | - | |
| Foreign Loan: | | | | | | | | | | |
| KFW | Lender | Long term | Overhauling Unit 3,4,5 | 2,900,647,288 | - | 1,930,567,127 | 970,080,161 | 19,105,802 | 74,422,948 | |
| ADB | Lender | Long term | 450 MW (N) Project | 11,573,762 | 1,323,927,774 | - | 1,335,501,536 | - | - | |
| IDB | Lender | Long term | 450 MW (N) Project | - | 895,325,999 | - | 895,325,999 | - | - | |
| | | Total | | 2,912,221,050 | 2,219,253,773 | 1,930,567,127 | 3,200,907,696 | - | - | |
| ECA loan (450 MW-S): | | | | | | | | | | |
| HERMES facility | Lender | Long term | 450 MW (S) Project | 974,320,776 | 3,466,244,067 | - | 4,440,564,843 | - | - | |
| CESCE facility | Lender | Long term | 450 MW (S) Project | 586,210,500 | 199,068,635 | - | 785,279,135 | - | - | |
| ONDD facility | Lender | Long term | 450 MW (S) Project | 792,520,145 | 85,692,470 | - | 878,212,615 | - | - | |
| MIGA facility | Lender | Long term | 450 MW (S) Project | 7,274,125,026 | 562,732,080 | - | 7,836,857,106 | - | - | |
| | | Total | | 9,627,176,447 | 4,313,737,252 | - | 13,940,913,699 | - | - | |
| IDCP | - | - | - | - | 293,553,157 | - | 293,553,157 | - | - | |
| | | Total | | 9,627,176,447 | 4,607,290,409 | - | 14,234,466,856 | - | - | |
| ECA loan (225 MW): | | | | | | | | | | |
| HERMES facility | Lender | Long term | 225 MW Project | - | 2,763,138,162 | - | 2,763,138,162 | - | - | |
| K-SURE facility | Lender | Long term | 225 MW Project | - | 3,110,597,323 | - | 3,110,597,323 | - | - | |
| | | Total | | - | 5,873,735,475 | - | 5,873,735,475 | - | - | |
| IDCP | - | - | - | - | 28,433,280 | - | 28,433,280 | - | - | |
| | | Total | | - | 5,902,168,755 | - | 5,902,168,755 | - | - | |

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S. F. AHMED & CO
Chartered Accountants

Ashuganj Power Station Company Limited
Statement of Long Term and Short Term Borrowings Including Borrowings from Related Parties or Connected Persons

For the year ended 30 June 2013:

Amounts in BDT

| Amounts in BD | | | | | | | | | |
|---|------------------------|----------------------|---|-----------------|--------------------------|-------------------------|-----------------|----------------|------------------|
| Name of the lender/Type of borrowing facility | Nature of relationship | Nature of borrowings | Purpose of loan | Opening balance | Addition during the year | Payment during the year | Closing balance | Interest paid | Interest accrued |
| Government of Bangladesh | Finance provider | Long term | Received by vendors agreement | 17,783,500 | - | 8,238,000 | 9,545,500 | 19,983,466 | - |
| | | Long term | Overhauling Unit 3,4,5 | 2,570,730,193 | - | - | 2,570,730,193 | - | - |
| | | | 450 MW (N) Project | - | 8,680,767 | - | 8,680,767 | - | - |
| | Total | | | 2,588,513,693 | 8,680,767 | 8,238,000 | 2,588,956,460 | - | - |
| BPDP | Shareholder | Long term | Not know to APSCL as this was inherited from BPDP | 10,252,300,000 | - | - | 10,252,300,000 | - | - |
| | | | | Total | 10,252,300,000 | - | - | 10,252,300,000 | - |
| Foreign Loan: | | | | | | | | | |
| KFW | Lender | Long term | Overhauling Unit 3,4,5 | 3,338,498,620 | - | 437,851,332 | 2,900,647,288 | 36,194,025 | 221,497,210 |
| ADB | Lender | Long term | 450 MW (N) Project | - | 11,573,762 | - | 11,573,762 | - | - |
| | Total | | | 3,338,498,620 | 11,573,762 | 437,851,332 | 2,912,221,050 | - | - |
| ECA (450 MW-S) | | | | | | | | | |
| HERMES | Lender | Long term | 450 MW (S) Project | - | 974,320,776 | - | 974,320,776 | - | - |
| CESCE | Lender | Long term | 450 MW (S) Project | - | 586,210,500 | - | 586,210,500 | - | - |
| ONDD | Lender | Long term | 450 MW (S) Project | - | 792,520,145 | - | 792,520,145 | - | - |
| MIGA | Lender | Long term | 450 MW (S) Project | - | 7,274,125,026 | - | 7,274,125,026 | - | - |
| | Total | | | - | 9,627,176,447 | - | 9,627,176,447 | - | - |

Dhaka, Bangladesh
Dated, 01 February 2018



S. F. AHMED & CO
Chartered Accountants

- (ii) **Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;**

ASHUGANJ POWER STATION COMPANY LIMITED
Statement of Principal Terms of Secured Loans and Description of Assets on which Charges have been Created Against those Loans

We certify the below mentioned terms of the following secured loans as per information provided to us during our audit for the year ended 30 June 2017 of Ashuganj Power Station Company Limited:

Description of loan: Export Credit Agency (ECA)

(a) 450 MW (South) Project:

- | | |
|------------------------|--|
| (i) Financed by | : CESCE facility with HSBC being the coordinating arranger of the facility |
| Loan Agreement between | : CESCE lenders and Ashuganj Power Station Company Limited |
| Loan agreement no. | : None |
| Loan type | : Long term loan |
| Purpose of loan | : Installation of Ashuganj 450 MW CCGT (South) Power Plant |
| Loan Agreement date | : 20 December, 2012 |
| Loan Sanction date | : 20 December, 2012 |
| Sanctioned amount | : US\$ 60,000,000 |
| Rate of Interest | : LIBOR + Margin 4.5% (Original) |
| Revised interest rate | : LIBOR + Margin 3% (Revised agreement was not provided to us) |
| LIBOR | : 2.98% fixed (hedged) with flexi-start interest rate swap Feature included |
| Repayment period | : Repayment starts from the date falling six months after the final completion date of the project or the date falling 36 months after the original signing date of the agreement (the starting point of credit), whichever is earlier, in 20 installments, due in every six months |
| Security type | : Sovereign guarantee |
| Repayment schedule | : As detailed in Annex A |
| (ii) Financed by | : HERMES facility with HSBC being the coordinating arranger of the facility |
| Loan Agreement between | : HERMES lenders and Ashuganj Power Station Company Limited |
| Loan agreement no. | : None |
| Loan type | : Long term loan |
| Purpose of loan | : Installation of Ashuganj 450 MW CCGT (South) Power Plant |
| Loan Agreement date | : 20 December, 2012 |
| Loan Sanction date | : 20 December, 2012 |
| Sanctioned amount | : US\$ 101,000,000 |
| Rate of Interest | : (Commercial Interest reference rate 2.08%+ Commercial interest reference rate surcharge 0.85%)=2.93% |
| Revised interest rate | : None |
| LIBOR | : None |
| Repayment period | : Repayment starts from the date falling six months after the final completion date of the project or the date falling 36 months after the original signing date of the agreement (the starting point of credit), whichever is earlier, in 20 installments, due in every six months |
| Security type | : Sovereign guarantee |
| Repayment schedule | : As detailed in Annex B |

- (iii) Financed by : MIGA(Commercial Tranche A + Commercial Tranche B) facility with HSBC being the coordinating arranger of the facility
- Loan Agreement between : MIGA lenders and Ashuganj Power Station Company Limited
- Loan agreement no. : None
- Loan type : Long term loan
- Purpose of loan : Installation of Ashuganj 450 MW CCGT (South) Power Plant
- Loan Agreement date : 20 December, 2012
- Loan Sanction date : 20 December, 2012
- Sanctioned amount : US\$ 184,000,000
- Rate of Interest : LIBOR +Margin 2.5%
- Revised interest rate : None
- LIBOR : 2.98% fixed (hedged) with flexi-start interest rate swap Feature included
- Repayment period : Repayment starts from the date falling six months after the final completion date of the project or the date falling 36 months after the original signing date of the agreement (the starting point of credit), whichever is earlier, in 20 installments, due in every six months
- Security type : Sovereign guarantee
- Repayment schedule : As detailed in **Annex C**
- (iv) Financed by : ONDD facility with HSBC being the coordinating arranger of the facility
- Loan Agreement between : ONDD lenders and Ashuganj Power Station Company Limited
- Loan agreement no. : None
- Loan type : Long term loan
- Purpose of loan : Installation of Ashuganj 450 MW CCGT (South) Power Plant
- Loan Agreement date : 20 December, 2012
- Loan Sanction date : 20 December, 2012
- Sanctioned amount : US\$ 75,000,000
- Rate of Interest : LIBOR +Margin 2.20%
- Revised interest rate : None
- LIBOR : 2.98% fixed (hedged) with flexi-start interest rate swap feature included
- Repayment period : Repayment starts from the date falling six months after the final completion date of the project or the date falling 36 months after the original signing date of the agreement (the starting point of credit), whichever is earlier, in 20 installments, due in every six months
- Security type : Sovereign guarantee
- Repayment schedule : As detailed in **Annex D**
- (b) 225 MW (South) Project:**
- (i) Financed by : HERMES facility with Standard Chartered Bank and Korea Finance Corporation being the coordinating arrangers of the facility
- Loan Agreement between : HERMES lenders and Ashuganj Power Station Company Limited
- Loan agreement no. : None
- Loan type : Long term loan
- Purpose of loan : Installation of Ashuganj 225 MW CCGT (South) Power Plant
- Loan Agreement date : 30 December, 2012
- Loan Sanction date : 30 December, 2012
- Sanctioned amount : US\$ 69,101,844
- Rate of Interest : LIBOR +Margin 2.20% +Mandatory cost (if any)

| | |
|------------------------|---|
| Revised interest rate | : None |
| LIBOR | : 3.69% (5.89%-2.2%) fixed (hedged) |
| Repayment period | : Repayment starts from the date falling 5 working days after the final completion date of the project or the date falling 30 months after the financial close (the starting point of credit), whichever is earlier, in 20 installments, due in every six months |
| Security type | : Sovereign guarantee |
| Repayment schedule | : As detailed in <u>Annex E</u> |
| (ii) Financed by | : K-sure facility with Standard Chartered Bank and Korea Finance Corporation being the coordinating arrangers of the facility |
| Loan Agreement between | : K-sure lenders and Ashuganj Power Station Company Limited |
| Loan agreement no. | : None |
| Loan type | : Long term loan |
| Purpose of loan | : Installation of Ashuganj 225 MW CCGT (South) Power Plant |
| Loan Agreement date | : 30 December, 2012 |
| Loan Sanction date | : 30 December, 2012 |
| Sanctioned amount | : US\$ 123,842,140 |
| Rate of Interest | : LIBOR +Margin 2.70% +Mandatory cost (if any) |
| Revised interest rate | : None |
| LIBOR | : 3.69% (6.39%-2.7%) fixed (hedged) |
| Repayment period | : Repayment starts from the date falling 5 working days after the final completion date of the project or the date falling 30 months after the financial close (the starting point of credit), whichever is earlier, in 20 installments, due in every six months |
| Security type | : Sovereign guarantee |
| Repayment schedule | : As detailed in <u>Annex F</u> |

Ashuganj Power Station Company Limited
Statement of Principal Terms of Secured Loans and Description of Assets on
which Charges have been Created Against those Loans

450 MW (South) Project

CESCE loan repayment schedule

| Repayment number | Repayment date | Repayment amount (proportion) |
|------------------|---|---|
| 1 | First repayment date means the date falling six months after the starting point of credit | 1/20th of the amount described in the clause 7.2(a) as per Common Terms Agreement (CTA) |
| 2 | 6 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 3 | 12 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 4 | 18 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 5 | 24 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 6 | 30 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 7 | 36 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 8 | 42 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 9 | 48 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 10 | 54 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 11 | 60 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 12 | 66 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 13 | 72 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 14 | 78 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 15 | 84 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 16 | 90 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 17 | 96 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 18 | 102 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 19 | 108 month after first repayment date | 1/19th of the amount described in clause 7.2(b) as per CTA |
| 20 | 114 month after first repayment date (being the final repayment date) | 1/19th of the amount described in clause 7.2(b) as per CTA |

Ashuganj Power Station Company Limited
Statement of Principal Terms of Secured Loans and Description of Assets on
which Charges have been Created Against those Loans

450 MW (South) Project
Hermes loan repayment schedule

| Repayment number | Repayment date | Repayment amount (proportion) |
|------------------|---|--|
| 1 | First repayment date means the date falling six months after the starting point of credit | 1/20th of the amount described in the clause 7.10(a) as per Common Terms Agreement (CTA) |
| 2 | 6 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 3 | 12 month after first repayment date | 1/19th of the amount described in clause 7.10 (b) as per CTA |
| 4 | 18 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 5 | 24 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 6 | 30 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 7 | 36 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 8 | 42 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 9 | 48 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 10 | 54 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 11 | 60 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 12 | 66 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 13 | 72 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 14 | 78 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 15 | 84 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 16 | 90 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 17 | 96 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 18 | 102 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 19 | 108 month after first repayment date | 1/19th of the amount described in clause 7.10(b) as per CTA |
| 20 | 114 month after first repayment date (being the final repayment date) | 1/19th of the amount described in clause 7.10(b) as per CTA |

Ashuganj Power Station Company Limited
Statement of Principal Terms of Secured Loans and Description of Assets on
which Charges have been Created Against those Loans

450 MW (South) Project

MIGA commercial loan repayment schedule

| Repayment number | Repayment date | Repayment amount (proportion) |
|------------------|---|---|
| 1 | First repayment date means the date falling six months after the starting point of credit | 1/20th of the amount described in the clause 7.6(a) as per Common Terms Agreement (CTA) |
| 2 | 6 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 3 | 12 month after first repayment date | 1/19th of the amount described in clause 7.6 (b) as per CTA |
| 4 | 18 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 5 | 24 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 6 | 30 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 7 | 36 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 8 | 42 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 9 | 48 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 10 | 54 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 11 | 60 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 12 | 66 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 13 | 72 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 14 | 78 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 15 | 84 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 16 | 90 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 17 | 96 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 18 | 102 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 19 | 108 month after first repayment date | 1/19th of the amount described in clause 7.6(b) as per CTA |
| 20 | 114 month after first repayment date (being the final repayment date) | 1/19th of the amount described in clause 7.6(b) as per CTA |

Ashuganj Power Station Company Limited
Statement of Principal Terms of Secured Loans and Description of Assets on
which Charges have been Created Against those Loans

450 MW (South) Project

ONDD loan repayment schedule

| Repayment number | Repayment date | Repayment amount (proportion) |
|------------------|---|--|
| 1 | First repayment date means the date falling six months after the starting point of credit | 1/20th of the amount described in the clause 7.14(a) as per Common Terms Agreement (CTA) |
| 2 | 6 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 3 | 12 month after first repayment date | 1/19th of the amount described in clause 7.14 (b) as per CTA |
| 4 | 18 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 5 | 24 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 6 | 30 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 7 | 36 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 8 | 42 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 9 | 48 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 10 | 54 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 11 | 60 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 12 | 66 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 13 | 72 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 14 | 78 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 15 | 84 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 16 | 90 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 17 | 96 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 18 | 102 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 19 | 108 month after first repayment date | 1/19th of the amount described in clause 7.14(b) as per CTA |
| 20 | 114 month after first repayment date (being the final repayment date) | 1/19th of the amount described in clause 7.14(b) as per CTA |

Ashuganj Power Station Company Limited
Statement of Principal Terms of Secured Loans and Description of Assets on
which Charges have been Created Against those Loans

225 MW Project

Repayment schedule of Hermes loan

| Repayment number | Repayment date | Repayment amount (proportion) |
|------------------|---|--|
| 1 | First repayment date means the date falling six months after the starting point of credit | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 2 | 6 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 3 | 12 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 4 | 18 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 5 | 24 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 6 | 30 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 7 | 36 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 8 | 42 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 9 | 48 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 10 | 54 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 11 | 60 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 12 | 66 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 13 | 72 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 14 | 78 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 15 | 84 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 16 | 90 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 17 | 96 month after first repayment date | 5% of the amount described in the clause 8.7 as per Common Terms Agreement (CTA) |
| 18 | 102 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 19 | 108 month after first repayment date | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |
| 20 | 114 month after first repayment date (being the final repayment date) | 5% of the amount described in the clause 8.6 as per Common Terms Agreement (CTA) |

Ashuganj Power Station Company Limited
Statement of Principal Terms of Secured Loans and Description of Assets on
which Charges have been Created Against those Loans

225 MW Project

Repayment schedule of K-sure loan

| Repayment number | Repayment date | Repayment amount (proportion) |
|------------------|---|--|
| 1 | First repayment date means the date falling six months after the starting point of credit | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 2 | 6 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 3 | 12 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 4 | 18 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 5 | 24 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 6 | 30 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 7 | 36 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 8 | 42 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 9 | 48 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 10 | 54 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 11 | 60 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 12 | 66 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 13 | 72 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 14 | 78 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 15 | 84 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 16 | 90 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 17 | 96 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 18 | 102 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 19 | 108 month after first repayment date | 5% of the amount described in the clause 8.2 as per Common Terms Agreement (CTA) |
| 20 | 114 month after first repayment date (being the final repayment date) | 5% of the amount described in the clause 8.3 as per Common Terms Agreement (CTA) |

Dhaka, Bangladesh
Dated, February 8, 2018

Sd/-
S.F. AHMED & CO
Chartered Accountants

(iii) Statement of unsecured loans with terms and conditions;

Ashuganj Power Station Company Limited
Statement of principal Terms of Unsecured loans

We certify the below mentioned terms of the following unsecured loans, as per information provided to us during our audit for the year ended 30 June 2017 of Ashuganj Power Station Company Limited:

1. Description of loans: Subordinated loan- debt service liability

| | |
|------------------------|-----------------------|
| Financed by | : Inherited from BPDB |
| Loan agreement between | : None |
| Loan agreement no. | : Not found |
| Loan type | : Subordinated loan |
| Loan sanctioned date | : Not found |
| Purpose of loan | : Not found |
| Sanctioned amount | : BDT 10,252,300,000 |
| Rate of interest | : Interest free |
| Repayment period | : Not found |
| Security type | : None |
| Repayment schedule | : Not found |

Debt service liability (DSL) arises from debt service liability in accordance with the provisional vendor's agreement and subsequently it will be converted to equity of BPDB which is currently under process. It was earlier treated as non-current liabilities in the statement of financial position of APSCL and now it will be treated as subordinated loan and shown separately instead of non-current liabilities as per letter reference no. 2513/BOB/(SOCI)/unnoyn-01/85 dated 27 November 2012 of BPDB.

2. Description of loans: Government loans

- i. Financed by : Government of Bangladesh

| | |
|------------------------|--|
| Loan Agreement between | : Government of Bangladesh and APSCL |
| Loan agreement no. | : 20.812.006.02.00.053.2011.103 |
| Loan type | : 15 November 2011 |
| Loan sanction date | : Long term loan |
| Purpose of loan | : Construction of Ashuganj 450 MW Combined Cycle Power Plant (North) |
| Sanctioned amount | : BDT 3,527,166,000 |
| Rate of interest | : 3% per year |
| Repayment period | : 20 years including grace period of 5 years in 20 annual installments |
| Security type | : N/A |
| Repayment schedule | : As detailed in Annex A |
- ii. Financed by : Government of Bangladesh

| | |
|------------------------|---|
| Loan Agreement between | : Loan was inherited from BPDB |
| Loan agreement no. | : Not found |
| Loan agreement date | : Not found |
| Loan type | : Long term loan |
| Loan sanction date | : Not found |
| Purpose of loan | : Rehabilitation/ Modernisation of Ashuganj Power Station Complex (Units 3,4 and 5) |
| Sanctioned amount | : BDT 2,983,828,144 |
| Rate of interest | : 3% per year |
| Repayment period | : None |
| Security type | : None |
| Repayment schedule | : None |

3. Description of loans: Bangladesh Power Development Board (BPDB) loans

- i. Financed by : Bangladesh Power Development Board (BPDB)

| | |
|------------------------|---|
| Loan Agreement between | : None. However financing was resolved through minutes of board meeting |
| Loan agreement no. | : Not found |
| Loan agreement date | : 29 March 2016, 18 April 2016 and 15 May 2016 |

- | | |
|--------------------|---|
| Loan type | : Long term loan |
| Loan sanction date | : 29 March 2016, 18 April 2016 and 15 May 2016 |
| Purpose of loan | : Debt Service Reserve Account (DSRA) and Debt Service Accrual Account (DSAA) funding |
| Sanctioned amount | : BDT 328 crores |
| Rate of interest | : 3% per year |
| Repayment period | : (*) |
| Security type | : None |
| Repayment schedule | : (*) |
- ii. Financed by : Bangladesh Power Development Board (BPDB)
- | | |
|------------------------|---|
| Loan Agreement between | : None. However financing was resolved through minutes of board meeting |
| Loan agreement no. | : Not found |
| Loan agreement date | : 26 September and 16 December |
| Loan type | : Long term loan |
| Loan sanction date | : 26 September and 16 December |
| Purpose of loan | : Funding DSA Debt Service Account 225MW Plant ECA Loan |
| Sanctioned amount | : BDT 130 crores |
| Rate of interest | : 3% per year |
| Repayment period | : (*) |
| Security type | : None |
| Repayment schedule | : (*) |
- iii. Financed by : Bangladesh Power Development Board (BPDB)
- | | |
|------------------------|---|
| Loan Agreement between | : None. However financing was resolved through minutes of board meeting |
| Loan agreement no. | : Not found |
| Loan agreement date | : 02 May 2017 |
| Loan type | : Long term loan |
| Loan sanction date | : 02 May 2017 |
| Purpose of loan | : Payment of DAB (Dispute Adjudication Board) |
| Sanctioned amount | : BDT 96.96 crores |
| Rate of interest | : 3% per year |
| Repayment period | : (*) |
| Security type | : None |
| Repayment schedule | : (*) |

*Repayment period: BDT 10 crores per month will have to be adjusted from electricity bills of plants 1 to 6 for the above three (3) loans. Thereafter, 20 crore per month will be adjusted after starting of commercial operation of 450 MW north project.

4. Description of loans: Foreign loans

- i. Financed by : Kreditanstalt Für Wiederaufbau (KfW)
- | | |
|------------------------|--|
| Loan Agreement between | : Ashuganj Power Station Company Limited and Government of Bangladesh |
| Loan agreement no. | : Not found |
| Loan agreement date | : 13 March 2005 |
| Loan type | : Long term loan |
| Loan sanction date | : 13 March 2005 |
| Purpose of loan | : Modernisation of Ashuganj Power Station Complex (Units 4 and 5) |
| Sanctioned amount | : BDT 930,386,856 |
| Rate of interest | : 8% per year |
| Repayment period | : 18 years including a grace period of 3 years in 15 annual consecutive installments |
| Security type | : None |
| Repayment schedule | : As detailed in Annex B |
- iv. Financed by : Asian Development Bank
- | | |
|------------------------|---|
| Loan Agreement between | : Government of Bangladesh and Ashuganj Power Station Company Limited |
| Loan agreement no. | : 2769- BAN |
| Loan agreement date | : 29 July 2012 |
| Loan type | : Long term loan |

- | | |
|--------------------|---|
| Loan sanction date | : 04 January 2012 |
| Purpose of loan | : Power system efficiency improvement project- Ashuganj 450MW CCPP ((Noorth) construction project |
| Sanctioned amount | : US\$ 228,000,000 |
| Rate of interest | : 4% per year |
| Repayment period | : 20 years including grace period of 5 years in 30 semi-annual consecutive installments |
| Security type | : None |
| Repayment schedule | : As detailed in Annex C |
- v. Financed by : Islamic Development Bank
- | | |
|------------------------|---|
| Loan Agreement between | : Government of Bangladesh and Ashuganj Power Station Company Limited |
| Loan agreement no. | : BD- 0163 |
| Loan agreement date | : 14 February 2013 |
| Loan type | : Long term loan |
| Loan sanction date | : 14 July 2012 |
| Purpose of loan | : Power system efficiency improvement project- Ashuganj 450MW CCPP ((Noorth) construction project |
| Sanctioned amount | : US\$ 200,000,000 |
| Rate of interest | : 4% per year |
| Repayment period | : 20 years including grace period of 5 years in 30 semi-annual consecutive installments |
| Security type | : None |
| Repayment schedule | : As detailed in Annex D |

Dhaka, Bangladesh
Dated, 08 February 2018

Sd/-
S. F. AHMED & CO
Chartered Accountants

**Statement of Principal Terms of Unsecured Loans
Ashuganj Power Station Company Limited**

Repayment schedule of loan given by Government of Bangladesh

| | |
|----------------------|---|
| Total investment | : BDT 3,527,166,000 |
| Equity portion (60%) | : BDT 2,116,300,000 |
| Loan portion (40%) | : BDT 1,410,866,000 |
| Repayment period | : 20 years including 5 years grace period |
| Rate of interest | : 3% per annum |

| Year | Beginning Balance (BDT) | Yearly fixed amount to be paid (Capital) BDT | Yearly interest to be paid (BDT) | Total payment (Capital + Interest) | Ending Balance (BDT) |
|------|----------------------------|---|-------------------------------------|---------------------------------------|-------------------------|
| 1 | 1,410,866,000 | - | 42,325,980 | 42,325,980 | 1,410,866,000 |
| 2 | 1,410,866,000 | - | 42,325,980 | 42,325,980 | 1,410,866,000 |
| 3 | 1,410,866,000 | - | 42,325,980 | 42,325,980 | 1,410,866,000 |
| 4 | 1,410,866,000 | - | 42,325,980 | 42,325,980 | 1,410,866,000 |
| 5 | 1,410,866,000 | - | 42,325,980 | 42,325,980 | 1,410,866,000 |
| 6 | 1,410,866,000 | 94,057,733 | 42,325,980 | 136,383,713 | 1,316,808,267 |
| 7 | 1,316,808,267 | 94,057,733 | 39,504,248 | 133,561,981 | 1,222,750,533 |
| 8 | 1,222,750,533 | 94,057,733 | 36,682,516 | 130,740,249 | 1,128,692,800 |
| 9 | 1,128,692,800 | 94,057,733 | 33,860,784 | 127,918,517 | 1,034,635,067 |
| 10 | 1,034,635,067 | 94,057,733 | 31,039,052 | 125,096,785 | 940,577,333 |
| 11 | 940,577,333 | 94,057,733 | 28,217,320 | 122,275,053 | 846,519,600 |
| 12 | 846,519,600 | 94,057,733 | 25,395,588 | 119,453,321 | 752,461,867 |
| 13 | 752,461,867 | 94,057,733 | 22,573,856 | 116,631,589 | 658,404,133 |
| 14 | 658,404,133 | 94,057,733 | 19,752,124 | 113,809,857 | 564,346,400 |
| 15 | 564,346,400 | 94,057,733 | 16,930,392 | 110,988,125 | 470,288,667 |
| 16 | 470,288,667 | 94,057,733 | 14,108,660 | 108,166,393 | 376,230,933 |
| 17 | 376,230,933 | 94,057,733 | 11,286,928 | 105,344,661 | 282,173,200 |
| 18 | 282,173,200 | 94,057,733 | 8,465,196 | 102,522,929 | 188,115,467 |
| 19 | 188,115,467 | 94,057,733 | 5,643,464 | 99,701,197 | 94,057,733 |
| 20 | 94,057,733 | 94,057,733 | 2,821,732 | 96,879,465 | - |

Repayment schedule of loan given by Kreditanstalt Fur Wiederaufbau (KWF)

Interest rate : 8%
 Installments : 18 years including 3 years period 15 equal consecutive yearly installment

EURO 32,301,627 (1 EURO= BDT 72)

Total loan : BDT 2,325,717,139
 Equity portion (60%) : BDT 1,395,430,283
 Loan portion (40%) : BDT 930,286,856

| Year | Installment due date | Total principal amount | Repayment of principal amount | Interest @8% | Installment Principal + Interest) |
|------|------------------------|------------------------|-------------------------------|--------------|-----------------------------------|
| | | BDT | BDT | BDT | BDT |
| | March 2007 to Sep 2007 | - | - | 74,422,948 | 74,422,948 |
| 1 | 1-Oct-07 | 930,286,856 | 62,019,124 | 74,422,948 | 136,442,072 |
| 2 | 1-Oct-08 | 868,267,732 | 62,019,124 | 69,461,419 | 131,480,542 |
| 3 | 1-Oct-09 | 806,248,608 | 62,019,124 | 64,499,889 | 126,519,012 |
| 4 | 1-Oct-10 | 744,229,484 | 62,019,124 | 59,538,359 | 121,557,482 |
| 5 | 1-Oct-11 | 682,210,361 | 62,019,124 | 54,576,829 | 116,595,953 |
| 6 | 1-Oct-12 | 620,191,237 | 62,019,124 | 49,615,299 | 111,634,423 |
| 7 | 1-Oct-13 | 558,172,113 | 62,019,124 | 44,653,769 | 106,672,893 |
| 8 | 1-Oct-14 | 496,152,990 | 62,019,124 | 39,692,239 | 101,711,363 |
| 9 | 1-Oct-15 | 434,133,866 | 62,019,124 | 34,730,709 | 96,749,833 |
| 10 | 1-Oct-16 | 372,114,742 | 62,019,124 | 29,769,179 | 91,788,303 |
| 11 | 1-Oct-17 | 310,095,619 | 62,019,124 | 24,807,649 | 86,826,773 |
| 12 | 1-Oct-18 | 248,076,495 | 62,019,124 | 19,846,120 | 81,865,243 |
| 13 | 1-Oct-19 | 186,057,371 | 62,019,124 | 14,884,590 | 76,903,713 |
| 14 | 1-Oct-20 | 124,038,247 | 62,019,124 | 9,923,060 | 71,942,183 |
| 15 | 1-Oct-21 | 62,019,124 | 62,019,124 | 4,961,530 | 66,980,654 |

Repayment schedule of Loan given by Asian Development Bank

Repayment period : 20 years (including grace period 5 years)
 Installment : 30 semi-annual consecutive installment
 Rate of interest : 4%
 Total loan : USD 228,000,000

| Installment sl. No. | Disbursement/falling date | Opening balance USD | Principal amount fallen due USD | Closing balance USD | Interest @4% | Interest on total principal outstanding USD | Principal + interest USD |
|---------------------|---------------------------|---------------------|---------------------------------|---------------------|--------------|---|--------------------------|
| Grace period | 5 years | 228,000,000 | - | 228,000,000 | - | - | - |
| 1 | 1-Feb-17 | 228,000,000 | 7,600,000 | 220,400,000 | 4% | 45,600,000 | 53,200,000 |
| 2 | 1-Aug-17 | 220,400,000 | 7,600,000 | 212,800,000 | 4% | 4,408,000 | 12,008,000 |
| 3 | 1-Feb-18 | 212,800,000 | 7,600,000 | 205,200,000 | 4% | 4,256,000 | 11,856,000 |
| 4 | 1-Aug-18 | 205,200,000 | 7,600,000 | 197,600,000 | 4% | 4,104,000 | 11,704,000 |
| 5 | 1-Feb-19 | 197,600,000 | 7,600,000 | 190,000,000 | 4% | 3,952,000 | 11,552,000 |
| 6 | 1-Aug-19 | 190,000,000 | 7,600,000 | 182,400,000 | 4% | 3,800,000 | 11,400,000 |
| 7 | 1-Feb-20 | 182,400,000 | 7,600,000 | 174,800,000 | 4% | 3,648,000 | 11,248,000 |
| 8 | 1-Aug-20 | 174,800,000 | 7,600,000 | 167,200,000 | 4% | 3,496,000 | 11,096,000 |
| 9 | 1-Feb-21 | 167,200,000 | 7,600,000 | 159,600,000 | 4% | 3,344,000 | 10,944,000 |
| 10 | 1-Aug-21 | 159,600,000 | 7,600,000 | 152,000,000 | 4% | 3,192,000 | 10,792,000 |
| 11 | 1-Feb-22 | 152,000,000 | 7,600,000 | 144,400,000 | 4% | 3,040,000 | 10,640,000 |
| 12 | 1-Aug-22 | 144,400,000 | 7,600,000 | 136,800,000 | 4% | 2,888,000 | 10,488,000 |
| 13 | 1-Feb-23 | 136,800,000 | 7,600,000 | 129,200,000 | 4% | 2,736,000 | 10,336,000 |
| 14 | 1-Aug-23 | 129,200,000 | 7,600,000 | 121,600,000 | 4% | 2,584,000 | 10,184,000 |
| 15 | 1-Feb-24 | 121,600,000 | 7,600,000 | 114,000,000 | 4% | 2,432,000 | 10,032,000 |
| 16 | 1-Aug-24 | 114,000,000 | 7,600,000 | 106,400,000 | 4% | 2,280,000 | 9,880,000 |
| 17 | 1-Feb-25 | 106,400,000 | 7,600,000 | 98,800,000 | 4% | 2,128,000 | 9,728,000 |
| 18 | 1-Aug-25 | 98,800,000 | 7,600,000 | 91,200,000 | 4% | 1,976,000 | 9,576,000 |
| 19 | 1-Feb-26 | 91,200,000 | 7,600,000 | 83,600,000 | 4% | 1,824,000 | 9,424,000 |
| 20 | 1-Aug-26 | 83,600,000 | 7,600,000 | 76,000,000 | 4% | 1,672,000 | 9,272,000 |
| 21 | 1-Feb-27 | 76,000,000 | 7,600,000 | 68,400,000 | 4% | 1,520,000 | 9,120,000 |
| 22 | 1-Aug-27 | 68,400,000 | 7,600,000 | 60,800,000 | 4% | 1,368,000 | 8,968,000 |
| 23 | 1-Feb-28 | 60,800,000 | 7,600,000 | 53,200,000 | 4% | 1,216,000 | 8,816,000 |
| 24 | 1-Aug-28 | 53,200,000 | 7,600,000 | 45,600,000 | 4% | 1,064,000 | 8,664,000 |
| 25 | 1-Feb-29 | 45,600,000 | 7,600,000 | 38,000,000 | 4% | 912,000 | 8,512,000 |
| 26 | 1-Aug-29 | 38,000,000 | 7,600,000 | 30,400,000 | 4% | 760,000 | 8,360,000 |
| 27 | 1-Feb-30 | 30,400,000 | 7,600,000 | 22,800,000 | 4% | 608,000 | 8,208,000 |
| 28 | 1-Aug-30 | 22,800,000 | 7,600,000 | 15,200,000 | 4% | 456,000 | 8,056,000 |
| 29 | 1-Feb-31 | 15,200,000 | 7,600,000 | 7,600,000 | 4% | 304,000 | 7,904,000 |
| 30 | 1-Aug-31 | 7,600,000 | 7,600,000 | - | 4% | 152,000 | 7,752,000 |

Repayment schedule of Loan given by Islamic Development Bank

Repayment period : 20 years (including grace period 5 years)
 Installment : 30 semi-annual consecutive installment
 Rate of interest : 4%
 Total loan : USD 200,000,000

| Installment sl. No. | Disbursement/ falling date | Opening balance USD | Principal amount fallen due USD | Closing balance USD | Interest @4% | Interest on total principal outstanding USD | Principal + interest USD |
|---------------------|----------------------------|---------------------|---------------------------------|---------------------|--------------|---|--------------------------|
| Grace period | 5 years | 200,000,000 | - | 200,000,000 | - | - | - |
| 1 | 1-Feb-17 | 200,000,000 | 6,666,667 | 193,333,333 | 4% | 40,000,000 | 46,666,667 |
| 2 | 1-Aug-17 | 193,333,333 | 6,666,667 | 186,666,667 | 4% | 3,866,667 | 10,533,333 |
| 3 | 1-Feb-18 | 186,666,667 | 6,666,667 | 180,000,000 | 4% | 3,733,333 | 10,400,000 |
| 4 | 1-Aug-18 | 180,000,000 | 6,666,667 | 173,333,333 | 4% | 3,600,000 | 10,266,667 |
| 5 | 1-Feb-19 | 173,333,333 | 6,666,667 | 166,666,667 | 4% | 3,466,667 | 10,133,333 |
| 6 | 1-Aug-19 | 166,666,667 | 6,666,667 | 160,000,000 | 4% | 3,333,333 | 10,000,000 |
| 7 | 1-Feb-20 | 160,000,000 | 6,666,667 | 153,333,333 | 4% | 3,200,000 | 9,866,667 |
| 8 | 1-Aug-20 | 153,333,333 | 6,666,667 | 146,666,667 | 4% | 3,066,667 | 9,733,333 |
| 9 | 1-Feb-21 | 146,666,667 | 6,666,667 | 140,000,000 | 4% | 2,933,333 | 9,600,000 |
| 10 | 1-Aug-21 | 140,000,000 | 6,666,667 | 133,333,333 | 4% | 2,800,000 | 9,466,667 |
| 11 | 1-Feb-22 | 133,333,333 | 6,666,667 | 126,666,667 | 4% | 2,666,667 | 9,333,333 |
| 12 | 1-Aug-22 | 126,666,667 | 6,666,667 | 120,000,000 | 4% | 2,533,333 | 9,200,000 |
| 13 | 1-Feb-23 | 120,000,000 | 6,666,667 | 113,333,333 | 4% | 2,400,000 | 9,066,667 |
| 14 | 1-Aug-23 | 113,333,333 | 6,666,667 | 106,666,667 | 4% | 2,266,667 | 8,933,333 |
| 15 | 1-Feb-24 | 106,666,667 | 6,666,667 | 100,000,000 | 4% | 2,133,333 | 8,800,000 |
| 16 | 1-Aug-24 | 100,000,000 | 6,666,667 | 93,333,333 | 4% | 2,000,000 | 8,666,667 |
| 17 | 1-Feb-25 | 93,333,333 | 6,666,667 | 86,666,667 | 4% | 1,866,667 | 8,533,333 |
| 18 | 1-Aug-25 | 86,666,667 | 6,666,667 | 80,000,000 | 4% | 1,733,333 | 8,400,000 |
| 19 | 1-Feb-26 | 80,000,000 | 6,666,667 | 73,333,333 | 4% | 1,600,000 | 8,266,667 |
| 20 | 1-Aug-26 | 73,333,333 | 6,666,667 | 66,666,667 | 4% | 1,466,667 | 8,133,333 |
| 21 | 1-Feb-27 | 66,666,667 | 6,666,667 | 60,000,000 | 4% | 1,333,333 | 8,000,000 |
| 22 | 1-Aug-27 | 60,000,000 | 6,666,667 | 53,333,333 | 4% | 1,200,000 | 7,866,667 |
| 23 | 1-Feb-28 | 53,333,333 | 6,666,667 | 46,666,667 | 4% | 1,066,667 | 7,733,333 |
| 24 | 1-Aug-28 | 46,666,667 | 6,666,667 | 40,000,000 | 4% | 933,333 | 7,600,000 |
| 25 | 1-Feb-29 | 40,000,000 | 6,666,667 | 33,333,333 | 4% | 800,000 | 7,466,667 |
| 26 | 1-Aug-29 | 33,333,333 | 6,666,667 | 26,666,667 | 4% | 666,667 | 7,333,333 |
| 27 | 1-Feb-30 | 26,666,667 | 6,666,667 | 20,000,000 | 4% | 533,333 | 7,200,000 |
| 28 | 1-Aug-30 | 20,000,000 | 6,666,667 | 13,333,333 | 4% | 400,000 | 7,066,667 |
| 29 | 1-Feb-31 | 13,333,333 | 6,666,667 | 6,666,667 | 4% | 266,667 | 6,933,333 |
| 30 | 1-Aug-31 | 6,666,667 | 6,666,667 | - | 4% | 133,333 | 6,800,000 |

(iv) Statement of inventories showing amount of raw material, packing material, stock (work)-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

We certify that the followings are the amounts of inventories of Ashuganj Power Station Company Limited (APSCL) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017 as extracted from the audited financial statements of the APSCL:

| Items | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 | 30-Jun-14 | 30-Jun-13 |
|----------------------------------|---------------|---------------|-------------|-------------|-------------|
| Raw Materials | - | - | - | - | - |
| Packing Materials | - | - | - | - | - |
| Stock (work)-in-process | - | - | - | - | - |
| Finished Goods | - | - | - | - | - |
| Consumable Items | - | - | - | - | - |
| Stock in stores | 1,267,158,835 | 1,164,346,942 | 887,979,012 | 697,972,141 | 619,145,229 |
| Trading Goods | - | - | - | - | - |
| Inventories in transit for sales | - | - | - | - | - |

Dhaka, Bangladesh
Dated, 26 April, 2018

Sd/-
S.F. AHMED & CO
Chartered Accountants

(v) Statement of trade receivables showing receivable from related party and connected persons;

STATEMENT OF TRADE RECEIVABLES

The following are the amounts of trade receivable of Ashuganj Power Station Company Limited for the years ended 30 June 2013-2017 as extracted from the audited financial statements

| Particulars | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 | 30-Jun-14 | 30-Jun-13 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Accounts Receivable (BPDP) | 3,993,354,579 | 2,882,317,011 | 2,771,527,966 | 2,268,405,064 | 4,754,366,967 |
| Other Receivable (FDR interest) | 9,753,733 | 3,348,404 | 7,109,335 | 13,702,313 | 7,935,338 |

Dhaka, Bangladesh
Dated, October 23, 2017

Sd/-
S.F. AHMED & CO
Chartered Accountants

(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;

This is to certify that as per our audit of the books of account of Ashuganj Power Station Company Limited (APSCL) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017, nothing has come to our attention that APSCL has given any loans to related parties or connected persons during the said years.

Dhaka, Bangladesh
Dated, 09 May 2018

Sd/-
S.F. AHMED & CO
Chartered Accountants

(vii) Statement of other income showing interest income, dividend income, discount received, other non-operating income;

The following are the amounts of other income of Ashuganj Power Station Company Limited for the years ended 30 June 2013 to 30 June 2017 as extracted from the audited financial statements:

Amount in BDT

| Particulars | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 | 30-Jun-14 | 30-Jun-13 |
|---|-------------|------------|------------|------------|------------|
| Sale of scraps | 3,974,214 | 20,586,753 | 10,834,183 | 13,892,297 | 14,839,126 |
| Forfeited of pay order | 474,500 | 293,539 | 706,326 | 363,456 | 382,800 |
| House rent | 90,087,418 | 59,969,890 | 8,954,732 | 7,298,050 | 2,520,088 |
| Income from lease rent amortization | 20,270,000 | - | - | - | |
| Income from recruitment | 10,047,700 | 727,600.00 | 810,000 | 130,400 | 805,537 |
| Income from power plant training centre | 220,600 | 142,174 | 51,474 | 3,450 | 235,892 |
| Sale of hydrogen gas | 21,262 | 15,438 | 12,889 | 27,343 | 623,271 |
| Sale of tender documents | 1,569,100 | 1,504,260 | 1,300,892 | 836,500 | 1,978,900 |
| Miscellaneous income | 2,543,908 | 4,366,009 | 9,886,310 | 197,455 | 1,035,947 |
| Total | 129,208,702 | 87,605,663 | 32,556,806 | 22,748,951 | 22,421,561 |

Dhaka, Bangladesh
Dated, October 24, 2017

Sd/-
S.F. AHMED & CO
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;**STATEMENT OF TURNOVER**

The following are the amounts of revenue (turnover) financial statements of Ashuganj Power Station Company Limited for the years ended 30 June 2013 to 2017 as extracted from the audited statement:

Amount in BDT

| Particulars | 30-Jun-17 | 30-Jun-16 | 30-Jun-15 | 30-Jun-14 | 30-Jun-13 |
|-------------------------|----------------|---------------|---------------|---------------|---------------|
| Revenue (turnover): | | | | | |
| In cash | - | - | - | - | - |
| Through banking channel | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |

Dhaka, Bangladesh
Dated, 08 May 2019

Sd/-
S.F. AHMED & CO
Chartered Accountants

(ix) Statement of related party transaction;

This is to certify that as per audited financial statements of Ashuganj Power Station Company Limited (APSCL), transaction between APSCL and its related party during the period ended 30 June 2013 to 30 June 2017 are as follows:

S. F. AHMED & CO
Chartered Accountants

Ashuganj Power Station Company Limited
Statement of Related Party Transactions

This is to certify that as per audited financial statements of Ashuganj Power Station Company Limited (APSCL), transactions between APSCL and its related party(ies) during the period ended 30 June 2013 to 30 June 2017 are as follows:

| Related party Name of the related party | Nature of relationship | 30 June 2017 | 30 June 2016 | 30 June 2015 | 30 June 2014 | 30 June 2013 |
|---|---|------------------|-----------------|-----------------|-----------------|-----------------|
| | Nature of transaction | BDT | BDT | BDT | BDT | BDT |
| (A) Accounts receivable: | | | | | | |
| | Opening balance | 2,882,317,011 | 2,771,527,966 | 2,268,405,064 | 4,754,366,967 | 2,785,043,141 |
| | Addition during the year : | | | | | |
| | Sales | 15,660,032,053 | 8,413,064,246 | 7,094,702,639 | 6,971,021,960 | 7,537,809,811 |
| | Other adjustment | - | 66,655,400 | - | 47,517,729 | 342,110,846 |
| | Adjustment for debt service liability (DSL) | - | - | - | 66,227,203 | 99,633,724 |
| | Payment/adjustment made during the year : | | | | | |
| | Fuel cost paid by BPDP (receivable) | (3,634,776,138) | (3,006,020,018) | (3,296,120,153) | (4,306,113,836) | (1,855,217,749) |
| | Cash collection | (10,709,171,994) | (5,304,081,103) | (3,215,276,776) | (5,207,785,478) | (4,096,183,324) |
| | Uncollectable receivable written-off | - | (58,829,481) | (58,829,481) | (58,829,481) | (58,829,481) |
| | Debt service liability (DSL) | (346,965,246) | - | (21,363,328) | - | - |
| | Closing balance | 3,851,435,686 | 2,882,317,011 | 2,771,527,965 | 2,268,405,064 | 4,754,366,967 |
| (B) Others receivable: | | | | | | |
| | Opening balance | - | - | - | - | - |
| | Add: Operational insurance premium | 141,918,893 | - | - | - | - |
| | Closing balance | 141,918,893 | - | - | - | - |
| (C) Loan from BPDP | | | | | | |
| | Opening balance: | 3,280,000,000 | - | - | - | - |
| | Addition during the year | 2,261,600,000 | 32,800,000,000 | - | - | - |
| | Payment made during the year | (800,000,000) | - | - | - | - |
| | Closing balance | 4,741,600,000 | 32,800,000,000 | - | - | - |
| (D) Interest on BPDP loan | | | | | | |
| | Opening balance | - | - | - | - | - |
| | Add: Accrued during the year | 122,283,151 | - | - | - | - |
| | Closing balance | 122,283,151 | - | - | - | - |
| (E) Dividend | | | | | | |
| | Opening balance | - | - | - | 33,073,549 | - |
| | Add: Dividend declared | 89,220,647 | 33,073,549 | 33,073,549 | 33,073,549 | 33,073,549 |
| | Less: Paid during the year | (99,220,647) | (33,073,549) | (33,073,549) | (66,147,098) | - |
| | Closing balance | - | - | - | - | 33,073,549 |

S. F. AHMED & CO
Chartered Accountants



Dhaka, Bangladesh
Dated: 29 January 2018

Bangladesh
Power
Development
Board (BPDP)
Majority
shareholder

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

We certify the following reconciliation statements of Ashuganj Power Station Company Limited (APSCL) regarding business income as shown in the income tax return with the audited Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017:

| Amounts in BDT | | | |
|---|--|------------------------|------------------|
| Particulars | Income year 2016-2017, Assessment year 2017-2018 | | |
| | Taxable unit | | Non-taxable unit |
| Computation of total income: | | | |
| Profit before tax as per statement of profit or loss and other comprehensive income (profit and loss statement) | 1,602,167,470 | | |
| Less: Non-business income (other operating income) | (129,208,702) | | |
| Less: Finance Income (interest income) | (41,137,027) | | |
| | | 1,431,821,741 | - |
| Add: Inadmissible expenses: | | | |
| Depreciation on property, plant and equipment | - | 3,622,107,813 | |
| Less: Admissible expenses: | | | |
| Depreciation as per Income Tax Ordinance 1984 under section-29, Third Schedule | - | (10,997,437,494) | - |
| Business income/(loss) | - | (5,943,507,940) | - |
| Add: Non-business income (interest and other income) | - | 170,345,729 | - |
| Total income/(loss) for the year | - | (5,773,162,211) | |
| Profit after tax as per audited financial statements | | 1,507,187,203 | |

| Amounts in BDT | | | |
|---|--|------------------------|------------------|
| Particulars | Income year 2015-2016, Assessment year 2016-2017 | | |
| | Taxable unit | | Non-taxable unit |
| Computation of total income: | | | |
| Profit before tax as per statement of profit or loss and other comprehensive income (profit and loss statement) | 318,963,556 | | |
| Less: Non-business income (other operating income) | (87,605,663) | | |
| Less: Finance Income (interest income) | (190,175,309) | | |
| | | 41,182,584 | - |
| Add: Inadmissible expenses: | | | |
| Depreciation on property, plant and equipment | - | 2,630,201,526 | |
| Less: Admissible expenses: | | | |
| Depreciation as per Income Tax Ordinance 1984 under section-29, Third Schedule | - | (5,219,199,581) | - |
| Business income/(loss) | - | (2,547,815,471) | - |
| Add: Non-business income (interest and other income) | - | 277,780,972 | - |
| Total income/(loss) for the year | - | (2,270,034,499) | |
| Profit after tax as per audited financial statements | | 240,617,081 | |

Amounts in BDT

| Particulars | Income year 2014-2015, Assessment year 2015-2016 | |
|---|--|----------------------|
| | Taxable unit | Non-taxable unit |
| Computation of total income: | | |
| Profit before tax as per statement of profit or loss and other comprehensive income (profit and loss statement) | 467,634,407 | |
| Less: Non-business income (other operating income) | (32,556,806) | |
| Less: Finance Income (interest income) | (104,116,223) | |
| | 330,961,378 | - |
| Add: Inadmissible expenses: | | |
| Depreciation on property, plant and equipment | - | 1,766,923,120 |
| Less: Admissible expenses: | | |
| Depreciation as per Income Tax Ordinance 1984 under section-29, Third Schedule | - | (2,716,482,759) |
| Business income/(loss) | - | (618,598,261) |
| Add: Non-business income (interest and other income) | - | 136,673,029 |
| Total income/(loss) for the year | - | (481,925,232) |
| Profit after tax as per audited financial statements | | 367,634,407 |

Amounts in BDT

| Particulars | Income year 2013-2014, Assessment year 2014-2015 | |
|---|--|------------------------|
| | Taxable unit | Non-taxable unit |
| Computation of total income: | | |
| Profit before tax as per statement of profit or loss and other comprehensive income (profit and loss statement) | 801,179,955 | |
| Less: Non-business income (other operating income) | (22,748,951) | |
| Less: Finance Income (interest income) | (188,459,474) | |
| Less: Provision no longer required | (63,042,822) | |
| | 526,878,708 | - |
| Add: Inadmissible expenses: | | |
| Depreciation on property, plant and equipment | - | 1,803,403,562 |
| Less: Admissible expenses: | | |
| Depreciation as per Income Tax Ordinance 1984 under section-29, Third Schedule | - | (3,371,754,914) |
| Business income/(loss) | - | (1,041,472,644) |
| Add: Non-business income (interest and other income) | 22,748,951 | - |
| Add: Finance Income (interest income) | 188,459,474 | |
| Add: Provision no longer required | 63,042,822 | |
| | 274,251,247 | |
| Total income/(loss) for the year | | (767,171,397) |
| Profit after tax as per audited financial statements | | 681,179,955 |

Sd/-

Dhaka, Bangladesh
Dated, 06 May, 2018

S.F. AHMED & CO
Chartered Accountants

(xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

This is to certify that during our audit of the books of account of Ashuganj Power Station Company Limited (APSCL) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017, we observed no instances where receipts and payments were made exceeding BDT 500,000 other than through banking channel.

Dhaka, Bangladesh
Dated, 26 April, 2018

Sd/-
S.F. AHMED & CO
Chartered Accountants

(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

This is to certify that as per our audit of the books of account of Ashuganj Power Station Company Limited (APSCL) for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017, the bank statements of APSCL appear to be in conformity with its books of account.

Dhaka, Bangladesh
Dated, 26 April, 2018

Sd/-
S.F. AHMED & CO
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and other taxes/duties;

We certify that the followings payments were made by way of income tax, VAT and other taxes and duties for the years ended 30 June 2013, 30 June 2014, 30 June 2015, 30 June 2016 and 30 June 2017 as depicted from the books of account of Ashuganj Power Station Company Limited during our statutory audit:

| Particulars | | Income Year 2016-2017 Assessment Year 2017-2018 | Income Year 2015-2016 Assessment Year 2016-2017 | Income Year 2014-2015 Assessment Year 2015-2016 | Income Year 2013-2014 Assessment Year 2014-2015 | Income Year 2012-2013 Assessment Year 2013-2014 |
|--|---------------------------|--|--|--|--|--|
| Withholding income tax (WHIT) deducted by APSCL | Salaries | 14,652,652 | 3,833,830 | 3,900,647 | 2,131,786 | 4,456,906 |
| | Contractors/ Suppliers | 328,133,622 | 40,104,743 | 10,701,151 | 30,304,824 | 20,816,454 |
| Total | | 342,786,274 | 43,938,573 | 14,601,798 | 32,436,610 | 25,273,360 |
| Withholding VAT | | 14,768,074 | 16,281,184 | 9,568,102 | 10,814,137 | 7,969,513 |
| Other taxes/duties | | - | - | - | - | - |
| Advance and corporate income tax paid by APSCL: | | | | | | |
| WHIT (from Bank Interest) | | 3,684,620 | 12,908,992 | 11,066,193 | 18,273,779 | 16,091,857 |
| WHIT (from LC) | | 9,555,698 | - | - | - | - |
| WHIT on dividend | | - | 13,358,400 | - | - | - |
| Advance income tax (before submission of income tax return) | | - | - | 3,000,000 | - | - |
| Pay order (at the time of submission of income tax return) | | 81,741,949 | 25,877,679 | 7,627,934 | 3,462,191 | 22,444,979 |
| Total | | 94,982,267 | 52,145,071 | 21,694,127 | 21,735,970 | 38,536,836 |

Dhaka, Bangladesh
Dated, 30 April, 2018

Sd/-
S.F. AHMED & CO
Chartered Accountants

SECTION XXVII:

Credit Rating Report

CREDIT RATING REPORT

On

APSCL NON-CONVERTIBLE COUPON BEARING BOND**REPORT: RR/23915/18****Address:**

CRISL
Nakshi Homes, (4th & 5th Floor)
6/1A, Segunbagicha, Dhaka-1000
Tel: 9530991-4
Fax: 88-02-9530995
Email: crisldhk@crislbd.com

Analysts:

Md. Asiful Huq
asif@crislbd.com

Habibur Rahman Khan
habibur@crislbd.com

Issue Rating:

AA (Indicative)

Rating Base:

Audited financial as on June 30,
2018

**APSCL NON-
CONVERTIBLE
COUPON BEARING
BOND**

Issuance Amount:

Tk. 6,000.00 million

Trustee:

ICB Capital Management Limited

Coupon:

182 days T-bill rate Plus margin
(4.00%). Between 8.50%-10.50%
per annum (coupon ceiling rate
is 10.50% and coupon floor rate
is 8.50%)

Placement Process:

Private and Public

Listing:

Listed & Un-listed

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. The rating will be valid for six months from the date of declaration. After the above period, the rating will not carry any validity unless the instrument goes for rating surveillance. CRISL followed Bond Rating Methodology published in CRISL website www.crislbd.com

| | |
|-----------------------------------|------------------------|
| Issue Rating | AA (Indicative) |
| Date of Rating Declaration | 6-Dec-18 |
| Rating Validity | 5-Dec-19 |

1.0 ISSUE RATING RATIONALE

CRISL has assigned "AA (Indicative)" rating (pronounced as double AA) to "APSCL Non-convertible coupon bearing bond" of Ashuganj Power Stations Company Limited (APSCL). The above rating has been assigned on the basis of the fundamentals of the issue as well as the issuer that includes attractive coupon rate, provision of additional payment for late coupon payment, improving profitability, good liquidity, good debt servicing capacity, good infrastructural facilities etc. However, the above factors are moderated, to some extent, by the feature of the issue which includes unsecured debt instrument, exposure to market risk, subordination to bank liabilities etc.

Securities rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

The indicative rating means the bond has been rated based on the draft legal documents as well as term sheet. However, after finalizing the above documents, the final rating will be assigned.

2.0 ISSUE FEATURE: PROPOSED APSCL NON-CONVERTIBLE COUPON BEARING BOND

Ashuganj Power Stations Company Limited (hereinafter referred to as 'APSCL' or the 'issuer') is one of the largest power station in Bangladesh having installed capacity of 1,861 Mw. APSCL is going to issue Non-Convertible fully redeemable coupon bearing Bonds (hereinafter referred to "NCBB" or "the issue") through private placement and public offer. The issue size will be Tk. 6,000.00 million (private placement of Tk. 5,000.00 million and public offer of Tk. 1,000.00 million). The lot size would be 2,000 (private) and 1 (public). The face value of each bond would be Tk. 5,000.00. However, this issue (private placement of Tk. 5,000.00 million) has already been approved by Bangladesh Securities Exchange Commission (BSEC) on April 12, 2018. The fund raising process by issuing bonds through private placement is going on. The investment commitment of Tk. 3,850.00 million has already been received from investors. NCBB will be offered among institutional investor's i.e large corporations, banks, insurance companies, NBFIs, asset management firm, mutual funds and merchant banks and general investors. The issue will mature in seven years. The principal redemptions will start from 48th month and paid annually (25% per year) till 7th year. The coupon will be paid semi-annually. The first coupon will be paid after 12 months of the drawdown. The coupon rate will be Reference rate plus margin or 8.50% whichever is higher. The reference rate is the rate of 182 days Bangladesh Treasury bill (182 days T-bill). The coupon margin is 4.00%. The coupon rate will be between 8.50%-10.50% per annum (coupon ceiling rate is 10.50% and coupon floor rate is 8.50%). Investment Corporation of Bangladesh (ICB) and BRAC EPL Investments Limited (BEIL) are the mandated lead arrangers while ICB Capital Management Limited (ICML) will act as the Trustee to the Issue. Moreover, ICB Capital Management Limited (ICML) and BRAC EPL Investments Limited (BEIL) are issue managers of the issue.

CREDIT RATING REPORT**On**
APSCL NON-CONVERTIBLE COUPON BEARING BOND**3.0 ISSUER SUMMARY- ASHUGANJ POWER STATION COMPANY LIMITED****3.1 Genesis**

Ashuganj Power Station Company Ltd (APSCL) is one of the largest power stations in Bangladesh having installed capacity of 1,861 Mw (total 11 Units). As a part of the power sector development and reform program of the Government of Bangladesh (GoB), APSCL was incorporated under the Companies Act 1994 on June 28, 2000. Ashuganj Power Station (APS) complex (with its asset and liabilities) was transferred to the APSCL through a provisional vendor's agreement signed between BPDB and APSCL on May 22, 2003. The company was converted into a public limited company on June 28, 2000. Initially its authorized share capital was increased from Tk. 1,000.00 million to Tk. 15,000.00 million through a special resolution passed on March 01, 2003 and again authorized capital was increased from Tk. 15,000.00 million to Tk. 30,000 million on December 26, 2010. Its paid up capital was also increased to Tk. 6,614.00 million on July 08, 2012 (here considering on the basis of provisional vendor's agreement, maximum Tk. 6,614.00 million can be transferred to BPDB's paid up capital from its equity). As on June 30, 2018 the paid up capital stood at Tk. 6,615.00 million. All the activities of the company started formally on June 1, 2003.

At present, the company has been running with 11 units consisting of Unit 1 & 2 (present capacity of 102 Mw), Unit 3,4 & 5 (present capacity of 430 Mw), GT-2 (present capacity of 40 Mw), 50 Mw plant (present capacity of 51 Mw), 225 Mw plant (present capacity of 223 Mw), 200 Mw modular (present capacity of 195 Mw), 450 Mw CCPP South (present capacity of 360 Mw), 450 Mw CCPP North (present capacity of 360 Mw). Among these 11 units, 3 units (225 Mw, 450 Mw south & 450 Mw North) are combine cycle power plant (CCPP). Electricity generated in this power station is supplied to the national grid and thereby distributed to the consumers. In this station, natural gas from Bakhrabad Gas Distribution Company limited. The power plant is located at Ashuganj, Brahmanbaria-3402 and corporate office is located at Navana Rahim Ardent, 185 Shahid Syed Nazrul Islam Soroni, Dhaka.

3.2 Ownership Pattern as on June 30, 2018

| SL No | Name of the Shareholder/representative | No of Shares |
|--------------|--|-------------------|
| 1 | Bangladesh Power Development Board (BPDB) | 66,147,098 |
| 2 | Power Division- Secretary, MOPEMR | 1,900 |
| 3 | Energy and Mineral Resources Division, Secretary, MOPEMR | 1 |
| 4 | Finance Division, Secretary, Ministry of Finance | 1,000 |
| 5 | Planning Division, Ministry of planning | 1 |
| Total | | 66,150,000 |

Being a Government supported entity (GSE), most of the shares are held by Bangladesh Power Development Board (99.99% of total share) and rests of the shares are distributed among Ministry of Finance, Ministry of planning, power division, MOPEMR & Energy Division.

4.0 ISSUER CREDIT RATING

CRISL has performed shadow rating of Ashuganj Power Stations Company Limited (APSCL) from two distinct perspectives, firstly, as Government Support Entity (GSE) and secondly, as a commercial entity on stand-alone basis.

CRISL has assigned "AAA" (Triple A) rating in the Long Term and "ST-1" rating in the Short Term to APSCL, being state owned power station. The above ratings have been assigned in consideration of the implied commitment of the Government of the People's Republic of Bangladesh to the entity. In addition, Government has been providing support both in financial and policy matters and in other areas to handle adverse situation which has been factored in the rating process.

CRISL has also assigned the Long Term rating "AA+" (pronounced as double AA plus) and Short Term rating 'ST-2' to APSCL, as a stand-alone commercial entity without considering the Government support or intervention on its commercial prudence.

CREDIT RATING REPORT

On

APSCL NON-CONVERTIBLE COUPON BEARING BOND

The Long Term rating (AA+) indicates that entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

The short term rating indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL also views the company with "Stable Outlook" believing that the company will be able to maintain its fundamentals with the same trend in the foreseeable future.

5.0 TRUSTEE TO THE ISSUE**5.1 Background of Trustee**

ICB Capital Management Ltd. is a fully owned subsidiary of Investment Corporation of Bangladesh. The company obtained license from the Securities and Exchange Commission to act as Issue Manager, Underwriter, Portfolio Manager and to carry out other merchant banking operations under the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulations, 1996. The company was incorporated under the Companies Act, 1994 on 5 December 2000 and obtained registration from the Securities & Exchange Commission on 16 October 2001. The company started its operation from 01 July, 2002 upon issuance of gazette notification by the government. The Managing Director of ICB is the Chairman of the Board. The company has excellent working environment being equipped with logistics and computer facilities. The authorized capital and paid up capital of the company stood at Tk. 5,000 million and Tk. 3,296.47 million.

5.2 Roles and Responsibilities of the Trustee

ICB Capital Management Ltd will be the Trustee to the issue subject to approval from Bangladesh Securities and Exchange Commission (BSEC). The trust deed of the proposed issue is in the process of execution between the Issuer and Trustee. The Trust Deed sets out the rights of the bondholders and the responsibilities of the Trustee. The Trustee will be entrusted with the responsibility of monitoring and ensuring that the interest and rights of the bondholders are fully protected. The Trustee has the following duties and powers in connection with the Trust.

- To keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- To issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- To call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;
- Upon instruction by the Bondholders in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;
- To do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with this Trust Deed.

5.3 Covenants of Event of Default

According to the draft Trust Deed, the following events, will be considered as the events of defaults and breach of covenants:

- Default in the payment of principal of, or premium, if any, on, the Bonds when the same becomes due and payable at maturity, redemption or otherwise, provided that no such default shall be an Event of Default if caused by an administrative or technical error that is remedied within five Business Days of the relevant payment date.

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- An order is made or an effective resolution passed or analogous proceedings taken for the Issuer's winding up, bankruptcy or dissolution or a petition is presented and admitted by the relevant court, or analogous proceedings taken for the winding up or dissolution of the Issuer.

6.0 ESTIMATED RETURN FROM THE BOND

The investors will likely to get good return from their investment in NCBB. The coupon will be paid semi-annually. The first coupon will be paid after 12 months of the drawdown. The coupon rate will be Reference rate plus margin or 8.50% whichever is higher. The reference rate is the rate of 182 days Bangladesh Treasury bill (182 days T-bill). The coupon margin is 4.00%. The coupon rate will be between 8.50%-10.50% per annum (coupon ceiling rate is 10.50% and coupon floor rate is 8.50%). The issuer shall pay a late payment penalty of 2% higher than the coupon rate and be payable on the amount not paid on the due date up till the date of actual payment.

7.0 UTILIZATION OF ISSUE PROCEEDS & REDEMPTION SCHEDULE

| Financing Requirement | Amount in BDT Million |
|----------------------------|-----------------------|
| Finance in future projects | 4,500.00 |
| Working Capital | 1,500.00 |
| Total | 6,000.00 |

APSCl will require Tk. 6,000.00 million for upcoming projects and repayment of loan. The upcoming projects are 400 MW CCPP (East), 1320 Mw coal fired power plant project and Ashuganj 80 Mw Grid Tied Solar Power plant.

| Year | Redemption |
|------|------------|
| 1 | Nil |
| 2 | Nil |
| 3 | Nil |
| 4 | 25.00% |
| 5 | 25.00% |
| 6 | 25.00% |
| 7 | 25.00% |

The principal redemptions will be in four tranches, each tranche being 25% of the principal amount commencing at the end of year-4 from the date of issuance in the above manner.

8.0 PROJECT DETAILS

One of the largest power station in the country

APSCl is one of the largest power stations in Bangladesh having installed capacity of 1,861 Mw. At present the company has been running with 11 units consisting of Unit 1 & 2 (present capacity of 102 Mw), Unit 3, 4 & 5 (present capacity of 430 Mw), GT-2 (present capacity of 40 Mw), 50 Mw plant (present capacity of 51 Mw), 225 Mw plant (present capacity of 223 Mw), 200 Mw modular (present capacity of 195 Mw), 450 Mw CCPP (South) present capacity of 360 Mw, 450 Mw CCPP (North) present capacity of 360 Mw. Among these 11 units, 3 units (225 Mw, 450 Mw south & 450 Mw North) are combine cycle power plant (CCPP). The power plant is located at Ashuganj, Brahmanbaria-3402 on 263.55 acres land. The power station is facilitated by 230 & 132 kv Grid, Medical center, Gas supply, Jetty crane, Training center, Workshop, Residence, School etc. In this station, natural gas from Bakhrabad Gas Distribution Company limited is used as primary fuel. Water from the river meghna is used through in take channels for steam generation and cooling of the plants and some portion of the used water (after cooling) is thrown into the river Meghna through discharge channels. The main portion of the used water from the discharge channels are used for irrigation in the local area in the dry season. It is known that about 36,000 acres of land of Ashuganj are irrigated by this water.

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8.1 Main Features of PPA

8.1.1 Unit 1, 2, 3, 4, 5 & GT-2

- Under the PPA (Power Purchase Agreement), APSCL cannot sell power to any other party except BPDB without having any prior written consent from the authority;
- Reference tariff is composed of two components i.e Reference capacity price & Reference energy price

8.1.2 50 MW plant

- Under the PPA (Power Purchase Agreement), APSCL cannot sell power to any other party except BPDB without having any prior written consent from the authority;
- Reference tariff is composed of two components i.e Reference capacity price & Reference energy price
- The term of the contract is for 15 years from the date of commercial operations;
- BPDB events of default occurs if any default or defaults by BPDB in the making of any payment or payments required to be made by it within 30 days of the due date;
- If the initial dependable capacity is set at a level that is below the contracted facility capacity, liquidated damage an amount equal to seventy thousand taka per Kw times the difference between the contracted facility capacity and initial dependable capacity shall be deducted from the monthly invoice; the liquidated damage is only applicable if the difference is above 5% of the contracted facility capacity;

8.1.3 450 MW CCPP (North)

- Under the PPA (Power Purchase Agreement), APSCL cannot sell power to any other party except BPDB without having any prior written consent from the authority;
- The term of the contract is for 25 years from the date of commercial operations;
- BPDB events of default occurs if any default or defaults by BPDB in the making of any payment or payments required to be made by it within 30 days of the due date;
- If the initial dependable capacity is set at a level that is below the contracted facility capacity, liquidated damage an amount equal to eighty two thousand taka per Kw times the difference between the contracted facility capacity and initial dependable capacity shall be deducted from the monthly invoice; the liquidated damage is only applicable if the difference is above 5% of the contracted facility capacity;

8.1.4 450 MW CCPP (South)

- Under the PPA (Power Purchase Agreement), APSCL cannot sell power to any other party except BPDB without having any prior written consent from the authority;
- Reference tariff is composed of two components i.e Reference capacity price & Reference energy price
- The term of the contract is for 25 years from the date of commercial operations;
- BPDB events of default occurs if any default or defaults by BPDB in the making of any payment or payments required to be made by it within 30 days of the due date;
- If the initial dependable capacity is set at a level that is below the contracted facility capacity, liquidated damage an amount equal to eighty two thousand taka per Kw times the difference between the contracted facility capacity and initial dependable capacity shall be deducted from the monthly invoice; the liquidated damage is only applicable if the difference is above 5% of the contracted facility capacity;

8.1.5 225 MW CCPP

- Under the PPA (Power Purchase Agreement), APSCL cannot sell power to any other party except BPDB without having any prior written consent from the authority;
- Reference tariff is composed of two components i.e Reference capacity price & Reference energy price

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- The term of the contract is for 25 years from the date of commercial operations;
- BPDB events of default occurs if any default or defaults by BPDB in the making of any payment or payments required to be made by it within 30 days of the due date;
- If the initial dependable capacity is set at a level that is below the contracted simple cycle capacity, the company shall pay to BPDB as liquidated damages an amount equal to 1% of the EPC contract price for each 1%; ; the liquidated damage is only applicable if the difference the contracted simple cycle capacity and initial dependable capacity is greater than 5% of the contracted simple cycle capacity;

9.0 INDUSTRY OVERVIEW*Prospective industry*

| Public Sector | Installed Generation Capacity (MW) as August 18, 2018 |
|----------------|---|
| BPDB | 5266 |
| APSCL | 1444 |
| EGCB | 839 |
| NWPGCL | 1070 |
| RPCL | 77 |
| BPDB-RPCL JV | 149 |
| Subtotal | 8,845 (54%) |
| Private Sector | |
| IPPs | 4802 |
| SIPPs (BPDB) | 99 |
| SIPPs (REB) | 251 |
| 15 YR. Rental | 169 |
| 3/5 YR. Rental | 1576 |
| Power Import | 660 |
| Subtotal | 7,557 (46%) |
| TOTAL | 16,402.00 |

**Data Collected from BPDB website*

Electricity is the major source of power for the country's most of the economic activities. The BPDB is responsible for major portion of generation and distribution of electricity mainly in urban areas except Dhaka and West Zone of the country. BPDB has taken a massive capacity expansion plan to add about 11600 MW Generation capacity in next 5 years to achieve 24000 MW Capacity according to PSMP-2010 by 2021 with the aim to provide quality and reliable electricity to all the people of Country for desired economic and social development. The power system has been expanded to keep pace with the fast growing demand.

As on August 18, 2018 total installed capacity including Captive Power is (16,402+2,800) 19,202 MW (Public Sector 8,845 MW; IPP, SIPP & Rental 7,557 MW & Power Import 660 MW and captive power plant of 2,800.00 MW) of Power Plants located at different parts of the country. The main fuel used for power generation is indigenous gas. The maximum demand served during peak hours is 11,387 MW in July 18, 2018. The transmission network is 9,695 ckt km long comprising 230, 132 and 66 KV lines. The total numbers of grid sub-stations are 131 and the total capacity is 24,670 MVA as on June-2015.

Public sector produces electricity through Bangladesh Power Development Board (BPDB), Ashuganj Power Station Company Ltd. (APSCL), Electricity Generation Company of Bangladesh (EGCB), North West Power Generation Company Limited (NWPGCL), Rural Power Company Limited (RPCL) and BPDB-RPCL Powergen Limited. On the other hand, private sector produces power through small independent power producers and rental that government buys at a constant price. BPDB individually produces 27.42% of the total electricity generation. As on October, 2018 58.89% percent of electricity is produced by the natural gas and the country's gas reserve is depleting over the years.

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APSCL NON-CONVERTIBLE COUPON BEARING BOND**10.0 CORPORATE GOVERNANCE****10.1 Board of Directors**

| SL No | Name | Position |
|-------|---------------------------------|-------------------|
| 1 | Mr. Khaled Mahmood | Chairman |
| 2 | Professor Dr. Md. Quamrul Ahsan | Director |
| 3 | Mr. Mamtaz Uddin Ahmed | Director |
| 4 | Mr. Sheikh Faezul Amin | Director |
| 5 | S.M. Tarikul Islam | Director |
| 6 | Mr. Kamal Ahmed | Director |
| 7 | Md. Abu Alam Chowdhury | Director |
| 8 | Md. Azharul Islam | Director |
| 9 | Ratan Chandra Pandit | Director |
| 10 | Mr. Sayeed Ahmed | Director |
| 11 | Mrs. Tahmina Yeasmin | Director |
| 12 | A M M Sazzadur Rahman | Managing Director |

Twelve members Board

The Board of Directors of APSCL consists of 12 members and the Board is Chaired by Mr. Khaled Mahmood. The Board is involved in setting key targets for the company, monitoring the progress, approving of long term strategic plan and adopting sufficient risk management systems to mitigate the core risks.

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

He joined the Directorate of Programme of Bangladesh Power Development Board (BPDB) as an Assistant Engineer in 1981. In his long career, Engineer Khaled Mahmood discharged his duties in various positions in BPDB. He worked as Sub-divisional Engineer in Design & Inspection-1, Deputy Director (XEN) in Programme, Design & Inspection-1, Assistant Chief Engineer in the office of the Chief Engineer Generation, Director in Design & Inspection-1, Chief Engineer Generation etc. In his illustrious career Mr. Khaled discharged his duties as an expert specially in International Bid Document Preparation, Design & Drawing Preparation and Approval, International Negotiation of various power sector activities. During FY 2017-18, the Board has conducted 16 meetings against 12 meetings in FY 2016-17.

10.2 Corporate Management

| SL No | Name | Position |
|-------|------------------------------|--|
| 1 | A M M Sazzadur Rahman | Managing Director |
| 2 | Engr. Ajit Kumar Sarker | Executive Director (Planning & Projects) |
| 3 | Engr. A.K.M. Yaqub | Executive Director (Engineering) |
| 4 | Mr. Md. Mahfuzul Haque, FCMA | Executive Director (Finance) |

The operations of APSCL are being looked after by an experienced management team and the team is led by Mr. A M M Sazzadur Rahman, Managing Director of the company. He leads the team with the assistance of Engr. Ajit Kumar Sarker, Executive Director (Planning & Projects); Engr. A.K.M. Yaqub, Executive Director (Engineering); Mr. Md. Mahfuzul Haque, FCMA, Executive Director (Finance). Engr. AMM. Sazzadur Rahman was promoted to Managing Director of APSCL on 22.02.2016. Prior to this assignment, Mr. Rahman served as Executive Director (Engineering), DGM (Electrical Maintenance) & PD (450MW CCPP) for about one year.

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APSCL NON-CONVERTIBLE COUPON BEARING BOND**10.3 Human Resource Management**

APSCL recognizes human resource as the most important resource and for this it tries to create a congenial working environment within the company. The company follows service rule to deal with employees and to ensure transparency at all level. The company is providing long term employee benefits such as contributory provident fund and employee gratuity scheme. APSCL employs more than 750 people directly. The company regularly arranges annual training plan covering Fire fighting & safety, water treatment, power plant mechanical maintenance etc.

10.4 Board Committees

There are four standing committee formed by the Board members and they are Audit committee, Recruitment & promotion committee, procurement review committee and steering committee. The audit committee is composed by four members, Chaired by Prof. Mamta Uddin Ahmed; Recruitment & promotion committee is composed by four members, Chaired by Mr. Khaled Mahmood; Procurement Review Committee is composed by four members, Chaired by Dr. Md. Quamrul Ahsan; steering committee is composed by five members, Chaired by Mr. Khaled Mahmood.

11.0 OPERATING PERFORMANCE IN FY 2017-18

| Indicators | Unit 2,3,4,5 & GT-2 | 50 MW | 225 MW | 450 MW (South) | 450 (North) |
|---|---------------------|-------------|---------------|----------------|---------------|
| Licensed Capacity (MW) | 573 MW | 50 MW | 223 MW | 373 MW | 380.68 MW |
| Net Energy Output/ Dispatched (Kwh) | 1,871,441,631 | 304,970,862 | 1,346,558,143 | 2,306,370,322 | 1,723,353,228 |
| Plant Load Factor (%) | 53.99 | 73.42 | 71.47 | 75.63 | 56.38 |
| Per Unit Average Selling Price (Tk per Kwh) | 2.53 | 1.79 | 3.19 | 3.32 | 2.85 |

APSCL's operating performance has been found to be average. As discussed earlier the company has been running with 11 units consisting of Unit 1 & 2 (present capacity of 102 Mw), Unit 3, 4 & 5 (present capacity of 430 Mw), GT-2 (present capacity of 40 Mw), 50 Mw plant (present capacity of 51 Mw), 225 Mw plant (present capacity of 223 Mw), 200 Mw modular (present capacity of 195 Mw), 450 Mw CCPP South (present capacity of 360 Mw), 450 Mw CCPP North (present capacity of 360 Mw). Among these power plants, three plants are combined cycled facility i.e 225 MW, 450 MW (South) & 450 MW (North). During FY 2017-18, the company generated 7,552,694,186 kwh through Unit 2,3,4,5 & GT-2 (1,871,441,631 kwh & plant factor rate of 53.99%); 50 MW plant (304,970,862 Kwh & plant factor rate of 73.42%); 225 MW plant (1,346,558,143 Kwh & plant factor rate of 71.47%); 450 Mw plant (2,306,370,322 kwh & plant factor rate of 75.63%), 450 North (1,723,353,228 kwh and plant factor rate of 56.38%. By analyzing the generation report of the company of last three years, it has been found that the average plant factor rate of the company is in increasing trend.

Improved profitability

12.0 FINANCIAL PERFORMANCE

| Indicator | FY 2017-18 | FY 2016-17 | YE 2015-16 |
|--------------------------------------|------------|------------|------------|
| Total Revenue (In Mil. Tk.) | 21,773.27 | 15,660.03 | 8,413.06 |
| Gross Profit (In Mil. Tk.) | 10,291.45 | 6,025.89 | 1,609.65 |
| Net Profit after Tax (In Mil. Tk.) | 3,295.85 | 1,507.19 | 240.62 |
| Return on Average Assets (ROAA)% | 3.23 | 1.60 | 0.29 |
| Return on Average Equity (ROAE)% | 22.69 | 10.34 | 1.50 |
| Return on Average Capital Employed % | 3.59 | 1.69 | 0.29 |
| Gross Profit Margin% | 47.27 | 38.48 | 19.13 |
| Operating Profit Margin% | 40.83 | 31.36 | 7.49 |
| Net Profit Margin% | 15.14 | 9.62 | 2.86 |

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The financial performance of APSCL has been found to be good where the profitability improved during FY 2017-18. The total revenue increased to Tk. 21,773.27 million in FY 2017-18 from Tk. 15,660.03 million in FY 2016-17 with a growth of 39%. The revenue consisted of capacity payment of Tk. 15,136.70 million, energy payment (O&M and fuel payment) of Tk. 6,473.56 million, adjustment of price index of Tk. 163.02 million in FY 2017-18 against Tk. 9,822.34 million, Tk. 5,544.10 million and Tk. 141.52 million in FY 2016-17 respectively. The gross profit stood at Tk. 10,291.45 million in FY 2017-18 and Tk. 6,025.89 million in FY 2016-17 with a margin of 47.27% and 38.48% respectively. The net profit after tax stood at Tk. 3,295.85 million in FY 2017-18 and Tk. 1,507.19 million in FY 2016-17 with a margin of 15.14% and 9.62% respectively. The earnings per share (EPS) stood at Tk. 49.82 in FY 2017-18 and Tk. -6.30 in FY 2016-17.

The profitability of a company can also be measured in terms of Return on Average Assets (ROAA), Return on Average Equity (ROAE) and Return on Average Capital Employed (ROACE). These indicators have also been found to be average where ROAA, ROAE and ROACE stood at 3.23%, 22.69% and 3.59% respectively in FY 2017-18.

12.1 Cost Efficiency

| Indicator | FY 2017-18 | FY 2016-17 | YE 2015-16 |
|---------------------------------------|------------|------------|------------|
| Cost to Revenue Ratio % | 52.73 | 61.52 | 80.87 |
| Administrative Exp to Revenue Ratio % | 6.44 | 7.12 | 11.64 |
| Finance Cost to Revenue Ratio % | 14.68 | 14.70 | 6.80 |

The cost efficiency indicators of the company improved during FY 2017-18. The cost to revenue ratio declined to 52.73% in FY 2017-18 from 61.52% in FY 2016-17. During this period, APSCL has started to operate its machine on merit basis according to fuel efficiency. Therefore, the cost to revenue ratio declined by 14.29%. The administrative expense to revenue ratio stood at 6.44% in FY 2017-18 and 7.12% in FY 2016-17. The finance cost to revenue ratio stood at 14.68% in FY 2017-18 and 14.70% in FY 2016-17.

*Levered capital structure***13.0 CAPITAL STRUCTURE AND LEVERAGE**

| Indicator | FY 2017-18 | FY 2016-17 | YE 2015-16 |
|---------------------------------|------------|------------|------------|
| Leverage Ratio (X) | 5.59 | 6.57 | 4.60 |
| Short Term Leverage Ratio (X) | 0.81 | 0.59 | 0.14 |
| Long term Leverage Ratio (X) | 4.78 | 5.98 | 4.46 |
| Internal Capital Generation (%) | 22.69 | 10.34 | 1.50 |

APSCL has been operating with leverage ratio of 5.59 times as on June 30, 2018. The capital employed as on June 30, 2018 stood at Tk. 91,376.67 million consisting of net current asset of Tk. 1,592.98 million and fixed assets of Tk. 91,376.67 million. The above capital has been financed by shareholder's equity of Tk. 16,093.82 million and non current liabilities of Tk. 76,875.83 million. The short term leverage ratio stood at 0.81 times in FY 2017-18 and 0.59 times in FY 2016-17. The long term leverage ratio stood at 4.78 times in FY 2017-18 and 5.98 times in FY 2016-17.

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Figure in Tk. Million

| Indicator | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|---|-------------------|------------------|------------------|
| Current assets | 14,631.99 | 10,458.72 | 7,638.07 |
| Less: Current liabilities | 13,039.01 | 7,638.11 | 2,327.37 |
| Net Current Asset | 1,592.98 | 2,820.60 | 5,310.70 |
| Add Non-current assets | 91,376.67 | 87,650.15 | 83,080.94 |
| CAPITAL EMPLOYED | 92,969.65 | 90,470.75 | 88,391.64 |
| FINANCED BY | | | |
| Equity: | | | |
| Paid up capital | 6,615.00 | 6,615.00 | 6,615.00 |
| GOB Equity | 5,572.61 | 5,572.61 | 5,572.61 |
| Retained earnings | 3,562.02 | 431.55 | 3,653.72 |
| Direct Grant | 344.18 | 344.18 | 344.18 |
| Total Equity | 16,093.82 | 12,963.34 | 16,185.52 |
| Non-Current Liabilities: | | | |
| Non-current portion of Long Term liabilities | 76,875.83 | 77,507.41 | 72,206.12 |
| Total Equity & Non-Current Liabilities | 92,969.65 | 90,470.75 | 88,391.64 |
| Total Assets | 106,008.66 | 98,108.87 | 90,719.01 |

Good liquidity

The components of shareholder's equity as on June 30, 2018 included share capital of Tk. 6,615.00 million (41% of total shareholder's equity), equity of BPDB of Tk. 5,572.61 million (35% of total shareholder's equity), direct grant of Tk. 344.18 million (2% of total shareholder's equity) and retained earnings of Tk. 3,562.02 million (22% of total shareholder's equity).

14.0 LIQUIDITY AND FUND FLOW ANALYSIS

| Indicator | FY 2017-18 | FY 2016-17 | YE 2015-16 |
|-------------------------------------|------------|------------|------------|
| Current Ratio (X) | 1.12 | 1.37 | 3.28 |
| Quick Ratio (X) | 1.01 | 1.20 | 2.78 |
| Operating Cash flow | 9,202.92 | 5,326.06 | 2,871.15 |
| Operating Cash flow to current debt | 0.71 | 0.70 | 1.23 |

Being a power generation company not alike the other inventory based manufacturing companies, APSCL depends highly on its early realization of receivables from BPDB to support its liquidity. Albeit its revenue flow has been structured through PPA, presently it has to delay almost 45 days to cash its receivable from BPDB. However, CRISL perceived that, if receivable to BPDB becomes higher, liquidity of the company may be affected in future, which will also hamper the repayment of financial obligation duly. The current ratio stood at 1.12 times in FY 2017-18 and 1.37 times in FY 2016-17. The quick ratio stood at 1.01 times in FY 2017-18 and 1.20 times in FY 2016-17. The operating cash flow as on June 30, 2018 stood at Tk. 9,202.92 million.

15.0 LIABILITY AND PAYMENT EFFICIENCY**15.1 Liability Position**

| Lender Name | Outstanding as on 30.06.2018 | Purpose |
|--|------------------------------|---|
| The Government of Bangladesh | Tk. 3,471.28 million | 450 Mw (North) & overhauling Unit 3,4 & 5 |
| Bangladesh Power Development Board | Tk. 541.60 million | For foreign loan repayment |
| The Asian Development Bank (ADB) KfW (Overhauling Loan) The Islamic Development Bank (IDB) | Tk. 24,912.06 million | 450 Mw (North), 450 Mw (South) and overhauling Unit 3,4 & 5 |
| Export Credit Agency (ECA) | Tk. 31,579.97 million | 450 Mw (south) and 225 Mw |
| Total | Tk. 60504.91 million | |

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As on June 30, 2018 the total loan liability stood at Tk. 60,504.91 million consisting of GOB loan of Tk. 3,471.28 million, BPDB loan of Tk. 541.60 million, ADB & IDB loan of Tk. 24912.06 million and ECA loan of Tk. 31,579.97 million.

The company has taken ECA loan of USD 166.84 million (commitment amount of USD 201.80 million) for 225 Mw CCPP project in FY 2012 with tenure of 13 years (grace period of 3 years). The interest rate is LIBOR plus 3.69%. The loan will be paid through 20 semi annual payments. The loan payment started from June, 2016. The company has taken ECA loan of USD 354.23 million (commitment amount of USD 420.00 million) for 450 Mw (south) CCPP project in FY 2012 with tenure of 13 years (grace period of 3 years). The interest rate is LIBOR plus 4.14%. The loan will be paid through 20 semi annual payments. The loan payment started from March, 2016.

The company has taken ADB loan of USD 186.98 million (commitment amount of USD 228 million) for 450 Mw (North) CCPP project in FY 2014 with tenure of 20 years (grace period of 5 years). The interest rate is 4.00%. The loan will be paid through 30 semi annual payments. The loan payment will be started from FY 2019. The company has taken IDB loan of USD 104.86 million (commitment amount of USD 200 million) for 450 Mw (North) CCPP project in FY 2014 with tenure of 20 years (grace period of 5 years). The interest rate is 4.00%. The loan will be paid through 20 semi annual payments. The loan payment will be started from FY 2019.

Good debt servicing capacity

15.2 Payment Efficiency and Creditworthiness

| Indicator | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|---------------------------------|------------|------------|------------|
| Debt Service Coverage Ratio (X) | 1.61 | 3.27 | 6.15 |
| Interest Coverage Ratio (X) | 2.36 | 1.70 | 1.56 |

Though the debt servicing coverage capacity (DSCR) of the company is decreasing over the years but still it is in comfort position to pay off its external liabilities. The DSCR stood at 1.61 times in FY 2017-18 and 3.27 times in FY 2016-17. The interest coverage ratio (ICR) stood at 2.36 times in FY 2017-18 and 1.70 times in FY 2016-17. During FY 2017-18, the company paid total loan payment of Tk. 6,873.43 million and Tk. 5,487.41 million in FY 2016-17.

16.0 RISK MANAGEMENT**16.1 Issue Related Risk****16.1.1 Market risk**

Demand risk of bond will arise due to lack of demand in the market to buy the instrument. The target buyers of the bond are different bank, non-bank financial institutions, corporate houses, insurance companies etc. The coupon rate will be between 8.50%-10.50% per annum (coupon ceiling rate is 10.50% and coupon floor rate is 8.50%). The financial institutions or non banking financial institutions may offer more interest rate on deposit which will be higher than the coupon rate. Thus the issue is exposed to market risk.

16.1.2 Unsecured debt instrument

There is no specific charge creation over the fixed or floating assets of the company against the bond issue whereas the other lenders will get priority on first charge basis over the fixed and floating assets of the company. In this case, the bond holders are strategically becoming subordinated to those lenders. So, for any default in loan repayment, bondholders will not get priority over other lenders.

16.1.3 Late Payment Risk

Late payment risk arises from delay in payment of bond redemption amount. In case of late repayment, the issuer shall pay a late payment penalty of 2% higher than the coupon rate and be payable on the amount not paid on the due date up till the date of actual payment. Hence, the issue is less exposed to late payment risk.

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Redemption risk arises from the failure of the issuer to redeem the bond at the end of the 4th, 5th, 6th and 7th year from the issue date. APSCL has to pay off the bond subscribers with an amount of Tk.150 crore each at the end of mentioned year. Significant amount of cash outflow from the bank at one time may create pressure on its cash flow as well as liquidity. However, it has been estimated that the company may be able to manage the situation with its regular inflow of cash.

16.1.5 Utilization Risk of Issue Proceeds

The issue proceeds of the bond will be used in upcoming power projects and repayment of loan. The estimated issue proceeds have been planned to utilize in FY 2018. Under the above backdrop, the company has to invest this newly injected fund in such area or economic sector wherefrom return from investment has to be higher than coupon payment.

16.1.6 Transferability Risk

Transferability risk arises when the bondholder faces difficulty to sell the bond. The company will collect Tk. 5,000.00 through Private placement. As the bond is issued under private placement and is not proposed to be listed, the bondholders are exposed to easy transferability risk. Moreover, the company will collect Tk. 1,000.00 million through public offer and it will be listed in DSE/CSE.

16.2 Issuer Related Risk**16.2.1 Receivable Collection Risk**

APSCL supplies power to BPDB from its plant 2at and APSCL's ability to service its both existing and future debt obligations rest on buyer's ability to meet the tariff payments under the PPA. As on June 30, 2017 the account receivable of the company stood at Tk. 3,851.44 million. However, if receivable to BPDB becomes higher, liquidity of the company may be affected in future, which will also hamper the repayment of financial obligation duly. Hence, APSCL is exposed to receivable collection risk to some extent.

16.2.2 Liquidated Damage Risk

If the initial dependable capacity is set at a level that is below the contracted facility capacity, liquidated damage will be paid by the company and initial dependable capacity shall be deducted from the monthly invoice; the liquidated damage is only applicable if the difference is above 5% of the contracted facility capacity.

16.2.3 Operation & Maintenance Risk

Among the 11 power plant units, Unit- 1, 2, 3, 4, 5 & GT-2 is very old plant. The unit 1 & 2 was commissioned in 1970 followed by Unit- 3,4,5 in 1986, GT-2 in 1986. Therefore these plant and machineries are required regular maintenance and overhauling which is very costly.

16.2.4 Gas supply risk

As per the agreement with BPDB, Bakhrabad Gas Distribution Company limited is responsible for supply of gas in appropriate specification and quantity to the projects. The company is guaranteed by BPDB for gas supply agreement with required quantity and pressure. The company is yet to face any shortage of gas supply or required gas pressure from its inception. Again, availability of gas, being a natural resource is not fully dependent on supplier's commitment. Therefore, project has dependency risk for availability of natural gas. However, as the scarcity of natural gas is going on, like other the power plants in the country, APSCL might face the shortage of gas in near future which will ultimately affect its business operation.

CREDIT RATING REPORT

On

APSCL NON-CONVERTIBLE COUPON BEARING BOND**17.0 OBSERVATION SUMMARY**

| | |
|--|---|
| <p>Rating Comforts:</p> <p>Issue:</p> <ul style="list-style-type: none"> · Provision of additional payment for late coupon payment · Attractive coupon rate <p>Issuer:</p> <ul style="list-style-type: none"> · Profitability improved · Good liquidity · Good debt servicing capacity · One of largest power station of Bangladesh · Government Supported entity · Experienced top management · Good infrastructural facilities | <p>Rating Concerns:</p> <p>Issue:</p> <ul style="list-style-type: none"> · Unsecured debt instrument · Exposure to market risk · Exposure to late payment risk · Exposure to transferability risk · Ensuring effective utilization of bond fund and earning higher interest compared to coupon rate <p>Issuer:</p> <ul style="list-style-type: none"> · Debt based capital structure · Low return on assets · High finance cost burden · Liquidated damage risk · Operation & maintenance risk |
| <p>Business Opportunities:</p> <p>Issue:</p> <ul style="list-style-type: none"> · Development of financial market in Bangladesh · Changes in Govt. regulations <p>Issuer:</p> <ul style="list-style-type: none"> · Significant deficit of electricity generation · Implementation of coal based power plant | <p>Business Challenges:</p> <p>Issue:</p> <ul style="list-style-type: none"> · Lower market depth of Bangladesh financial market · Mostly dependent on institutional investor for subscription <p>Issuer:</p> <ul style="list-style-type: none"> · Scarcity of natural gas |

CREDIT RATING REPORT

On

APSCL NON-CONVERTIBLE COUPON BEARING BOND**END OF THE REPORT**

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.]

RATING SCALES**LONG-TERM RATING OF DEBT INSTRUMENTS**

| RATING | DEFINITION |
|--|---|
| AAA Triple A (Highest Safety) | Investment Grade Securities rated in this category are adjudged to be of highest credit quality. This level of rating indicates highest level of safety for timely payment of interest and principal. Risk factors are negligible and nearest to risk free government securities. |
| AA+, AA, AA- (Double A) (High Safety) | Securities rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions. |
| A+, A, A- Single A (Adequate Safety) | Securities rated in this category are adjudged to be of good credit quality and offer adequate safety for timely repayment of financial obligations. Protection factors are considered variable and more susceptible to changes in circumstances than securities in higher-rated categories. |
| BBB+, BBB, BBB- Triple B (Moderate Safety) | Securities rated in this category are adjudged to offer moderate safety for timely repayment of financial obligations. This level of rating indicates deficiencies in certain protective elements but still considered sufficient for prudent investment. Risk factors are more variable in periods of economic stress than those rated in the higher categories. |
| BB+, BB, BB- Double B (Inadequate Safety) | Speculative Grade Securities rated in this category are considered to be of speculative grade but deemed likely to meet obligations when due. Present or prospective financial protection factors fluctuate according to industry conditions or company fortunes. Overall quality may move up or down frequently within this category. |
| B+, B, B- Single B (High Risk) | Securities rated in this category are considered to be of highly speculative grade. This level of rating indicates high risk associated with timely repayment of interest and principal. Financial protection factors will fluctuate widely according to economic cycles, industry conditions and/or company fortunes. Potential exists for frequent changes in the rating within this category or into a higher or lower rating grade. |
| CCC+, CCC, CCC- (Vulnerable) | Securities rated in this category are currently vulnerable to non-repayment, and is dependent upon favorable business conditions for the obligor to meet its financial commitments on the obligation. |
| CC+, CC, CC- (High Vulnerable) | Securities rated in this category is currently high vulnerable to non-repayment. |
| C+, C, C- (Near to Default) | Securities rated in this category are considered to be near to default. Protection factors are scarce. Timely repayment of interest and principal is possible only if favorable circumstances continue. |
| D (Default) | Default Grade Defaulted debt obligations. Issuer failed to meet scheduled principal and/or interest payments. |

SECTION XXVIII:

Public Issue Application Procedure

Application for Subscription

1. Application for shares may be made for a minimum lot for 1 bond to the value of Tk. 5,000/-(Five Thousand) only. Information Memorandum may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited. Applications/buy Instruction must not be for less than 100 shares. Any application/buy Instruction not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two (2) persons will not be accepted. In the case of joint application, each party must sign the application form.
3. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut off date (i.e. subscription closing date).
4. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.
5. Application/buy instruction must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.
6. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
7. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of the subscription money.
8. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
9. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application/buy instruction) is completed. If any BO account mentioned in the application/buy instruction is found closed, the allotted security may be forfeited by BSEC.
10. Bangladeshi Nationals (including non resident Bangladeshi Nationals working abroad) and foreign nationals shall be entitled to apply for the share.
11. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/ Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
12. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of information memorandum.
13. The IPO subscription money collected from investors (other than non resident Bangladeshis in US Dollar or UK Pound sterling or EURO) by the Stock Borkers/Merchant Bankers will be remitted to the 'Ashuganj Power Station Company (IPO)' interest bearing SND Account No 1501203860744001 of BRAC Bank, Bangladesh for this purpose.
14. The Application money collected from Eligible Investors (EIs) by the lead banker to the issue will be remitted to the 'Ashuganj Power Station Company (IPO)' interest bearing escrow Account No 1501203860744001 of BRAC Bank Limited, Gulshan Branch, Bangladesh for this purpose.
15. The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

| # | Name of FC Accounts | Currency | Account Number | Bank and Branch |
|----|--|----------|------------------|---------------------------|
| 1. | Ashuganj Power Station Company Limited | USD | 1501203860744002 | BRAC Bank- Gulshan Branch |
| 2. | Ashuganj Power Station Company Limited | GBP | 1501203860744003 | BRAC Bank- Gulshan Branch |
| 3. | Ashuganj Power Station Company Limited | EURO | 1501203860744004 | BRAC Bank- Gulshan Branch |

16. ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্ত সংরক্ষিত কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.

STEP 1:

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the 25th (twenty fifth) working day from the date of publication of abridged version of information memorandum.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of next working day of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non -resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. On the next working day, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges within 10 (ten) working days from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications within 03(three) working days from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within 06 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of lottery.
14. Within 02 (two) working days of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. On the next working day, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. Simultaneously, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall

be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.

19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of information memorandum.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO Subscription.

APPLICATION FORM

শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

APPLICATION FOR PUBLIC ISSUE

Date :

| | | |
|-----------------------|---|-----------------------------|
| Name of applicant | : | |
| Client Code | : | |
| BO ID No. | : | |
| Category of applicant | : | |
| Name of the Company | : | |
| Number of Shares | : |Shares of Tkeach |
| Total amount in Tk. | : | |
| Amount in work | : | |

Applicants

Authorized officer

SECTION XXIX:

Others

(i) Certificate regarding non applicability of cost audit for the company

This is to certify, Ashuganj Power Station Company Limited is a electricity generation company. Based on the directive issued, power generation companies do not need to attain a cost audit. As such, Ashuganj Power Station Company Limited requires no such cost audit.

For Issuer,

Sd/-
A M M Sazzadur Rahman
Managing Director

(ii) Auditor's Additional Disclosure

1. It is observed from the statement of financial position as on June 30, 2017 that the company has invested in UAEL a sum of Tk. 304,050,000 and shown under non-current asset. However the company has not provided any Disclosure of this investment. Provide detailed disclosure on this investment including nature of investment, where the company has invested this money, rate of interest (if any), tenure of investment and other features

Auditors Disclosure:

Ashuganj Power Station Company Limited (APSCL) signed a share purchase agreement with United Ashuganj Energy Ltd. (UAEL) and United Enterprise & Co Ltd on 27 October 2013 to issue 30,405,000 shares Tk. 10 each of UAEL in favour of APSCL amounting to Tk. 304,050,000. The said amount was paid by APSCL to UAEL on 31 January 2017 vide cheque no CDB 6924124 Janata Bank. Shares certificates for the said share issue is yet to be issued.

2. It is observed from Note 8 to the financial statements prepared for the year ended June 30, 2017 that the company has given a temporary advance of Tk. 13,410,199 but no Disclosure has been provided in this respect. Mention the name of the parties to whom this loan was given along with the rate of interest (if any):

Auditors Disclosure:

APSCL is an electricity generation company. To meet its emergency maintenance or other related works the company formed a committee comprising three (03) officers from different divisions of APSCL. A temporary advance has been given to this committee for accomplishing such emergency work. The said advance will be adjusted against the work completion notification issued by the respective department of APSCL on completion of the aforementioned work. The following additional details are related to the said advance:

- This is a short term advance for completing emergency work or service
- This is not loan.
- This work / service / goods is fully for official purpose. Therefore interest rate is not applicable for this temporary advance.

3. It is observed from Note 9 to the financial statements prepared for the year ended June 30, 2016 that the company has written off a sum of Tk. 235,317,922 against the sale of energy over a period of four years. Mention the reason of such write off receivables and the name of the party to whom such sales was made.

Auditors Disclosure:

As per PPA (Power Purchase Agreement), APSCL sells electricity to the Bangladesh Power Development Board (BPDB). A committee was formed from BPDB to certify the sales bill submitted by APSCL for the period from June 2003 to November 2008. As per the certification and recommendation of this committee, BPDB's Board has settled and decided to pay Tk. 1,276,145,254 for the said sales. As per books of account of APSCL this was Tk. 1,511,463,176 which is Tk. 235,317,922 less than the amount certified by BPDB. So, as per the decision of 149th Board Meeting of APSCL is was to come to a conclusion that this Tk. 235,317,922 from BPDB is not receivable from BPDB and subsequently it was decided to write it off equally in the next four years @ Tk.58,829,481.

4. It is observed from Note 34 to the financial statements prepared for the year ended June 30, 2017 that the company has written back a sum of Tk. 159,977,693 under heading of provision no longer required in the statement of profit and loss and other comprehensive income as income for the year. Mention the reasons behind this write back and its impact on income tax.

Auditors Disclosure:

It appears that income tax assessments for assessment years 2004-05, 2005-06, 2006-07 has been completed by the tax offices and that there is likely to be no further claims by the tax offices for the said assessment years. Write back of Tk. 159,977,693 includes provision of these said assessment years along with other income tax provisions that the management of the company expects not to be demanded by the tax offices in future.

5. It is observed from the statement of profit and loss and other comprehensive income prepared for the year ended June 30, 2016 that the company has made a gross profit of Tk. 1,609,654,121. However the same item was shown as Tk. 1,455,446,764 in the comparative column of the statement of profit and loss and other comprehensive income prepared for the year ended June 30, 2017. Mention the reason for such mismatch:

Auditors Disclosure:

The gross profit appeared as Tk. 1,609,654,121 in the financial statements of the company for the year ended June 30, 2016 and Tk. 1,455,446,764 in the comparative column of the statement of profit or loss and other comprehensive income prepared for the year ended June 30, 2017 because of rearrangement of expenses in the statement of profit or loss and other comprehensive income. However, the net profit after tax remained unchanged.

The said rearrangement in the statement of profit or loss and other comprehensive income relates to amortization of deferred expenditure amounting to Tk. 154,207,357 which was previously included as part of operation and maintenance expenses which in the financial statements for the year 2017 has been rearranged to being part of cost of sales as a direct expenditure.

6. It is observed from the statement of financial position as on June 30, 2017 that the company has shown an item namely deferred expenditure of Tk. 390,027,259 as a non-current asset. Mention whether the company has complied with the requirement of the Paragraph 69 of BAS-38 to recognize such intangible asset.

Auditors Disclosure:

Deferred Expenses amounting to Tk. 390,027,25 is spent for spares parts and overhauling of the plant which is currently included as part of non-current asset under the same name but is actually part of "Property plant equipment", not Deferred expenditures. However, it is being termed as "Deferred Expenditures" instead of including it as part of "Property Plant and Equipment".

APSCL is a power generating company and it requires spare parts for its plant & machinery. The company accrues benefits or returns from these spare parts for more than a year. If the whole costs of these spare parts are booked in a single year then the income of that year will be deflated and this will not be consistent with the accounting principles of prudence and accrual. As per decision of 17th meeting of audit committee of APSCL deferred expenditure should be amortized within maximum 10 years which currently is going on. Therefore, these expenditures are treated as part of non-current assets and from upcoming year this will be included in "Property Plant and Equipment".

7. It is observed that the company has not made any provision for deferred tax. Mention whether the company has complied with the requirement of the Paragraph 15 & 24 of 'BAS-12 in this respect

Auditors Disclosure:

The management of the company agreed to take provision for deferred tax from upcoming year.

8. Whether the company has complied with the requirement of the provision of the 'BAS-21' regarding foreign currency transactions

Auditors Disclosure:

The company accounted for foreign currency transactions as per BAS 21 in its financial statements for the year ended June 30, 2017.

9. Month-wise gross sales & amount of VAT**Auditors Disclosure:**

- Month wise gross sales are as below:

| Months | Revenue (Tk.) | VAT (Tk.) |
|--------------------|-----------------------|-----------|
| July 2016 | 794,777,094 | - |
| August 2016 | 1,071,520,931 | - |
| September 2016 | 1,203,866,503 | - |
| October 2016 | 1,213,314,952 | - |
| November 2016 | 815,422,982 | - |
| December 2016 | 1,289,986,410 | - |
| January 2017 | 1,467,670,670 | - |
| February 2017 | 1,310,108,135 | - |
| March 2017 | 1,597,396,115 | - |
| April 2017 | 1,569,899,885 | - |
| May 2017 | 1,335,587,317 | - |
| June 2017 | 1,696,896,336 | - |
| Supplementary Bill | 293,584,723 | - |
| Total | 15,660,032,053 | - |

10. Details of payment during the year 30-06-2017 against WPPF**Auditors Disclosure:**

Total WPPF payment made during the year 2016-17 is Tk. 16,787,556 against the profit of 2015-16.

11. Confirm that as per provision of the 'Bangladesh Labor (Amendment) Act, 2013 the company has made group insurance for its labors.**Auditors Disclosure:**

The company has a group insurance scheme for its permanent employees with Delta Life Insurance Company Ltd (Group Term Life Insurance Contract No. 1213/2014) as per 'Bangladesh Labor (Amendment) Act, 2013. (Note 3.11). The said policy was renewed for three (3) years to February 2020 on 17 January 2017 as per contract signed between Ashuganj Power Station Company Limited and Delta Life Insurance Company Limited.

12. Detail break-up of collection from customers and others as shown in the Cash Flow Statement for the period ended 30-06-2017**Auditors Disclosure:**

Collection from Customer

| Particulars | Taka |
|------------------------------------|-----------------------|
| Revenue | 15,660,032,053 |
| Add: Accounts Receivable –Opening | 2,885,665,415 |
| Less: Accounts Receivable –Closing | (4,003,108,312) |
| Collection from Customer | 14,542,589,156 |

Collection from other Income

| Particulars | Taka |
|------------------------------|-------------|
| Other Income | 129,208,702 |
| Add: Interest Income | 41,137,027 |
| Collection from other income | 170,345,729 |

13. Subsequent status of retirement benefit obligations

Auditors Disclosure:

The company has employees' provident fund and gratuity for retirement benefits (Note 3.11)

Employees' provident fund

The company has established a Contributory Provident Fund (CPF) scheme for its eligible permanent employees. The fund is wholly administered by a Board of Trustees. No part of the fund is included in the assets of the company.

Gratuity

The company also maintains an unfunded gratuity scheme for regular employees, provision for which has been made in account. Employees are entitled to gratuity benefit after completion of minimum 3 years' service in the company but provision has been made for even those persons who have not completed their 3 years of service with the company. The gratuity is calculated on the last basic salary and is payable at the rate of two months' basic salary (now it has been reviewed from 2 times to 2.50 times) for every completed year of service.

14. Includes auditors' certificate regarding use of 2nd hand machineries by the company

Auditors Disclosure:

APSCL does not use any 2nd Hand machineries

15. Details of factory building

Auditors Disclosure:

- APSCL is an electricity generation company.
- 100% Government owned company.
- Factory Buildings –

Plant Building (unit -1 & 2)

- Plant area: 8,338 square meter
- Factory building: 3,952 square meter
- Location: Ashuganj, Brahmanbaria

Plant Building (unit -3, 4 & 5)

- Plant area: 23,238 square meter
- Factory building: 11,827 square meter
- Location: Ashuganj, Brahmanbaria

Plant Building (50 MW)

- Plant area: 6,245 square meter
- Factory building: 1,540 square meter
- Location: Ashuganj, Brahmanbaria

Plant Building (225 MW)

- Plant area: 11,500 square meter
- Factory building: 1,540 square meter
- Location: Ashuganj, Brahmanbaria

Plant Building (450 MW- South)

- Plant area: 14.80 acre
- Length: 75 meter
- Width: 50 meter
- Height: 25 meter
- Factory location: Ashuganj
- Location: Ashuganj, Brahmanbaria

Plant Building (450 MW- North)

- Plant area 15 acre
- Factory building
- Length: 59 meter

- Width 43 meter
- Height: 22 meter
- Location: Ashuganj, Brahmanbaria

16. Details for firefighting equipment in factory building and power plant

Auditors Disclosure:

- **Hydrant System:** There are 21 external hydrant point and 35 internal hydrant point in different places of power plant area. Automatic deluge valve system is available as per site condition in Transformer, Turbine, Cable trance, control room, rectifier room etc
- **Pump set:** There are three pumps in firefighting room. One is jockey pump which is auto start and auto stop maintaining water level in pipe line, second is main electrical pump (auto start with pressure switch) and the last one is diesel engine operated fire pump which is auto start with pressure switch.

- **List of Portable Fire Extinguisher**

| Item No | Description of Item | Unit of Measurement | Quantity |
|---------|--|---------------------|----------|
| 1 | ABC Dry Chemical powder(trolley mounted) | 50 kg | 17 |
| 2 | ABC Dry Chemical powder(trolley mounted) | 30 kg | 10 |
| 3 | ABC Dry Chemical powder | 06 kg | 75 |
| 4 | ABC Dry Chemical powder | 05 kg | 50 |
| 5 | ABC Dry Chemical powder | 03 kg | 15 |
| 6 | Co2 Fire Extinguisher | 06 kg | 20 |
| 7 | Co2 Fire Extinguisher | 05 kg | 9 |
| 8 | Co2 Fire Extinguisher | 03 kg | 135 |
| 9 | Foam Fire Extinguisher | 08 liter | 46 |

17. Details of building in head office (Location, Floor area, Number of floors)

Auditors Disclosure:

Building in head office

- Location – Ashuganj, Brahmanbaria- 3402
- Floor Area – 16,330 sqf (per floor)
- Number of Floors - 02

18. Break-up of salary & allowance

Auditors Disclosure:

Break-up of Salary & allowances enclosed in our audit report note – 27.

19. Separate disclosure of salary & wages

Auditors Disclosure:

- During this period 2016-17 the employee of APSCL is 727 which was 552 in the previous period 2015-16. Net increases of the employee is 175. All salary & allowance and other benefits of the employee are included in the head of personnel expenses of the audit report (Note 27)
- As on 30 June 2017 employee status:
 - * Officer rank 164 employees
 - * Worker rank 480 employees
 - * Temporary employees 83

20. You have not disclosed 05 years information as per requirement of Annexure E(B)5(25)k{(iii),(vi),(xii)} of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015

Auditors Disclosure:

As per requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, we have provided the information under section XXVI sub sections k (iii), (vi), (xii) of the Information Memorandum. Supporting hard copies are as enclosed.

21. Whether the company has complied with the provision of the “Securities and Exchange Commission Rules, 1987”**Auditors Disclosure:**

In relation to the financial statements of Ashuganj Power Station Company Limited, the company appears to have complied with the requirements of Bangladesh Securities and Exchange Commission Rules, 1987 as applicable, which is also certified by the Managing Director of the said company, as per memo no:02IAPSCL/MD/BSEC_Compliance/708 dated 03 October 2018.

22. Specify whether the company has complied with the provision of the ‘Bangladesh Labor Act, 2006’ regarding distribution of WPPF as disclosed in note 3.10 with detailed calculation**Auditors Disclosure:**

The company has complied with the ‘Bangladesh Labor Act, 2006’ regarding distribution of WPPF.

23. Information as per requirements of schedule XI part II paragraph 4, 7, 8 of the companies Act, 1994**Auditors Disclosure:**

The referred disclosures have not been made in the financial statements of the company. These will be incorporated in upcoming year.

24. Explain the item ‘Operational Insurance Premium’ under the head ‘other receivables’ as shown in note 9.B and Advance office rent (Patuakhali)**Auditors Disclosure:**

- Operational Insurance Premium: APSCL has implemented two new plants_225MW CCPP & 450MW (South). For minimizing the risk the company has contracted with Shadharan Bima Corporation for insurance coverage. APSCL paid Tk. 53,174,840 for operational insurance premium (225MW) & Tk. 88,744,053 for operational insurance premium (450MW South). As per power purchase agreement (PPA) this operational insurance premium will be reimbursable by BPDB (Bangladesh Power Development Board).
- Advance Office Rent (Patuakhali): The upcoming project of APSCL is namely Patuakhali 1320MW Super Thermal Coal Fired Power Plant. To implement the plant, an office space has been rented at Patuakhali for official works for which one month’s advance office rent has been given which is Tk. 24,000.

25. Explain then item ‘Equity of BPDB’ as shown in note 12 to the financial statements prepared for the year ended June 30, 2017**Auditors Disclosure:**

A provisional Vendor’s Agreement has been signed between Bangladesh Power Development Board (BPDB) and APSCL in order to transfer all the assets and liabilities of Ashuganj Power Station Complex, Ashuganj Combined Cycle Power Plant, Ashuganj Power Plant Training Centre and Ashuganj Regional Accounting Office of BPDB to APSCL on 22 May 2003.

Shares allotment against equity of BPDB has not yet been made. After allotment of shares, it will be presented as share capital of the company.

26. Regarding recognition and presentation of the Deferred tax expenses/income

Requirement: You are requested to clarify the reason of non-compliance of the Paragraph 38 of IAS 1, **Paragraph 77, 79 and 80 of BAS 12, Paragraph 3.50 and 3.51 of “The Framework”** with sufficient appropriate evidence.

Response: During the year the company has identified an error in relation to recognition of deferred tax, which has been corrected following IAS-8 Accounting Policy, Changes in Accounting Estimates and Errors. The effects of the correction of error were TK. 994,940,681 in 2018, Tk. 1,923,841,405 in 2017 and cumulative balance up to the opening of prior period stood at Tk. 2,706,298,261. For the year ended 30 June 2018 the effect has been incorporated in the statement of profit or loss and other comprehensive income and rest of the cumulative effects have been incorporated in the retained earnings restating the opening retained earnings balance in the statement of changes in equity. However the comparatives Earnings per Share (Basic, Diluted) shown in 2017 have been restated to incorporate the effect of the correction of error.

27. Disclosure regarding prior year adjustment and correction

Requirement: You are requested to clarify the reason of non-compliance of the Paragraph 41 of IAS 1 and Paragraph 28 of IAS 8.

Response: The Company recognized Deferred Tax in the year of 2018 with a retrospective effect as per IAS 8. The effect of this recognition has been accounted for with the opening balance of retained earnings of 2017 for Tk. 2,706,298,261 and in the financial statements of 30 June 2017 for Tk. 1,923,841,405. This issue has been disclosed in note no. 21 and in Annexure 10 of APSCL audited statements of 2017-2018 in accordance with paragraph 49 of IAS 8.

APSCL did not recognize deferred tax in the financial statements previously, which is now recognized in accordance with BAS 12: 'Income Taxes'. This treatment has been considered as a correction of errors, thus, retrospective effect has been given in accordance with BAS 8 "Accounting policy changes in accounting estimates and errors".

The following table summarizes the adjustment made to the statement of financial position for correction error of prior year:

| Particulars | Deferred Tax liability | Retained earnings |
|--|------------------------|--------------------|
| Balance as at 01 July 2016, as previously reported | - | 3,653,723,463 |
| Adjustment for correction of prior year's error | 2,706,298,261 | (2,706,298,261) |
| Restated balance as at 01 July 2016 | 2,706,298,261 | 947,425,202 |
| Profit for the year | | 1,507,187,204 |
| Adjustment for correction of error | 1,923,841,405 | (1,923,841,405) |
| Restated balance as at 30 June 2017 | 4,630,139,666 | 530,771,000 |

APSCL has implemented two projects (225MW CCPP and 450MW CCPP-South) by ECA loan. There were two currency portion (USD and Euro) of these ECA loans in which Bangladesh SCB (for 225MW CCPP) and HSBC (for 450MW CCPP-South) were inter credit agent for Bangladesh. Both inter credit agent (SCB and HSBC) maintain only one currency account (USD Account) but APSCL maintains books of account in Bangladeshi Currency, ie, Taka.

An accounting reconciliation performed at the year ended 30 June 2018 for ECA loan 450MW south (HSBC Loan) and ECA loan 225MW (SCB loan) identified that the loans have been erroneously recorded at Tk. 220,836,326 higher than that of actual HSBC loan and lower than Tk. 1,951,528,226 that of actual SCB loan. Thus, the said amounts have been deducted from/added to the loan amount recognized previously. Please refer to the note nos. 20.1.5 and 20.2.3 of APSCL audited statement 2017-2018 for more details.

28. Regarding recognition of depreciation on addition and disposal of fixed asset

Requirement: You are requested to clarify the reason of non-compliance of the Paragraph 55 of IAS 16 and Paragraph 18 of IAS 1.

Response: The Company has developed a policy of charging depreciation for a period of 6 months for assets whether purchased or disposed off during the year. This policy has been developed for simplifying the book keeping considering that this will lead to immaterial misstatement. However, the company charges depreciation for a specific asset whether purchased or disposed off during the year from the date when the asset becomes available for use if the Company considers that applying the said policy will lead to a material misstatement for that specific asset.

29. Regarding Provision of Income Tax Expenses

Requirement:

You are requested to clarify the following issues with detailed calculation and appropriate sufficient evidence:

1. Why the company has kept provision for tax less than or more than 35%?
2. Provide detailed calculation of current tax for last 5 years.

Response:

1. Current tax is the amount of income tax payable in respect of taxable profit (loss) for the period, whereas taxable profit is the profit (loss) for a period determined in accordance with the income tax laws, upon which income tax is payable (para-5, IAS 12).

APSCL is a non-listed public limited company. The applicable tax rate for company is 35% on taxable profit. The company incurred taxable loss in the year ended 30 June 2018, please refer to the computation attached herewith, thus a minimum tax under section

82C of Income Tax Ordinance 1984 is applicable for the company. And the provision for tax under the said section has been made in the financial statements accordingly.

2. We have kept provision for meet up the company's income tax for the last five years which are in below:

| SL No. | Financial Year | Net Income | Provision For Current Tax (Minimum Tax) | Provision For Deferred Tax | Total Provision Tax | Remarks |
|--------|----------------|---------------|---|----------------------------|---------------------|--|
| 1 | 2013-14 | 681,179,955 | 21,735,970 | 98,264,030 | 120,000,000 | Deferred Tax Lump Sum |
| 2 | 2014-15 | 367,634,407 | 21,694,127 | 78,305,873 | 100,000,000 | Deferred Tax Lump Sum |
| 3 | 2015-16 | 240,617,081 | 52,145,071 | 26,201,404 | 78,346,475 | Deferred Tax Lump Sum |
| 4 | 2016-17 | 1,507,187,203 | 94,982,267 | - | 94,982,267 | - |
| 5 | 2017-18 | 3,295,847,982 | 133,717,076 | 924,940,681 | 1,058,657,757 | Current Tax-Minimum Deferred Tax-Calculated |

We have enclosed herewith the details calculations of current tax for the last five years.

30. Regarding Bond issue expenses of Tk. 11,115,250

Requirement:

You are requested to explain the reasons for such non-compliance with the Paragraph 5.1.1 of IFRS 9 with sufficient appropriate evidence.

Response: The Company had incurred Tk. 11,115,200 for various purposes related to the issue of bonds for Tk. 600 crore. The company has a policy to measure the financial liabilities with fixed and determinable payment terms and specified payment at amortized cost, thus these bonds will subsequently be measured at amortized cost. Under IFRS 9, financial liability measured at amortized cost needs to be measured at proceeds minus any issue expense. The approximate yearly interest expense is expected to be Tk. 51 crore. Comparing the proceeds and interest expense the issue expenses are immaterial, thus charged to the Statements of Profit and Loss and Other Comprehensive Income.

13. Regarding calculation and disclosure of deferred tax expenses

Requirement: You are requested to give the details calculation and disclosure of the tax base of the deferred tax expenses for last 5 years with sufficient appropriate evidences (i.e. Tax returns, assessment order, and calculation).

Response: For the first time, we have implemented deferred tax liability in our financial statements 2017-18. We have enclosed herewith three years (Financial Year 2015-16, 2016-17 & 2017-18) copy of income tax returns under universal self-assessment, Acknowledgement Receipt copy of Returns and three years deferred tax calculations Since last 03 years tax files have not been selected for audit, further assessment orders shall not be applicable.

31. Regarding disclosure of unused tax depreciation

Requirement: You are requested to give the details calculation of the unused tax depreciation for the year ended on 30 June 2018 and for the year ended 30 June 2017 with sufficient appropriate evidences (i.e. Tax returns, assessment order, calculation).

Response: Unused tax depreciation for the year ended 30 June 2018 is:

| | Computation of Total Income : | BDT | BDT |
|--------|---|---------------|------------------------|
| | Profit before Tax as per Profit & Loss Statement | 4,354,505,741 | |
| Less : | Non-Business Income (Other operating Income) | (159,652,233) | |
| Less : | Finance Income (Interest & Dividend Income) | (353,257,469) | |
| | | | 3,841,596,039 |
| Add: | Inadmissible Expenses: | | |
| | a) Depreciation on Property, plant and Equipment | 1,967,089,204 | |
| | b) Depreciation of 225 MW Plant | 693,355,053 | |
| | c) Depreciation of 450 MW (S) Plant | 1,289,107,500 | |
| | d) Depreciation of 450 MW (N) Plant | 956,522,201 | |
| | c) Taxable Perquisite under Section 30 (e) | - | |
| | Total Non-Allowable Expenses: | | 4,906,073,958 |
| Less : | Admissible Expenses : | | |
| | a) Depreciation as per Income Tax rule under Sec-29, Third Schedule | | (15,292,897,480) |
| | Business Income/ (Loss) | | (6,545,227,483) |
| Add: | Non-Business Income (Interest & Other Income) | | 512,909,702 |
| | TOTAL INCOME/(LOSS) FOR THE PERIOD | | (6,032,317,781) |
| Add: | Gratuity | | 320,304,670 |
| | Long term outstanding interest payment | | 488,164,596 |
| | Unused tax depreciation | | (5,223,848,515) |

Unused tax depreciation for the year ended 30 June 2017 is:

| | Computation of Total Income : | BDT | BDT |
|--------|---|---------------|------------------------|
| | Profit before Tax as per Profit & Loss Statement | 1,602,169,470 | |
| Less : | Non-Business Income (Other operating Income) | (129,208,702) | |
| Less : | Finance Income (Interest Income) | (41,137,027) | |
| Add: | Inadmissible Expenses: | | |
| | a) Depreciation on Property, plant and Equipment | 1,772,871,388 | |
| | b) Depreciation of 225 MW Plant | 687,911,421 | |
| | c) Depreciation of 450 MW (S) Plant | 1,111,736,871 | |
| | d) Depreciation of 450 MW (N) Plant | 49,588,133 | |
| | Total Non-Allowable Expenses: | | 3,622,107,813 |
| Less : | Admissible Expenses : | | |
| | a) Depreciation as per Income Tax rule under Sec-29, Third Schedule | | (10,997,437,494) |
| | Business Income/ (Loss) | | (5,943,505,940) |
| Add: | Non-Business Income (Interest & Other Income) | | 170,345,729 |
| | TOTAL INCOME/(LOSS) FOR THE PERIOD | | (5,773,160,211) |
| Add: | Gratuity | | 255,231,641 |
| | Long term outstanding interest payment | | 162,721,532 |
| | Uncollectable Receivable | | 183,793,917 |
| | Unused tax depreciation | | (5,171,413,121) |

15. Regarding recognition of minimum current tax

Requirement: You are requested to give the details calculation and disclosure for calculation of minimum tax with sufficient appropriate evidence.

Response:

Ashuganj Power Station Company Ltd.
Ashuganj, Brahmanbaria-3402.
Computation of Total Taxable Income & Tax Liability
Accounting Year 2017-18
Assessment Year 2018-19

| | Computation of Total Income : | BDT | BDT |
|--------|---|----------------|-----------------------|
| | Profit before Tax as per Profit & Loss Statement | 4,354,505,739 | |
| Less : | Non-Business Income (Interest & Other Income) Note - 32 & 37 | (512,909,700) | |
| | | | 3,841,596,039 |
| Add: | Inadmissible Expenses: Annex -1 | | |
| | a) Depreciation on Property, plant and Equipment's | 1,967,089,204 | |
| | b) Depreciation of 225 MW Plant | 693,355,053 | |
| | c) Depreciation of 450 MW (S) Plant | 1,289,107,500 | |
| | d) Depreciation of 450 MW (N) Plant | 956,522,201 | |
| | c) Taxable Perquisite under Section 30 (e) | - | |
| | Total Inadmissible Expenses: | | 4,906,073,958 |
| Less : | Admissible Expenses : | | |
| | a) Depreciation as per Income Tax rule under Sec-29, Third Schedule (Copy Enclosed)) | | (15,292,897,480) |
| | Business Income/ (Loss) | | (6,545,227,483) |
| Add: | Non-Business Income (Interest & Other Income) Note - 32 & 37 | | 512,909,700 |
| | TOTAL INCOME FOR THE PERIOD (Negative) | | (6,032,317,783) |
| | Actual rate of Income Tax applicable for the Company is 35% on the total income. But under the normal calculation the company incurs net loss as such no tax liability accrues. Hence, we falls under the preview of Section 16CCC of the Income Tax Ordinance 1984. Therefore as per Finance Act and Income Tax Ordinance 1984 minimum tax rate of 0.60% is applicable for the company under Section 16CCC. Now it is Section 82 (C) of Income Tax Ordinance 1984 by the Finance Act 2017. | | |
| | Computation of Minimum Tax Liability: | | |
| | Revenue (Sales) Note – 30 | 21,773,269,662 | |
| | Add : Non-Business Income Note - 32 & 37 | 512,909,700 | |
| | Total Income /Receipts | | 22,286,179,362 |
| | Minimum Tax Rate | | 0.60% |
| | MINIMUM TAX PAYABLE | | 133,717,076 |
| | Less : Advance Income Tax paid : | | |
| | On Import Materials under section 53 | - | |
| | 1) Income Tax deducted at source by Bank against Interest on Deposits under Section 53F Note - 9.1 | 6,941,988 | |
| | 2) Advance income Tax (AIT) from LC document Note - 9.1 | 9,281,118 | |
| | 3) Advance income Tax (AIT) from Dividend Income Note - 9.1 | 56,558,880 | |
| | Total Advance Tax Paid | | 72,781,986 |
| | BALANCE OF MINIMUM TAX PAYABLE | | 60,935,090 |

(iii) Audited Financial Statement for the year ended 30 June, 2018

AUDITORS' REPORT TO THE SHAREHOLDERS OF*Ashuganj Power Station Company Ltd*

We have audited the accompanying financial statements of Ashuganj Power Station Company Ltd (the Company), which comprise the statement of financial position (balance sheet) as at 30 June 2018, and the statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain a 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' judgement, 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 give a true and fair view of the financial position of the Company as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the requirements of Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.

We also report that :

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, and made due verification thereof;
- (ii) 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;
- (iii) the statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss statement) dealt with by the report are in agreement with the books of account and returns; and
- (iv) the expenditure incurred and payments made were for the purpose of the business of the company.

Dhaka, Bangladesh
Dated, 08 November 2018

Sd/
S. F. AHMED & CO
Chartered Accountants

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at 30 June 2018

| | Notes | 30 June 2018 | 30 June 2017 Restated |
|---|-------|------------------------|--------------------------|
| | | BDT | BDT |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 15,159,822,219 | 16,343,387,814 |
| Deferred expenditure | 5 | - | 390,027,259 |
| Investment in UAEL | 6 | 304,050,000 | 304,050,000 |
| Capital works-in-progress | 7 | 75,912,802,499 | 70,612,683,239 |
| Total non-current assets | | 91,376,674,718 | 87,650,148,312 |
| Current assets | | | |
| Stocks | 8 | 1,441,043,643 | 1,267,158,835 |
| Advances, deposits and pre-payments | 9 | 94,141,023 | 27,880,502 |
| Accounts and other receivable | 10 | 7,087,527,426 | 4,003,108,312 |
| Cash and bank balances | 11 | 6,009,276,615 | 5,160,571,223 |
| Total current assets | | 14,631,988,707 | 10,458,718,872 |
| Total assets | | 106,008,663,423 | 98,108,867,184 |
| Equity and Liabilities | | | |
| Share capital | 12 | 6,615,000,000 | 6,615,000,000 |
| Equity of BPDB | 13 | 5,572,614,964 | 5,572,614,964 |
| Direct grant | 14 | 344,182,000 | 344,182,000 |
| Retained earnings | 15 | 3,562,018,982 | 431,546,000 |
| | | 16,093,815,946 | 12,963,342,964 |
| Subordinated loan | | | |
| Subordinated loan- debt service liabilities | 16 | 10,252,300,000 | 10,252,300,000 |
| Non-current liabilities | | | |
| Government loan | 17 | 3,471,277,531 | 3,677,538,723 |
| Loan from BPDB | 18 | 541,600,000 | 4,741,600,000 |
| Foreign loan | 19 | 24,912,063,975 | 22,546,976,270 |
| Export credit agency (ECA) | 20 | 31,579,968,386 | 31,140,113,886 |
| Deferred tax | 21 | 5,555,080,347 | 4,630,139,666 |
| Advance land lease rent UAEL | 22 | 243,240,000 | 263,510,000 |
| Deferred- liabilities for gratuity | 23 | 320,304,670 | 255,231,634 |
| Total non-current liabilities | | 66,623,534,909 | 67,255,110,179 |
| Current liabilities | | | |
| Provision for income tax | 24 | 1,063,541,998 | 1,024,812,189 |
| Current portion of loan | 25 | 7,538,036,332 | 4,211,434,964 |
| Advance land lease rent UAEL | 22 | 20,270,000 | 20,270,000 |
| Liabilities for interest expense | 26 | 1,643,176,432 | 657,377,036 |
| Trade payable | 27 | 2,240,903,778 | 1,360,915,219 |
| Liabilities for expenses | 28 | 303,899,516 | 278,979,925 |
| Worker's profit participation fund (WPPF) | 29 | 229,184,513 | 84,324,709 |
| Total current liabilities | | 13,039,012,568 | 7,638,114,041 |
| Total liabilities | | 89,914,847,477 | 85,145,524,220 |
| Total equity and liabilities | | 106,008,663,423 | 98,108,867,184 |

These financial statements should be read in conjunction with annexed notes

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Sd/-
Company SecretarySd/-
Executive Director (Finance)Sd/-
Managing Director
See annexed report of the dateSd/-
DirectorDhaka, Bangladesh
Dated, 08 November 2018Sd-
S. F. AHMED & CO
Chartered Accountants

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (PROFIT AND LOSS STATEMENT)
As at 30 June 2018

| | Notes | 2018 BDT | 2017 BDT |
|---|----------|-----------------------|----------------------|
| Revenue (Sales) | 30 | 21,773,269,662 | 15,660,032,053 |
| Cost of sales | 31 | 11,481,818,838 | 9,634,141,942 |
| Gross profit | | 10,291,450,824 | 6,025,890,111 |
| Other operating income | 32 | 159,652,231 | 129,208,702 |
| | | 10,451,103,055 | 6,155,098,813 |
| Operation and maintenance expenses | | | |
| Personnel expenses | 33 | 1,071,880,702 | 918,577,614 |
| Office and other expenses | 34 | 99,641,076 | 59,680,089 |
| Repair and maintenance | 35 | 162,059,539 | 71,262,807 |
| Depreciation expenses | 36 | 68,714,258 | 64,983,010 |
| | | 1,402,295,575 | 1,114,503,520 |
| Operating profit | | 9,048,807,480 | 5,040,595,293 |
| Finance income | 37 | 353,257,469 | 41,137,027 |
| Financial expense | 38 | 3,196,740,682 | 2,302,253,023 |
| Foreign currency fluctuation (gain)/loss | 39 | 1,621,634,015 | 1,252,962,811 |
| Provision no longer required | 40 | - | 159,977,693 |
| | | 4,583,690,252 | 1,686,494,179 |
| Worker's profit participation fund (WPPF) | | 229,184,513 | 84,324,709 |
| Net profit before tax | | 4,354,505,739 | 1,602,169,470 |
| Income tax expenses | | | |
| Current tax | 24.1 | 133,717,076 | 94,982,267 |
| Deferred tax | Annex 10 | 924,940,681 | - |
| | | 1,058,657,757 | 94,982,267 |
| Net profit after tax | | 3,295,847,982 | 1,507,187,204 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 3,295,847,982 | 1,507,187,204 |
| Earnings per share: | 41 | | |
| Basic earnings per share of BDT 100 | | | |
| Before restatement | | 49.82 | 22.78 |
| Restated | | 49.82 | (6.30) |
| Diluted earnings per share | | | |
| Before restatement | | 19.47 | 8.90 |
| Restated | | 19.47 | (2.46) |

These financial statements should be read in conjunction with annexed notes

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Sd/-
Company Secretary

Sd/-
Executive Director (Finance)

Sd/-
Managing Director
 See annexed report of the date

Sd/-
Director

Dhaka, Bangladesh
 Dated, 08 November 2018

Sd-
S. F. AHMED & CO
 Chartered Accountants

STATEMENT OF CHANGES IN EQUITY*For the year ended 30 June 2018*

| | <i>Share capital</i> | <i>Equity of BPDB</i> | <i>Direct grant</i> | <i>Retained earnings (Restated)</i> | <i>Total</i> |
|--|----------------------|-----------------------|---------------------|---|-----------------------|
| | BDT | BDT | BDT | BDT | BDT |
| Year 2018 | | | | | |
| Balance at 01 July 2017 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 431,546,000 | 12,963,342,964 |
| Total comprehensive income | - | - | - | 3,295,847,982 | 3,295,847,982 |
| Payment of dividend | - | - | - | (165,375,000) | (165,375,000) |
| Balance at 30 June 2018 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 3,562,018,982 | 16,093,815,946 |
| Year 2017 | | | | | |
| Balance at 01 July 2016 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 3,653,723,463 | 16,185,520,427 |
| Prior year's adjustment | - | - | - | (2,706,298,261) | (2,706,298,261) |
| Restated balance at 01 July 2016 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 947,425,202 | 13,479,222,166 |
| Total comprehensive income | - | - | - | 1,507,187,203 | 1,507,187,203 |
| Adjustment for correction of error (note 21) | - | - | - | (1,923,841,405) | (1,923,841,405) |
| Payment of dividend | - | - | - | (99,225,000) | (99,225,000) |
| Restated balance at 30 June 2017 | 6,615,000,000 | 5,572,614,964 | 344,182,000 | 431,546,000 | 12,963,342,964 |

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Sd/-
Company SecretarySd/-
Executive Director (Finance)Sd/-
Managing DirectorSd/-
DirectorDhaka, Bangladesh
Dated, 08 November 2018

STATEMENT OF CASH FLOWS*For the year ended 30 June 2018*

| | 2018 | 2017 |
|---|------------------------|------------------------|
| | BDT | BDT |
| Cash flows from operating activities | | |
| Cash received from operation | 18,688,850,548 | 14,542,589,156 |
| Cash received from other income | 209,845,302 | 170,345,729 |
| Payment for salary and allowances | (999,508,743) | (874,345,668) |
| Payment to suppliers | (6,553,058,124) | (6,314,385,530) |
| Finance expense paid | (2,048,219,754) | (2,146,002,524) |
| Income tax paid | (94,987,267) | (52,145,071) |
| Net cash received from operating activities | 9,202,921,962 | 5,326,056,092 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (393,496,350) | (38,265,453) |
| Investment in UAEL | - | (304,050,000) |
| Payments towards project cost | (8,264,789,512) | (6,401,007,039) |
| Addition to deferred expenditure | - | (209,827,272) |
| Net cash used in investing activities | (8,658,285,862) | (6,953,149,764) |
| Cash flows from financing activities | | |
| Repayment of government loan | (213,130,596) | (399,729,324) |
| Repayment of foreign loan | (66,449,060) | (132,898,124) |
| Dividend received | 282,794,400 | - |
| Dividend paid | (165,367,745) | (99,220,647) |
| Advance land lease rent UAEL | - | 283,780,000 |
| Loan paid to BPDB | (1,800,000,000) | (800,000,000) |
| Government loan received for 450 MW (N) project | 220,000,000 | 618,971,450 |
| ADB loan received for 450 MW (N) project | 1,671,857,040 | 4,809,419,002 |
| IDB loan received for 450 MW (N) project | 826,128,785 | 803,544,871 |
| Loan from BPDB | - | 2,261,600,000 |
| ECA loan received for 450 MW (South) Project | 4,191,562,107 | - |
| Export credit agency (ECA) loan payment | (4,793,845,672) | (4,154,782,041) |
| Net cash from/(used in) financing activities | 153,549,259 | 3,190,685,187 |
| Net increase in cash and cash equivalents | 698,185,359 | 1,563,591,515 |
| Opening cash and cash equivalents | 5,160,571,223 | 3,542,819,398 |
| Effects of exchange rate changes on cash and cash equivalents | 150,520,033 | 54,160,310 |
| Closing cash and cash equivalents | 6,009,276,615 | 5,160,571,223 |

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Sd/-
Company SecretarySd/-
Executive Director (Finance)Sd/-
Managing DirectorSd/-
DirectorDhaka, Bangladesh
Dated, 08 November 2018

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1 Corporate information

1.1 Legal status and background of the company

Ashuganj Power Station Company Ltd (APSCL/the Company) is registered as a private limited company with the Registrar of Joint Stock Companies and Firms (RJSCF), Dhaka vide certificate of incorporation no. 40630(2328)/2000 dated 28 June 2000 which was thereafter converted into a public limited company. Its authorised share capital has been increased from BDT 100 crores to BDT 1,500 crores through a special resolution passed on 01 March 2003 and authorised capital has been increased from BDT 1,500 crores to BDT 3,000 crores through an ordinary resolution on 10th AGM held on 26 December 2010. Its paid up capital has been increased to BDT 661.40 crore by a special resolution in the 142th Board Meeting held on 08 July 2012 in terms of condition of section 151 of Companies Act 1994 for issue of shares against assets and conditions of the company's Articles of Association, clauses 11 and 17 (here considering on the basis of provisional vendor's agreement, maximum BDT 661.40 crore can be transferred to BPDB's paid up capital from its equity). A provisional vendor's agreement has been signed between Bangladesh Power Development Board (BPDB) and APSCL in order to transfer all the assets and liabilities of Ashuganj Power Station Complex, Ashuganj Combined Cycle Power Plant, Ashuganj Power Plant Training Centre and Ashuganj Regional Accounting Office of BPDB to APSCL on 22 May 2003. A Provisional Power Purchase Agreement (PPPA) has also been signed on 30 May 2005 between the BPDB and APSCL. Both the agreements are with effect from 01 June 2003. The Articles of Association of the company was amended in the 8th AGM held on 30 June 2008. After the amendments, the accounting period has been changed from Gregorian calendar year to company's desired financial year with due permission from RJSCF vide its letter no. 4835. First amendment of PPPA has been made with effect from 15 January 2010, second amendment of PPPA between APSCL and BPDB has been made with effect from 14 January 2012 and third amendment of with effect from 17 June 2015.

APSCl is going to issue non-convertible coupon bearing bonds of BDT 600 crore of which BDT 500 crore is through private placement and the remaining BDT 100 crore is through public placement. The coupon will be paid semi annually. The first coupon will be paid after 12 months of the draw down. The coupon rate will be reference rate plus margin or 8.50% whichever is higher. However, for the first coupon payment the rate would be 8.50%. The reference rate is the 6 months average of 182 days Bangladesh Treasury Bill (182 Days T-Bill). The coupon margin is 4.00%. The coupon rate will be between 8.50% to 10.50% per annum. (Coupon ceiling rate is 10.50% and coupon floor rate is 8.50%). The issuer shall pay a late payment penalty of 2% of the coupon rate on the payable amount.

Approval from Bangladesh Securities Exchange Commission (BSEC) vide reference number BSEC/CI/DS-85/2017/227 dated 02 April 2018 has been received for issuing bonds of BDT 500 crore through private placement. The fund raising process by issuing bonds through private placement is going on. Investment commitment BDT 330 crore has already been received from investors.

1.2 Nature of business activities

The main objectives of the company is to carry out the business of electric light and power generation, supply and sell of electricity through national grid to BPDB for the purpose of light, heat motive power and all other purposes for which electric energy can be employed and to manufacture and deal in all apparatus and things required for, or capture of being used in connection with the generation, supply, sale and employment of electricity including in term electricity all power that may be directly or indirectly derived therefrom, or may be incidentally hereafter discovered in dealing with electricity.

2. Basis of preparation

2.1 Statement of compliances

The Financial Statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Bangladesh Securities and Exchange Commission, Rules 1987 and other applicable laws and regulations.

2.2 Measurement of the elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognised and carried in the statements of financial position and profit or loss and other comprehensive income. The measurement basis adopted by APSCL is historical cost except the revaluation of land. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.3 Components of these financial statements

Following are the components of these financial statements as per BAS 1 :

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

- (a) Statement of financial position (balance sheet) as at 30 June 2018
- (b) Statement of profit or loss and other comprehensive income (profit and loss statement) for the year ended 30 June 2018
- (c) Statement of changes in equity for the year ended 30 June 2018
- (d) Statement of cash flows for the year ended 30 June 2018
- (e) Explanatory notes to the above financial statements which also describe the accounting policies adopted and followed by the company.

2.4 Restatement of prior year's figures

The Company has not recognised deferred tax in the financial statements till FY 2016- 2017, which has been recognised in accordance with BAS 12: 'Income Taxes', from beginning of the year under reporting and will subsequently be recognised in the future. As this implies a change in accounting policy within the scope of BAS 8, figures of previous years as reported have been restated to confirm the comparability with those of current year.

2.5 Basis of preparation of the financial statements

These financial statements has been prepared on accrual basis following going concepts under historical cost convention.

2.6 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is both functional currency and presentation currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT.

2.7 Reporting period

The financial period of the company covers 12 (twelve) months from 01 July 2017 to 30 June 2018 which is followed consistently.

2.8 Use of estimates and judgments

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

2.9 Going concern

The Directors have made an assessment of the company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. Since, there is no material uncertainties related to events or conditions at reporting date which may cast significant doubt upon the company's ability to continue as a going concern, the financial statements of the company are prepared on a going concern basis.

2.10 Accrual basis of accounting

The company prepares its financial statements, except the statement of cash flow, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognises items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the framework.

2.11 Materiality and aggregation

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

2.12 Offsetting

The entity does not offset assets and liabilities or income and expenses, unless required or permitted by any BFRSs.

2.13 Events after the reporting period

Events after the reporting date that provide additional information about the company's position at the reporting date are reflected in the financial statements. Events after the reporting period that are non-adjusting events are disclosed in the notes when material.

3. Significant accounting policy and other material information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Property, plant and equipment (PPE) and Capital works-in-progress are recorded at purchase price and any directly attributable cost in bringing the asset to working condition for its intended use. After initial recognition, an item of PPE and Capital works-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

in-progress is carried at cost less accumulated depreciation. Cost represents the cost of acquisition/procurement including development expenses, all installation expenses, commissioning and other relevant expenses.

3.1.2 Subsequent costs

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

3.1.3 Maintenance activities

The company incurs maintenance costs for all of its major items of property, plant and equipment and Capital works-in-progress. Repair and maintenance costs are charged as expenses and sometimes deferred when incurred. Subsequently deferred expenses charge to the Statement of financial position (balance sheet) over its useful life.

3.1.4 Depreciation

Depreciation on PPE has been charged applying straight line method considering the estimated life and the salvage value of the assets procured. Depreciation is charge on property plant and equipment for 6 (six) months in the year of acquisition and 6 (six) months in the year of disposal. However, depreciation for 450 MW (South and North) and 225 MW CCPP project full year depreciation charge as the from date of commercial operation.

| Asset category | Rate of depreciation (%) |
|-----------------------------------|--------------------------|
| Building | 1.55 - 13.33 |
| Plant and machinery | 5 - 40 |
| Office equipment | 10 - 33.33 |
| Vehicles | 12.5 |
| Furniture and fixtures | 20 |
| Overhauling project | 7.14 |
| 225 MW Combined Cycle Power Plant | 4 |
| 450 MW (South) Project | 4 |
| 450 MW (North) Project | 4 |

3.1.5 Retirements and disposals

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

3.2 Stocks

In accordance with BAS 2: "Inventories". Stocks have been stated at the lower of cost and net realisable value. APSCL has valued of the stocks (inventory) measured on the basis of lower of cost and net realisable value method.

3.3 Accounts receivable

Accounts receivable are recognised at cost which is the fair value of the consideration given for them.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank, which are held and available for use of the company without any restriction.

3.5 Cash flow statement

Cash flow statement is prepared according to BAS 7: "Statements of Cash Flows" under direct method.

3.6 Equity of BPDB

Shares allotment against equity of BPDB has not yet been made. After allotment of shares, it will be presented as share capital of the company.

3.7 Status of foreign loan

Foreign loan was initially transferred from BPDB on 01 June 2003. Periodical dues of principal and interest are transferred to Debt Service Liability (DSL).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

3.8 Foreign currency transactions

Foreign currency transactions are converted at the rates ruling on the dates of transactions in accordance with BAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rate prevailing on that date. Exchange losses/(gain) arising out of the said conversion, except for those foreign currency borrowing directly attributable to the construction or acquisition of a qualifying asset, is recognised as an expense/(income) for the year.

3.9 Provisions

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

3.10 Employee benefits

Employees' provident fund

The company has established a Contributory Provident Fund (CPF) scheme for its eligible permanent employees. The fund is wholly administered by a Board of Trustees. No part of the fund is included in the assets of the company.

Group insurance

The company has also a group insurance scheme for its permanent employees, premium for which is being charged to income statement annually as per the insurance policy.

Gratuity

The company also maintains an unfunded gratuity scheme for regular employees, provision for which has been made in account. Employees are entitled to gratuity benefit after completion of minimum 3 years' service in the company but provision has been made for persons who have not completed 3 years. The gratuity is calculated on the last basic salary and is payable at the rate of two and half months' basic salary for every completed year of service.

3.11 Revenue

Revenue has been recognised in accordance with BAS 18: "Revenue" when the following conditions are met:

- i) The amount of revenue can be measured reliably;
- ii) It is probable that the future economic benefits associated with the transaction will flow to the entity;
- iii) Significant risks and rewards have been transferred to the buyer; and
- iv) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Specific policies regarding the recognition of revenue are as under:

Revenue has been recognised as per Power Purchase Agreement (PPA) its signed between Bangladesh Power Development Board (BPDB) and Ashuganj Power Station company Ltd (APSCL) when electricity transferred to national grid. Element of Revenue (A) Capacity Payments, (B) Energy Payments.

A. Capacity Payments

The capacity payment is fixed in nature the main elements of the capacity payments are as follows:

- a) Depreciation on fixed assets
- b) Cost of capital ie, interest on borrowed capital
- c) Return on equity
- d) Repairs and maintenance of plant, machinery and equipment
- e) Salary and allowances

B. Energy Payments i.e. fuel cost (gas bill)

The capacity payment is fixed in nature but the energy payment is variable with volume of generation.

3.12 Finance income

Finance income comprises interest income on funds invested in FDRs, STDs and dividend income from UAEL shares.

3.13 Other income

This includes sale proceeds of unusable materials and others.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

3.14 Finance cost

Finance cost comprises interest expense on borrowings, etc. All borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

3.15 Taxation

Current tax

As there will not be any estimated taxable income rather there will be estimated taxable loss in the period, the company will have to pay minimum tax under Section 82C of Income Tax Ordinance 1984: Charge of minimum tax. As per that section, every company shall, irrespective of its profits or loss in an assessment year for any reason whatsoever, including sustaining of loss, the setting off of a loss of earlier year or the claiming of allowances or deductions (including depreciation) allowed under that Ordinance, be liable to pay minimum tax at the rate of zero point six zero (0.60%) per cent of the amount representing such company's gross receipts from all sources for that year. Current tax has been provided for accordingly.

The company has a taxable loss for depreciation calculated using the 3rd schedule of Income Tax Ordinance 1984.

Deferred tax

Deferred tax is recognised and measured in accordance with BAS 12: Income Taxes following balance sheet liability method. Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences and unused tax losses. Deferred tax assets and liabilities are recognised for the future tax consequences of the timing difference arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognised in the profit and loss statement.

3.16 Earnings per share (EPS)

Earnings per share has been calculated in accordance with BAS 33: "Earnings per Share". Earnings per share has been presented on the face of the profit and loss statement as required in the said BAS. Basic and diluted EPS should be presented even if the amounts are negative i.e, a loss per share.

Basic earnings per share

Basic earnings per share is calculated by dividing profit attributable to ordinary equity holders of the company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of shares) is calculated by adjusting the number of shares in issue at the beginning of the period by the number of shares issued during the period, multiplied by a time-weighting factor.

Diluted earnings per share

Dilution is reduction in earnings per share or an increase in profit per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

3.17 Financial instruments

As per BFRS 7 "Financial Instruments: Disclosures" all financial instruments are presented in a way so that users are enabled to evaluate the significance and nature and extent of risks arising from financial instruments to which the entity is exposed during the period and how the entity manages those risks.

Investment in fixed deposits

Investment in fixed deposits is shown in the financial statements at its cost and interest income is recognised quarterly.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance and deposits with financial institutions that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Advances

Advances with no stated interest are measured at the original amount if the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

3.18 Contribution to worker's profit participation fund

This is required to be made in terms of section 234(1)(b) of Bangladesh Labor Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the fund, the proportion of the payment to the participation fund and the welfare fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the company to the workers' welfare foundation fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.

The Company makes provision @ 5% of its net profit as a contribution to worker's profit participation fund before tax and charging such expense in accordance with The Bangladesh Labor Act 2006 (as amended in 2013).

3.19 Finance lease

The company has leased out 6.42 acres of land to United Ashuganj Energy Ltd (UAEL) vide agreement dated 17 october 2013, which is part of the 16.43 acres land allotted to APSCL by Bangladesh Railway vide agreement dated 19 September 2013. This lease has been classified and accounted for as a finance lease in accordance with BAS 17" Leases".

Advance land lease rent has initially been recognised at an amount equal to net investment in the lease and presented as a liability.

Income from lease rent amortiation shall recognised equally over the lease period, ie, 15 years.

3.20 Expenses

The definition of expenses encompasses losses as well as those expenses that arise in the course of the ordinary activities of the entity. Expenses that arise in the course of the ordinary activities of the entity include, for example, direct costs, wages and depreciation. They usually take the form of an outflow or depletion of assets such as cash and cash equivalents, inventory, property, plant and equipment.

Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the ordinary activities of the entity. Losses represent decreases in economic benefits and as such they are no different in nature from other expenses. Hence, they are not regarded as a separate element in this conceptual framework.

3.21 Significant contract

Power purchase agreement

The company has entered into a PPA with BPDB, whereby BPDB agrees to purchase all net electricity outputs of the facility. BPDB is also required to provide natural gas to the facility sufficient to meet the full requirements of the facility. The PPA can be extended during the final twelve months of its term upon mutual agreement of the company and BPDB.

The company delivers electricity only as requested by BPDB. The price paid by BPDB for electricity comprises a fuel cost recovery tariff and an operations and maintenance tariff.

The operations and maintenance tariff is structured to cover the operating, administration and general expenses of the company, as well as to provide a return on equity to the shareholders. The operations and maintenance tariff is based on the number of kilowatt-hours of electricity delivered.

The company has recognised revenue of BDT 21,773,269,662 during the year ended 30 June 2018 and BDT 15,660,032,053 during the year ended 30 June 2017 under this agreement.

3.22 Information of company loan

3.22.1 Subordinated loan – debt service liability (See note 16)

| | |
|--------------------|---------------------|
| Financed by | Inherited from BPDB |
| Loan type | Subordinated loan |
| Rate of interest | Interest free |
| Repayment schedule | N/A |
| Sanctioned amount | BDT 10,252,300,000 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

3.22.2 Government loans (see note 17)

450 MW (North) (see note 17.1)

| | |
|------------------------|--|
| Financed by | Government of Bangladesh |
| Loan agreement between | Government of Bangladesh and Ashuganj Power Station Company Limited |
| Loan agreement no. | 20.812.006.02.00.053.2011.103 |
| Loan agreement date | 15 November 2011 |
| Loan type | Long term loan |
| Loan sanction date | 01 November 2011 |
| Purpose of loan | Construction of Ashuganj 450 MW Combined Cycle Power Plant (North) |
| Sanctioned amount | BDT 3,527,166,000 |
| Rate of interest | 3% per annum |
| Repayment period | 20 years including grace period of 5 years in 20 annual consecutive installments |
| Security type | None |
| Repayment schedule | Details are given in Annex 6 |

Overhauling unit # 3, 4 & 5 (see note 17.2)

| | |
|------------------------|---|
| Financed by | Government of Bangladesh |
| Loan agreement between | The loan was inherited from BPDB |
| Loan type | Long term loan |
| Purpose of loan | Rehabilitation / Modernisation of Ashuganj Power Station Complex (Units 3, 4 and 5) |
| Sanctioned amount | BDT 2,983,828,144 |
| Rate of interest | 3% per annum |
| Repayment period | None |
| Security type | None |

3.22.3 Bangladesh Power Development Board (BPDB) loans (see note 18)

| | |
|------------------------|---|
| Financed by | BPDB |
| Loan agreement between | None. However financing was resolved through minutes of board meeting |
| Loan agreement date | 29 March 2016, 18 April 2016 and 15 May 2016, 26 September 2016 and 16 December 2016, 02 May 2017 |
| Loan type | Long term loan |
| Loan sanction date | 29 March 2016, 18 April 2016 and 15 May 2016 |
| Purpose of loan | Debt Service Reserve Account (DSRA) and Debt |
| Sanctioned amount | BDT 328 crore, BDT 130 crore, BDT 96.16 crore |
| Rate of interest | 3% per annum |
| Repayment schedule | None |

3.22.4 Foreign loans (see note 19)

Overhauling unit # 3, 4 and 5 (see note 19.1)

| | |
|------------------------|--|
| Financed by | Kreditanstalt Für Wiederaufbau (KfW) |
| Loan agreement between | Ashuganj Power Station Company Limited and Government of Bangladesh |
| Loan agreement date | 13 March 2005 |
| Loan type | Long term loan |
| Loan sanction date | 13 March 2005 |
| Purpose of loan | Modernisation of Ashuganj Power Station Complex (Units 3, 4 and 5) |
| Sanctioned amount | BDT 930,286,856 |
| Rate of interest | 8% per annum |
| Repayment period | 18 years including a grace period of 3 years in 15 annual consecutive installments |
| Security type | None |
| Repayment schedule | Details are given in Annex 7 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

ADB loan (450 MW - North) (see note 19.2)

| | |
|------------------------|---|
| Financed by | Asian Development Bank |
| Loan agreement between | Government of Bangladesh and Ashuganj Power Station Company Limited |
| Loan agreement no | 2769-BAN |
| Loan agreement date | 29 July 2012 |
| Loan type | Long term loan |
| Loan sanction date | 04 January 2012 |
| Purpose of loan | Power system efficiency improvement project - Ashuganj 450MW CCPP (North) construction project |
| Sanctioned amount | US\$ 228,000,000 |
| Rate of interest | 4% per annum |
| Repayment period | 20 years including grace period of 5 years in 30 semi-annual consecutive installments |
| Security type | N/A |
| Repayment schedule | Details are given in Annex 8 |

IDB loan (450 MW - North) (see note 19.3)

| | |
|------------------------|---|
| Financed by | Islamic Development Bank |
| Loan agreement between | Government of Bangladesh and Ashuganj Power Station Company Limited |
| Loan agreement no | BD-0163 |
| Loan agreement date | 14 February 2013 |
| Loan type | Long term loan |
| Loan sanction date | 14 July 2012 |
| Purpose of loan | Power system efficiency improvement project - Ashuganj 450MW CCPP (North) construction project |
| Sanctioned amount | US\$ 200,000,000 |
| Rate of interest | 4% per annum |
| Repayment period | 20 years including grace period of 5 years in 30 semi-annual consecutive installments |
| Security type | N/A |
| Repayment schedule | Details are given in Annex 9 |

3.22.5 Export Credit Agency (ECA) (see note 20)**450 MW (South) Project (see note 20.1):****CESCE facility**

| | |
|------------------------|--|
| Financed by | CESCE facility with HSBC being the coordinating arranger of the facility |
| Loan agreement between | CESCE lenders and Ashuganj Power Station Company Limited |
| Loan type | Long term loan |
| Purpose of loan | Installation of Ashuganj 450MW CCGT (South) Power Plant |
| Loan agreement date | 20 December 2012 |
| Loan sanction date | 20 December 2012 |
| Sanctioned amount | US\$ 60,000,000 |
| Rate of interest | LIBOR+ Margin 4.5% (Original) |
| Revised interest rate | LIBOR+ Margin 3% (Revised agreement was not provided to us) |
| LIBOR | 2.98% fixed (hedged) with flexi-start interest rate swap feature included |
| Repayment period | Repayment starts from the date falling six months after the final completion date of the project or the date falling 36 months after the original signing date of the agreement (the starting point of credit), whichever is earlier, in 20 instalments, due in every six months |
| Security type | Sovereign guarantee |
| Repayment schedule | Details are given in Annex 11.a |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

HERMES facility

| | |
|------------------------|--|
| Financed by | HERMES facility with HSBC being the coordinating arranger of the facility |
| Loan agreement between | HERMES lenders and Ashuganj Power Station Company Limited |
| Loan type | Long term loan |
| Purpose of loan | Installation of Ashuganj 450MW CCGT (South) Power Plant |
| Loan agreement date | 20 December 2012 |
| Loan sanction date | 20 December 2012 |
| Sanctioned amount | US\$ 101,000,000 |
| Rate of interest | (Commercial interest reference rate 2.08%+ Commercial interest reference rate surcharge 0.85%) = 2.93% |
| LIBOR | None |
| Repayment period | Repayment starts from the date falling six months after the final completion date of the project or the date falling 36 months after the original signing date of the agreement (the starting point of credit), whichever is earlier, in 20 instalments, due in every six months |
| Security type | Sovereign guarantee |
| Repayment schedule | Details are given in Annex 11.b |

Multilateral Investment Guarantee Agency (MIGA) facility

| | |
|------------------------|--|
| Financed by | MIGA (Commercial Tranche A + Commercial Tranche B) facility with HSBC being the coordinating arranger of the facility |
| Loan agreement between | MIGA lenders and Ashuganj Power Station Company Limited |
| Loan type | Long term loan |
| Purpose of loan | Installation of Ashuganj 450MW CCGT (South) Power Plant |
| Loan agreement date | 20 December 2012 |
| Loan sanction date | 20 December 2012 |
| Sanctioned amount | US\$ 184,000,000 |
| Rate of interest | LIBOR + Margin 2.50% |
| LIBOR | 2.98% fixed (hedged) with flexi-start interest rate swap feature included |
| Repayment period | Repayment starts from the date falling six months after the final completion date of the project or the date falling 36 months after the original signing date of the agreement (the starting point of credit), whichever is earlier, in 20 instalments, due in every six months |
| Security type | Sovereign guarantee |
| Repayment schedule | Details are given in Annex 11.c |

ONDD facility

| | |
|------------------------|--|
| Financed by | ONDD facility with HSBC being the coordinating arranger of the facility |
| Loan agreement between | ONDD lenders and Ashuganj Power Station Company Limited |
| Loan type | Long term loan |
| Purpose of loan | Installation of Ashuganj 450MW CCGT (South) Power Plant |
| Loan agreement date | 20 December 2012 |
| Loan sanction date | 20 December 2012 |
| Sanctioned amount | US\$ 75,000,000 |
| Rate of interest | LIBOR + Margin 2.20% |
| LIBOR | 2.98% fixed (hedged) with flexi start interest rate swap feature included |
| Repayment period | Repayment starts from the date falling six months after the final completion date of the project or the date falling 36 months after the original signing date of the agreement (the starting point of credit), whichever is earlier, in 20 instalments, due in every six months |
| Security type | Sovereign guarantee |
| Repayment schedule | Details are given in Annex 11.d |

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For the year ended 30 June 2018

225 MW Project (See note 20.2):**HERMES facility**

Financed by

HERMES facility with Standard Chartered Bank and Korea Finance Corporation being the coordinating arrangers of the facility

Loan agreement between

HERMES lenders and Ashuganj Power Station Company Limited

Loan type

Long term loan

Purpose of loan

Installation of Ashuganj 225MW CCGT Power Plant

Loan agreement date

30 December 2012

Loan sanction date

30 December 2012

Sanctioned amount

US\$ 69,101,844

Rate of interest

LIBOR + Margin 2.20% + Mandatory cost (if any)

LIBOR

3.69% (5.89%-2.2%) fixed (hedge)

Repayment period

Repayment starts from the date falling 5 working days after the final completion date of the project or the date falling 30 months after the financial close (the starting point of credit), whichever is earlier, in 20 instalments, due in every six months

Security type

Sovereign guarantee

Repayment schedule

Details are given in **Annex 12.a****K-sure facility**

Financed by

K-sure facility with Standard Chartered Bank and Korea Finance Corporation being the coordinating arrangers of the facility

Loan agreement between

K-sure lenders and Ashuganj Power Station Company Limited

Loan type

Long term loan

Purpose of loan

Installation of Ashuganj 225MW CCGT Plant

Loan agreement date

30 December 2012

Loan sanction date

30 December 2012

Sanctioned amount

US\$ 123,842,140

Rate of interest

LIBOR + Margin 2.7% + Mandatory cost (if any)

LIBOR

3.69% (6.39%-2.7%) fixed (hedged)

Repayment period

Repayment starts from the date falling 5 working days after the final completion date of the project or the date falling 30 months after the financial close (the starting point of credit), whichever is earlier in 20 instalments, due in every six months

Security type

Sovereign guarantee

Repayment schedule

Details are given in **Annex 12.b****3.23 Power plant status****Current project:****3.23.1 Unit - 3, 4, 5**

Name of the project

Unit - 3, 4, 5

Location

Ashuganj, Brahmanbaria-3402

Capacity

128MW, 137MW, 129MW

Commercial operation date

17 December 1986, 04 May 1987, 21 March 1988

Finance by

Inherited from BPDB through Provisional Vendor's Agreement

Fuel type

Natural gas

3.23.2 50 MW plant

Name of the project

50MW GE

Location

Ashuganj, Brahmanbaria-3402

Capacity

45MW

Commercial operation date

17 March 2012

Finance by

APSCL own fund

Fuel type

Natural gas

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

3.23.3 225MW CCPP project

| | |
|---------------------------|---|
| Name of the project | Ashuganj 225MW CCPP Project |
| Location | Ashuganj, Brahmanbaria-3402 |
| Capacity | 223MW |
| Commercial operation date | Simple cycle: 27 April 2015, combined cycle: 10 December 2015 |
| Finance by | ECA Financing and APSCL own fund |
| Fuel Type | Natural gas |

3.23.4 450MW CCPP (South) project

| | |
|---------------------------|-------------------------------------|
| Name of the project | Ashuganj 450MW CCPP (South) Project |
| Location | Ashuganj, Brahmanbaria-3402 |
| Capacity | 383MW |
| Commercial operation date | Combined cycle: 22 July, 2016 |
| Finance by | ECA financing and APSCL own fund |
| Fuel type | Natural gas |

3.23.5 450MW CCPP (North) project

| | |
|---------------------------|---|
| Name of the project | Ashuganj 450MW CCPP (North) Project |
| Location | Ashuganj, Brahmanbaria-3402 |
| Capacity | 386MW |
| Commercial operation date | Simple Cycle: 14 February 2017, Combined cycle: 11 June, 2017 |
| Finance by | ADB, IDB, GoB and APSCL own fund |
| Fuel type | Natural gas |

Upcoming project :

3.23.6 Ashuganj 400 (± 5%) MW Combined Cycle Power Plant (East)

| | |
|---------------------------|--|
| Name of the project | Ashuganj 400 (±5%) MW Combined Cycle Power Plant (East) |
| Location | Ashuganj, Brahmanbaria-3402 |
| Net Capacity in MW | 420 MW |
| Date of Commencement | 16 July 2018 |
| Commercial operation date | 31 December 2020 (Simple Cycle), 29 June 2021 (Combined Cycle) |
| Finance by | ADB, IDB, GoB and APSCL own fund |
| Fuel type | Natural gas |
| Estimated cost | BDT 2,931.36 Crore |

3.23.7 Patuakhali 1320 MW Super Thermal Power Plant Project

| | |
|--------------------------------|--|
| Name of the project | Land Acquisition, Land Development and Protection for Patuakhali 1320 MW Super Thermal Power Plant Project |
| Project Location | Debpur, Dhankhali, Patchjunia & Chalitabunia Mouza of Kalapara Upzilla Under Patuakhali District. |
| Capacity in MW | 1320 MW |
| Date of Commencement: | 1st January, 2018 |
| Date of Completion | 31 December, 2019 |
| Finance by | GoB and APSCL own fund |
| Fuel type | Coal |
| Estimated Cost of the Project: | BDT. 81,951.46 Lac |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 4. Property, plant and equipment | | |
| Cost | | |
| Opening balance | 34,522,376,195 | 34,478,010,742 |
| Add: Addition during the year | 393,496,350 | 44,365,453 |
| Add: Transfer from deferred expenditure | 390,027,259 | |
| Closing balance | 35,305,899,804 | 34,522,376,195 |
| Accumulated depreciation | | |
| Opening balance | 18,178,988,381 | 16,406,116,993 |
| Add: Charge for the year | 1,967,089,204 | 1,772,871,388 |
| Closing balance | 20,146,077,585 | 18,178,988,381 |
| Written down value at 30 June 2018 | 15,159,822,219 | 16,343,387,814 |
| Details are shown in Annex 1 . | | |
| 5. Deferred expenditure | | |
| Opening balance | 390,027,259 | 367,629,233 |
| Add: Addition during the year | - | 209,827,272 |
| | 390,027,259 | 577,456,505 |
| Less: Amortisation for the year | - | 187,429,246 |
| Less Transfer to Property, plant and equipment | 390,027,259 | |
| Closing balance | - | 390,027,259 |
| Deferred expenditure consists of cost of spare parts of plant and machinery and other major repair and maintenance expenses. As per decision of 235 Board meeting of APSCL, deferred expenditure should be transferred to Property, plant and equipment. | | |
| 6. Investment in UAEL | 304,050,000 | 304,050,000 |
| Ashuganj Power Station Company Limited (APSCL) signed a share purchase agreement with United Ashuganj Energy Ltd. (UAEL) and United Enterprise & Co. Ltd. On 27 October 2013 to issue 30,405,000 shares BDT 10 each of UAEL in favour of APSCL amounting to BDT 304,050,000. The said amount was paid by APSCL to UAEL on 31 January 2017 vide cheque no. CDB 6924124, Janata Bank. Shares certificates for the said share is yet to be issued. | | |
| 7. Capital works-in-progress | | |
| 225 MW Combined Cycle Power Plant (note 7.1) | 16,115,340,447 | 16,608,415,377 |
| 450 MW (South) Project (note 7.2) | 34,063,089,916 | 30,051,217,865 |
| 450 MW (North) Project (note 7.3) | 25,521,810,171 | 23,765,765,111 |
| 200 MW Modular Project (note 7.4) | 168,164,667 | 168,164,667 |
| 400 MW (East) Project (note 7.5) | 36,755,472 | 19,120,219 |
| Patuakhali 1320 MW Super Thermal Power Plant Project (note 7.6) | 7,641,826 | - |
| | 75,912,802,499 | 70,612,683,239 |
| APSCL is going to implement new power plants namely, 225 MW Combined Cycle Power Plant, 450 MW (South), 450 MW (North), 200 MW Modular Project and 400 MW (East) Project and Patuakhali 1320 MW Super Thermal Power Plant Project. All costs in such projects are shown as capital works-in-progress. | | |
| 7.1 225 MW Combined Cycle Power Plant | | |
| Cost | | |
| Opening balance | 18,137,337,719 | 18,068,526,567 |
| Add: Addition during the year | 5,127,297 | 68,811,152 |
| Add: Error correction | 195,152,826 | - |
| | 18,337,617,842 | 18,137,337,719 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| Accumulated depreciation | | |
| Opening balance | 1,528,922,342 | 841,010,922 |
| Less: Depreciation during the year | 693,355,053 | 687,911,420 |
| Closing balance | 2,222,277,395 | 1,528,922,342 |
| Written down value at 30 June 2018 | 16,115,340,447 | 16,608,415,377 |
| Details are shown in Annex 2. | | |
| 7.2 450 MW (South) Project | | |
| Cost | | |
| Opening balance | 31,162,954,735 | 31,098,354,968 |
| Add: Addition during the year | 5,521,817,876 | 64,599,768 |
| Less: Error correction | (220,838,326) | - |
| | 36,463,934,285 | 31,162,954,736 |
| Accumulated depreciation | | |
| Opening balance | 1,111,736,871 | - |
| Less: Depreciation during the year | 1,289,107,498 | 1,111,736,871 |
| Closing balance | 2,400,844,369 | 1,111,736,871 |
| Written down value at 30 June 2018 | 34,063,089,916 | 30,051,217,865 |
| Details are shown in Annex 2. | | |
| 7.3 450 MW (North) Project | | |
| Cost | | |
| Opening balance | 23,815,353,244 | 16,136,445,422 |
| Add: Addition during the year | 2,712,567,260 | 7,678,907,822 |
| | 26,527,920,504 | 23,815,353,244 |
| Accumulated depreciation | | |
| Opening balance | 49,588,133 | - |
| Less: Depreciation during the year | 956,522,200 | 49,588,133 |
| Closing balance | 1,006,110,333 | 49,588,133 |
| Written down value at 30 June 2018 | 25,521,810,171 | 23,765,765,111 |
| Details are shown in Annex 2. | | |
| 7.4 200 MW Modular Project | | |
| Cost | | |
| Opening balance | 168,164,667 | 168,164,667 |
| Add: Addition during the year | - | - |
| | 168,164,667 | 168,164,667 |
| Less: Depreciation during the year | - | - |
| Closing balance | 168,164,667 | 168,164,667 |
| Details are shown in Annex 3D. | | |
| 7.5 400 MW (East) Project | | |
| Cost | | |
| Opening balance | 19,120,219 | 4,836,606 |
| Add: Addition during the year | 17,635,253 | 14,283,613 |
| | 36,755,472 | 19,120,219 |
| Less: Depreciation during the year | - | - |
| Closing balance | 36,755,472 | 19,120,219 |
| Details are shown in Annex 3E. | | |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|----------------------|----------------------|
| | BDT | BDT |
| 7.6 Patuakhali 1320 MW Super Thermal Power Plant Project | | |
| Opening balance | - | - |
| Add: Addition during the year | 7,641,826 | - |
| | 7,641,826 | - |
| Less: Depreciation during the year | - | - |
| Closing balance | 7,641,826 | - |
| Details are shown in Annex 3F . | | |
| 8. Stocks | | |
| In stores (note 8.1) | 1,178,504,136 | 1,184,111,240 |
| In-transit (note 8.2) | 262,539,507 | 83,047,595 |
| | 1,441,043,643 | 1,267,158,835 |
| 8.1 In stores (*) | | |
| Opening balance | 1,184,111,240 | 748,394,930 |
| Add: Purchase during the year | 648,885,403 | 943,585,604 |
| | 1,832,996,643 | 1,691,980,534 |
| Less: Consumption during the year | (654,492,507) | (507,869,294) |
| Closing balance | 1,178,504,136 | 1,184,111,240 |
| 8.2 In-transit (*) | | |
| Opening balance | 83,047,595 | 415,952,011 |
| Add: Addition during the year | 521,969,372 | 445,767,782 |
| | 605,016,967 | 861,719,793 |
| Less: Transfer to in store | (342,477,460) | (778,672,198) |
| Closing balance | 262,539,507 | 83,047,595 |
| (*) The above amount represents the cost of spare parts and other materials namely, equipment's, accessories of electrical items and other materials necessary for generation of power including goods in transit which comprise customs duty and VAT deducted at source at the time of import. | | |
| 9. Advances, deposits and pre-payments | | |
| Advances | | |
| Advance Income tax (note 9.1) | 72,563,651 | 13,240,318 |
| Temporary advance | 19,605,050 | 13,410,199 |
| Advance to Agrodoot Bangladesh Scouts | 120,000 | 120,000 |
| Advance office rent (Patuakhali) | 24,000 | 24,000 |
| | 92,312,701 | 26,794,517 |
| Deposits | | |
| Titans Gas T & D Ltd (security deposit) | 635,485 | 635,485 |
| Customs security deposit (For 50 MW gas engine project) | 50,500 | 50,500 |
| Bank Guarantee to Commissioner to Customs House, Dhaka | 742,337 | - |
| Security Deposit (Dhaka office) | 300,000 | 300,000 |
| Trust Filling Station (Dhaka) | 100,000 | 100,000 |
| | 1,828,322 | 1,085,985 |
| | 94,141,023 | 27,880,502 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | | 2018 | 2017 |
|--|------|-----------------------|-----------------------|
| | | BDT | BDT |
| 9.1 Advance Income tax | | | |
| Opening balance | | 13,240,318 | 12,908,993 |
| Addition during the year: | | | |
| Income tax deducted at source on bank interest | | 6,941,988 | 3,684,620 |
| Income tax deducted at source on Dividend income | | 56,558,880 | - |
| Income Tax deducted as Import Stage | | 9,281,118 | 9,555,697 |
| | | 86,022,304 | 26,149,310 |
| Less: Adjustments during the year | | (13,458,653) | (12,908,992) |
| Closing balance | | 72,563,651 | 13,240,318 |
| 10. Accounts and other receivable | | | |
| Accounts receivable from BPDB | 10.A | 6,987,798,308 | 3,851,435,686 |
| Other receivable | 10.B | 99,729,118 | 151,672,626 |
| | | 7,087,527,426 | 4,003,108,312 |
| 10.A Accounts receivable from BPDB | | | |
| Opening balance | | 3,851,435,686 | 2,882,317,011 |
| Add: Electricity sales to BPDB during the year | | 21,773,269,662 | 15,660,032,053 |
| Debt service liability due (note 10.1) | | (389,717,454) | (346,965,246) |
| | | 25,234,987,894 | 18,195,383,818 |
| Less: Fuel cost paid by BPDB | | 1,714,735,604 | 3,634,776,138 |
| Cash collection during the year | | 14,678,653,982 | 9,559,571,994 |
| Loan adjustment | | 1,853,800,000 | 1,149,600,000 |
| Closing balance | | 6,987,798,308 | 3,851,435,686 |
| 10.B Other receivables | | | |
| Accrued interest on FDR | | 11,314,010 | 9,753,733 |
| Operational insurance premium (450 MW-North) | | 88,415,108 | - |
| Operational insurance premium (225 MW) | | - | 53,174,840 |
| Operational insurance premium (450 MW-south) | | - | 88,744,053 |
| | | 99,729,118 | 151,672,626 |
| 10.1 Debt service liability (DSL) | | | |
| DSL against government loan(note 10.1.1) | | 2,381,733,040 | 2,079,087,594 |
| DSL against foreign loan(note 10.1.2) | | 8,241,155,508 | 8,100,283,500 |
| | | 10,622,888,548 | 10,179,371,094 |
| Less: Adjusted DSL | | 5,048,251,228 | 4,994,451,228 |
| | | 5,574,637,320 | 5,184,919,866 |
| Less: Opening balance | | 5,184,919,866 | 4,837,954,620 |
| Closing balance | | 389,717,454 | 346,965,246 |
| 10.1.1 DSL against government loan | | | |
| Opening balance | | 2,079,087,594 | 1,589,843,420 |
| Add: Principal due during the year | | 213,130,596 | 399,729,324 |
| Interest accrued during the year | | 89,514,850 | 89,514,850 |
| Closing balance | | 2,381,733,040 | 2,079,087,594 |
| Break-up of the above figure | | | |
| Principal | | 1,698,183,866 | 1,485,053,270 |
| Interest | | 683,549,174 | 594,034,324 |
| | | 2,381,733,040 | 2,079,087,594 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 10.1.2 Debt service liability (DSL) against foreign loan | | |
| Opening balance | 8,100,283,500 | 7,892,962,428 |
| Add: Principal due during the year | 66,449,060 | 132,898,124 |
| Interest accrued during the year | 74,422,948 | 74,422,948 |
| Foreign currency fluctuation loss | - | - |
| Closing balance | 8,241,155,508 | 8,100,283,500 |
| Break-up of the above figure | | |
| Principal | 4,632,291,143 | 4,565,842,083 |
| Interest | 3,416,993,648 | 3,342,570,700 |
| Foreign currency fluctuation loss | 191,870,717 | 191,870,717 |
| | 8,241,155,508 | 8,100,283,500 |
| 11. Cash and cash equivalents | | |
| Cash in hand | - | 629,035 |
| Cash at bank (details are in Annex 4) | 4,926,848,028 | 3,731,810,306 |
| Fixed Deposit Account (details are in Annex 5) | 931,908,554 | 1,373,971,572 |
| Cash and cash equivalents as previously reported | 5,858,756,582 | 5,106,410,913 |
| Effects of exchange rate changes on cash and cash equivalents | 150,520,033 | 54,160,310 |
| | 6,009,276,615 | 5,160,571,223 |
| 12. Share capital | | |
| Authorised capital | | |
| 300,000,000 ordinary shares of BDT 100 each | 30,000,000,000 | 30,000,000,000 |
| Issued, subscribed and paid-up capital | | |
| 66,150,000 ordinary shares of BDT 100 each | 6,615,000,000 | 6,615,000,000 |
| Shareholding position: | | |
| Name of shareholder/representative | No. of shares | No. of shares |
| Bangladesh Power Development Board (BPDB) | 66,147,098 | 66,147,098 |
| Power Division - Secretary, MOPEMR | 1,900 | 1,900 |
| Energy and Mineral Resources Division - Secretary, MOPEMR | 1 | 1 |
| Finance Division - Secretary, Ministry of Finance | 1,000 | 1,000 |
| Planning Division - Secretary, Ministry of Planning | 1 | 1 |
| Total number of shares | 66,150,000 | 66,150,000 |
| 13. Equity of BPDB | | |
| Assets as on 01 June 2003 | 16,057,600,000 | 16,057,600,000 |
| Assets taken over for overhauling Unit # 3 | 1,630,955,483 | 1,630,955,483 |
| Total assets transferred from BPDB | 17,688,555,483 | 17,688,555,483 |
| Government loan | 971,682,193 | 971,682,193 |
| Foreign loan | 4,289,400,000 | 4,289,400,000 |
| Debt service liability (DSL) | 10,252,300,000 | 10,252,300,000 |
| Total liabilities transferred from BPDB | 15,513,382,193 | 15,513,382,193 |
| Provision for equity (note 13.1) | 4,146,519,000 | 4,146,519,000 |
| Provision for equity (note 13.2) | 5,118,841,874 | 5,118,841,874 |
| Provision for equity (note 13.3) | 746,080,800 | 746,080,800 |
| | 12,186,614,964 | 12,186,614,964 |
| Less: Transferred to paid-up capital | 6,614,000,000 | 6,614,000,000 |
| | 5,572,614,964 | 5,572,614,964 |

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For the year ended 30 June 2018

- 13.1** Provision for equity (Units # 3, 4 and 5) has been increased for handing over of overhauling projects.
13.2 Provision for equity has been added at the time of fixation of new tariff as per proposed vendor's agreement.
13.3 Projects completion report (PCR) of overhauling projects (Unit # 3, 4 and 5) has been completed, so added remaining equity.

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 14. Direct grant | 344,182,000 | 344,182,000 |
| An amount of BDT 344,182,000 was received as grant from Kreditanstalt Fur Wiederaufbau (KfW) in the year 2011. This was initially classified as "Foreign Loan" but as per instruction of PCR, this grant has to be shown as equity of the company after finalisation of Projects Completion Report (PCR). The PCR was finalised in November 2013, following which the said amount has been reclassified as equity for the financial year 2013-14. However, no shares were allotted against the said amount. | | |
| 15. Retained earnings | | |
| Opening balance | 431,546,000 | 947,425,202 |
| Add: Profit for the year | 3,295,847,982 | 1,507,187,203 |
| Less: Error correction (note 21) | - | (1,923,841,405) |
| | 3,727,393,982 | 530,771,000 |
| Less: Dividend paid | 165,375,000 | 99,225,000 |
| Closing balance | 3,562,018,982 | 431,546,000 |
| 16. Subordinated loan- debt service liabilities | | |
| Transferred from BPDB | 10,252,300,000 | 10,252,300,000 |
| | 10,252,300,000 | 10,252,300,000 |
| Debt service liabilities (DSL) arises from debt service liability in accordance of provisional vendor's agreement and subsequently it will converted to Equity of BPDB which is under process. It was treated as non-current liabilities in the statement of financial position of APSCL and now it will be treated as subordinated loan and shown as separately instead of non- current liabilities as per letter reference no. 2513/BOB/(SOCIL)/ unnoyn-01/85 dated 27 November 2012 of BPDB. | | |
| 17. Government loan | | |
| 450 MW (North) (note 17.1) | 2,079,463,456 | 1,859,463,456 |
| Overhauling unit # 3, 4 & 5 (note 17.2) | 1,391,814,075 | 1,818,075,267 |
| | 3,471,277,531 | 3,677,538,723 |
| 17.1 450 MW (North) | | |
| Opening balance | 1,859,463,456 | 1,218,754,262 |
| Add: Addition during the year | 220,000,000 | 640,709,194 |
| Less: Repayment during the year | - | - |
| | 2,079,463,456 | 1,859,463,456 |
| Less: Current portion | - | - |
| Non-current portion | 2,079,463,456 | 1,859,463,456 |
| 17.2 Overhauling unit # 3, 4 & 5 | | |
| Opening balance | 1,818,075,267 | 2,217,804,591 |
| Add: Addition during the year | - | - |
| Less: Repayment during the year | (213,130,596) | (399,729,324) |
| | 1,604,944,671 | 1,818,075,267 |
| Less: Current portion | (213,130,596) | - |
| Non-current portion | 1,391,814,075 | 1,818,075,267 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|-----------------------|-----------------------|
| | BDT | BDT |
| 18. Loan from BPDB (*) | | |
| Opening balance | 4,741,600,000 | 3,280,000,000 |
| Add: Addition during the year | - | 2,261,600,000 |
| Less: Repayment during the year | 1,800,000,000 | 800,000,000 |
| Less: Current portion | 2,400,000,000 | - |
| Closing balance | 541,600,000 | 4,741,600,000 |
| (*) Repayment period: BDT 10 crore per month will have to be adjusted from electricity bills of plants 1 to 6 for the above three (3) loans. Thereafter, 20 crore per month will be adjusted after starting of commercial operation of 450 MW north project. | | |
| 19. Foreign loan | | |
| Overhauling unit # 3, 4 and 5 (note 19.1) | 520,946,652 | 653,844,772 |
| ADB loan(450 MW - north) (note 19.2) | 15,585,675,920 | 13,913,818,880 |
| IDB loan(450 MW - north) (note 19.3) | 8,805,441,403 | 7,979,312,618 |
| | 24,912,063,975 | 22,546,976,270 |
| 19.1 Overhauling unit # 3, 4 and 5 | | |
| Opening balance | 653,844,772 | 786,742,896 |
| Add: Addition during the year | - | - |
| Less: Repayment during the year | (66,449,060) | (132,898,124) |
| | 587,395,712 | 653,844,772 |
| Less: Current portion | (66,449,060) | - |
| Non-current portion | 520,946,652 | 653,844,772 |
| 19.2 ADB loan(450 MW - North) | | |
| Opening balance | 13,913,818,880 | 8,355,514,655 |
| Add: Addition during the year | 1,671,857,040 | 5,558,304,225 |
| Less: Repayment during the year | - | - |
| | 15,585,675,920 | 13,913,818,880 |
| Less: Current portion | - | - |
| Non-current portion | 15,585,675,920 | 13,913,818,880 |
| 19.3 IDB loan(450 MW - North) | | |
| Opening balance | 7,979,312,618 | 6,520,795,398 |
| Add: Addition during the year | 826,128,785 | 1,458,517,220 |
| | 8,805,441,403 | 7,979,312,618 |
| Less: Current portion | - | - |
| Non-current portion | 8,805,441,403 | 7,979,312,618 |
| 20. Export credit agency (ECA) loan | | |
| 450 MW (South) Project (note 20.1) | 22,497,415,958 | 21,459,606,903 |
| 225 MW Project (note 20.2) | 9,082,552,428 | 9,680,506,983 |
| | 31,579,968,386 | 31,140,113,886 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 20.1 450 MW (South) Project | | |
| CESCE facilities (note 20.1.1) | 2,550,236,097 | 2,569,234,030 |
| HERMES facilities (note 20.1.2) | 4,701,700,608 | 4,625,739,495 |
| MIGA facilities (20.1.3) | 8,624,498,071 | 8,849,464,539 |
| ONDD facilities (20.1.4) | 3,535,349,174 | 3,217,514,806 |
| Interest during construction period (IDCP) (note 20.1.5) | 932,808,398 | 1,153,646,724 |
| Add: Effect of exchange rate changes (note 20.1.6) | 2,152,823,610 | 1,044,007,309 |
| | 22,497,415,958 | 21,459,606,903 |
| The company has arranged an ECA loan facility for 450 MW CCP power plant, amounting to USD 420 million. The loan will be drawn within three years of the availability period and should be repaid with interest within 10 years after the project completion. The ECA loan was received in USD and it was converted to BDT at the rate prevailing on the disbursement date. | | |
| 20.1.1 CESCE facilities | | |
| Opening balance | 2,949,708,789 | 3,325,679,913 |
| Add: Addition during the year | 508,330,422 | - |
| Less: Repayment during the year | (451,882,348) | (375,971,124) |
| | 3,006,156,863 | 2,949,708,789 |
| Less: Current portion | (455,920,766) | (380,474,759) |
| Non-current portion | 2,550,236,097 | 2,569,234,030 |
| 20.1.2 HERMES facilities | | |
| Opening balance | 5,310,595,913 | 5,987,345,763 |
| Add: Addition during the year | 1,056,268,953 | - |
| Less: Repayment during the year | (830,184,248) | (676,749,850) |
| | 5,536,680,618 | 5,310,595,913 |
| Less: Current portion | (834,980,010) | (684,856,418) |
| Non-current portion | 4,701,700,608 | 4,625,739,495 |
| 20.1.3 MIGA facilities | | |
| Opening balance | 10,171,251,060 | 11,477,391,745 |
| Add: Addition during the year | 1,557,121,820 | - |
| Less: Repayment during the year | (1,545,033,516) | (1,306,140,685) |
| | 10,183,339,364 | 10,171,251,060 |
| Less: Current portion | (1,558,841,293) | (1,321,786,521) |
| Non-current portion | 8,624,498,071 | 8,849,464,539 |
| 20.1.4 ONDD facilities | | |
| Opening balance | 3,682,890,359 | 4,142,757,314 |
| Add: Addition during the year | 1,069,840,912 | - |
| Less: Repayment during the year | (605,983,249) | (459,866,955) |
| | 4,146,748,022 | 3,682,890,359 |
| Less: Current portion | (611,398,848) | (465,375,553) |
| Non-current portion | 3,535,349,174 | 3,217,514,806 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|----------------------|----------------------|
| | BDT | BDT |
| 20.1.5 Interest during construction period (IDCP) | | |
| Opening balance | 1,153,646,724 | 1,153,646,724 |
| Add: Addition during the year | - | - |
| Less: Error correction | (220,838,326) | - |
| | 932,808,398 | 1,153,646,724 |
| Less: Current portion | - | - |
| Non-current portion | 932,808,398 | 1,153,646,724 |
| 20.1.6 Effect of exchange rate changes | | |
| Opening balance | 1,044,007,309 | 148,231,202 |
| Add: Addition during the year | 1,108,816,301 | 895,776,107 |
| | 2,152,823,610 | 1,044,007,309 |
| 20.2 225 MW Project | | |
| HERMES facilities (note 20.2.1) | 3,059,685,309 | 3,615,572,633 |
| K-SURE facilities (note 20.2.2) | 4,614,561,685 | 5,457,810,717 |
| Interest during construction period (IDCP) (note 20.2.3) | 572,523,657 | 377,370,831 |
| Add: Effect of exchange rate changes (note 20.2.4) | 835,781,777 | 229,752,802 |
| | 9,082,552,428 | 9,680,506,983 |
| The company has arranged an ECA loan facility for 225 MW CCPP power plant, amounting to USD 193 million for the said plant. The loan will be drawn within three years of the availability period and should be repaid with interest within 10 years after the project completion. The ECA loan was received in USD and it was converted to BDT at the rate prevailing on the disbursement date. | | |
| 20.2.1 HERMES facilities | | |
| Opening balance | 4,155,490,325 | 4,686,314,330 |
| Add: Addition during the year | - | - |
| Less: Repayment during the year | (540,641,029) | (530,824,005) |
| | 3,614,849,296 | 4,155,490,325 |
| Less: Current portion | (555,163,987) | (539,917,692) |
| Non-current portion | 3,059,685,309 | 3,615,572,633 |
| 20.2.2 K-SURE facilities | | |
| Opening balance | 6,276,834,738 | 7,082,064,161 |
| Add: Addition during the year | - | - |
| Less: Repayment during the year | (820,121,282) | (805,229,423) |
| | 5,456,713,456 | 6,276,834,738 |
| Less: Current portion | (842,151,771) | (819,024,021) |
| Non-current portion | 4,614,561,685 | 5,457,810,717 |
| 20.2.3 Interest during construction period (IDCP) | | |
| Opening balance | 377,370,831 | 377,370,831 |
| Add: Addition during the year | - | - |
| Add: Error correction | 195,152,826 | - |
| | 572,523,657 | 377,370,831 |
| Less: Current portion | - | - |
| Non-current portion | 572,523,657 | 377,370,831 |
| 20.2.4 Effect of exchange rate changes | | |
| Opening balance | 229,752,802 | (168,632,268) |
| Add: Addition during the year | 606,028,975 | 398,385,070 |
| | 835,781,777 | 229,752,802 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|-------------------------------|--------------------------|
| | BDT | BDT |
| 21 Deferred tax | | |
| Details are given in Annex 10 (*) | 5,555,080,347 | 4,630,139,666 |
| *APSCL did not recognise deferred tax in the financial statements previously, which is now recognised in accordance with BAS 12: 'Income Taxes'. This treatment has been considered as a change in accounting policy, thus, retrospective effect has been given in accordance with BAS 8 "Accounting policy changes in accounting estimates and errors". | | |
| The following table summarises the adjustment made to the statement of financial position for correction of prior year's error: | | |
| Particulars | Deferred Tax liability | Retained earnings |
| Balance as at 01 July 2016, as previously reported | - | 3,653,723,463 |
| Adjustment for prior year's error | 2,706,298,261 | (2,706,298,261) |
| Restated balance as at 01 July 2016 | 2,706,298,261 | 947,425,202 |
| Restated balance as at 01 July 2016 | 2,706,298,261 | 947,425,202 |
| Profit for the year | | 1,507,187,204 |
| Adjustment for correction of error | 1,923,841,405 | (1,923,841,405) |
| Restated balance as at 30 June 2017 | 4,630,139,666 | 530,771,000 |
| | 2018 | 2017 |
| | BDT | BDT |
| 22. Advance land lease rent UAEL | | |
| Opening balance | 263,510,000 | - |
| Add: Addition during the year (note 22.1) | - | 304,050,000 |
| Less: Adjustment during the year | 20,270,000 | 20,270,000 |
| Less: Current portion | 20,270,000 | 20,270,000 |
| Closing balance | 243,240,000 | 263,510,000 |
| 22.1 APSCL received from United Ashuganj Energy Limited (UAEL) BDT 304,050,000 against upfront lease rent of demised premises of 6.42 acres of land for 15 years. BDT 304,050,000 is to be amortised within the lease period, i.e, 15 years. Yearly amortisation of the land lease rent is BDT 20,270,000. | | |
| Not later than 1 year | 20,270,000 | 20,270,000 |
| Later than 1 year not later than 5 years | 81,080,000 | 81,080,000 |
| Later than 5 years | 162,160,000 | 182,430,000 |
| | 243,240,000 | 263,510,000 |
| 23. Deferred- liabilities for gratuity | | |
| Opening balance | 255,231,634 | 220,081,432 |
| Add: Provision made during the year | 81,273,036 | 56,650,202 |
| | 336,504,670 | 276,731,634 |
| Less: Payment made during the year | 16,200,000 | 21,500,000 |
| Closing balance | 320,304,670 | 255,231,634 |
| 24. Provision for income tax | | |
| Opening balance | 1,024,812,189 | 1,141,952,686 |
| Add: Provision made during the year (note 24.1) | 133,717,076 | 94,982,267 |
| | 1,158,529,265 | 1,236,934,953 |
| Less: Adjustment with AIT/payment during the year | 94,987,267 | 52,145,071 |
| Less: Adjustment for over provision | - | 159,977,693 |
| Closing balance | 1,063,541,998 | 1,024,812,189 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | BDT | BDT |
| 24.1 This comprises of as under: | | |
| Minimum corporate income tax of BDT 133,717,076 which is calculated in accordance with section 82C of Income Tax Ordinance 1984 as imposed by the Finance Act 2017. | | |
| Calculation of minimum tax | | |
| Revenue | 21,773,269,662 | 15,660,032,053 |
| Other operating income | 159,652,231 | 129,208,702 |
| Finance income | 353,257,469 | 41,137,027 |
| Gross receipts | 22,286,179,362 | 15,830,377,782 |
| Minimum tax @ 0.60% on gross receipts of | 133,717,076 | 94,982,267 |
| 25. Current portion of Loan | | |
| BPDB loan- current portion (note 25.1) | 2,400,000,000 | - |
| Overhauling loan - current portion (note 25.2) | 279,579,657 | - |
| ECA loan- current portion (note 25.3) | 4,858,456,675 | 4,211,434,964 |
| | 7,538,036,332 | 4,211,434,964 |
| 25.1 BPDB loan- current portion | | |
| Opening balance | - | - |
| Add: Addition during the year | 2,400,000,000 | - |
| Less: payment during the year | - | - |
| Closing balance | 2,400,000,000 | - |
| 25.2 Overhauling loan - current portion | | |
| Opening balance | - | - |
| Add: Addition during the year | 279,579,657 | - |
| Less: Payment during the year | - | - |
| Closing balance | 279,579,657 | - |
| 25.3 ECA loan- current portion | | |
| Opening balance | 4,211,434,964 | - |
| Add: Addition during the year | 5,443,057,760 | 6,261,811,355 |
| Less: Payment during the year | (4,796,036,049) | (2,050,376,391) |
| Closing balance | 4,858,456,675 | 4,211,434,964 |
| 26. Liabilities for interest expense | | |
| Accrued interest on 450 MW (North) Government loan (note 26.1) | 57,636,998 | - |
| Accrued interest on overhauling unit # 3, 4 and 5 Government loan(note 26.2) | 117,093,258 | 175,639,887 |
| Accrued interest on loan from BPDB (note 26.3) | 246,352,110 | 122,293,151 |
| Accrued interest on overhauling unit # 3, 4 and 5 Foreign loan(note 26.4) | 208,349,804 | 312,524,706 |
| Accrued interest on ADB loan(450 MW - north) ((note 26.5) | 617,169,867 | 30,000,298 |
| Accrued interest on IDB loan(450 MW - north) (note 26.6)) | 352,478,273 | 16,918,994 |
| Accrued interest on ECA loan(450 MW - South) (note 26.7) | 34,951,673 | - |
| Accrued interest on ECA loan(225 MW CCCP Project) (note 26.8) | 9,144,449 | - |
| | 1,643,176,432 | 657,377,036 |
| 26.1 Accrued interest on 450 MW (North) Government loan | | |
| Opening balance | - | - |
| Add: Addition during the year | 57,636,998 | - |
| Less: Adjustment during the year | - | - |
| Closing balance | 57,636,998 | - |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|----------------------|----------------------|
| | BDT | BDT |
| 26.2 Accrued interest on overhauling unit # 3, 4 and 5 Government loan | | |
| Opening balance | 175,639,887 | 234,186,516 |
| Add: Addition during the year | - | - |
| Less: Adjustment during the year | (58,546,629) | (58,546,629) |
| Closing balance | 117,093,258 | 175,639,887 |
| 26.3 Accrued interest on loan from BPDB | | |
| Opening balance | 122,293,151 | - |
| Add: Addition during the year | 124,058,959 | 122,293,151 |
| Less: Adjustment during the year | - | - |
| Closing balance | 246,352,110 | 122,293,151 |
| 26.4 Accrued interest on overhauling unit # 3, 4 and 5 Foreign loan | | |
| Opening balance | 312,524,706 | 416,699,608 |
| Add: Addition during the year | - | - |
| Less: Adjustment during the year | (104,174,902) | (104,174,902) |
| Closing balance | 208,349,804 | 312,524,706 |
| 26.5 Accrued interest on ADB loan(450 MW - North) | | |
| Opening balance | 30,000,298 | - |
| Add: Addition during the year | 587,169,569 | 30,000,298 |
| Less: Adjustment during the year | - | - |
| Closing balance | 617,169,867 | 30,000,298 |
| 26.6 Accrued interest on IDB loan(450 MW - North) | | |
| Opening balance | 16,918,994 | - |
| Add: Addition during the year | 335,559,279 | 16,918,994 |
| Less: Adjustment during the year | - | - |
| Closing balance | 352,478,273 | 16,918,994 |
| 26.7 Accrued interest on ECA loan(450 MW - South) | | |
| Opening balance | - | - |
| Add: Addition during the year | 34,951,673 | - |
| Less: Adjustment during the year | - | - |
| Closing balance | 34,951,673 | - |
| 26.8 Accrued interest on ECA loan(225 MW CCCP Project) | | |
| Opening balance | - | - |
| Add: Addition during the year | 9,144,449 | - |
| Less: Adjustment during the year | - | - |
| Closing balance | 9,144,449 | - |
| 27. Trade payable | | |
| Fuel cost payable Unit 3,4 & 5 (note 27.1) | 642,390,431 | 442,875,383 |
| Fuel cost payable 50 MW Gas Engine (note 27.2) | 83,444,395 | 49,721,450 |
| Fuel cost payable 225 MW CCPP project (note 27.3) | 302,865,160 | 239,489,670 |
| Fuel cost payable 450 MW CCPP south (note 27.4) | 388,556,583 | 311,293,720 |
| Fuel cost payable 450 MW CCPP north (note 27.5) | 790,571,150 | 312,636,257 |
| Other Accounts payable | 33,076,059 | 4,898,739 |
| | 2,240,903,778 | 1,360,915,219 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|--------------------|--------------------|
| | BDT | BDT |
| 27.1 Fuel cost payable Unit 3,4 & 5 | | |
| Opening balance | 442,875,383 | 1,106,105,841 |
| Add: Addition during the year | 1,914,250,652 | 2,971,545,680 |
| Less: Payment during the year | (1,714,735,604) | (3,634,776,138) |
| Closing balance | 642,390,431 | 442,875,383 |
| 27.2 Fuel cost payable 50 MW Gas Engine | | |
| Opening balance | 49,721,450 | 31,245,904 |
| Add: Addition during the year | 256,367,290 | 173,839,571 |
| Less: Payment during the year | (222,644,345) | (155,364,025) |
| Closing balance | 83,444,395 | 49,721,450 |
| 27.3 Fuel cost payable 225 MW CCPP project | | |
| Opening balance | 239,489,670 | 187,336,198 |
| Add: Addition during the year | 1,009,865,886 | 798,801,962 |
| Less: Payment during the year | (946,490,396) | (746,648,490) |
| Closing balance | 302,865,160 | 239,489,670 |
| 27.4 Fuel cost payable 450 MW CCPP south | | |
| Opening balance | 311,293,720 | - |
| Add: Addition during the year | 1,559,038,760 | 1,322,966,700 |
| Less: Payment during the year | (1,481,775,897) | (1,011,672,980) |
| Closing balance | 388,556,583 | 311,293,720 |
| 27.5 Fuel cost payable 450 MW CCPP north | | |
| Opening balance | 312,636,257 | - |
| Add: Addition during the year | 1,380,067,371 | 312,636,257 |
| Less: Payment during the year | (902,132,478) | - |
| Closing balance | 790,571,150 | 312,636,257 |
| 28. Liabilities for expenses | | |
| Provision for uncollectable receivable | 183,793,917 | 183,793,917 |
| Withholding taxes | 30,532,318 | 54,040,166 |
| VAT payable | 66,534,227 | 18,303,245 |
| Security deposit (contractors and suppliers) | 8,014,280 | 6,890,976 |
| School fund | 7,020,595 | 6,496,595 |
| Overtime expense payable | 7,298,923 | 8,837,025 |
| Conveyance payable | 244,719 | 244,719 |
| Provision for audit fees | 230,000 | 150,000 |
| Elegant builders payable | 104,576 | 104,576 |
| Income tax consultancy fee payable | 60,000 | 60,000 |
| Provision for physical inventory verification | 50,000 | 50,000 |
| Dividend payable | 15,961 | 8,706 |
| | 303,899,516 | 278,979,925 |
| 29. worker's profit participation fund | | |
| Opening balance | 84,324,709 | 16,787,556 |
| Add: Provision made during the year | 229,184,513 | 84,324,709 |
| | 313,509,222 | 101,112,265 |
| Less: Payment made during the year | 84,324,709 | 16,787,556 |
| Closing balance | 229,184,513 | 84,324,709 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|-----------------------|-----------------------|
| | BDT | BDT |
| 30. Revenue (Sales) | | |
| Capacity payment (note 30.1) | 15,136,696,272 | 9,822,339,727 |
| Energy payment (O & M price) (note 30.2) | 2,585,246,112 | 3,289,992,652 |
| Energy payment (fuel price) (note 30.3) | 3,888,306,330 | 2,254,114,951 |
| Adjustment consumer price index (450 MW-S) | 79,338,223 | 38,067,779 |
| Adjustment consumer price index (225 MW) | 44,401,166 | 37,637,395 |
| Adjustment consumer price index (450 MW-N) | 39,281,559 | - |
| Arrear energy payment (unit 3,4,5 and 50 MW) | - | 65,812,477 |
| Sales 450 MW (South) before COD | - | 152,067,072 |
| | 21,773,269,662 | 15,660,032,053 |

The entire sales of the company are made to Bangladesh Power Development Board and recognised on the basis of Power Purchase agreement with BPDB for various segments of its performance of the said contract, like, capacity payment, energy payment, etc.

30.1 Capacity payment**(i) Unit 3,4,5**

| | | |
|-----------|----------------------|----------------------|
| July | 239,976,502 | 216,065,688 |
| August | 239,976,502 | 216,065,688 |
| September | 239,976,502 | 216,065,688 |
| October | 239,976,502 | 216,065,688 |
| November | 239,976,502 | 216,065,688 |
| December | 239,976,502 | 216,065,688 |
| January | 239,976,502 | 216,065,688 |
| February | 239,976,502 | 216,065,688 |
| March | 239,976,502 | 216,065,688 |
| April | 228,994,747 | 216,862,715 |
| May | 228,994,747 | 239,976,502 |
| June | 228,994,747 | 239,976,502 |
| | 2,846,772,759 | 2,641,406,911 |

(ii) 50 MW plant

| | | |
|-----------|--------------------|--------------------|
| July | 21,771,644 | 10,769,099 |
| August | 23,115,342 | 16,455,805 |
| September | 25,217,386 | 17,004,331 |
| October | 24,870,120 | 17,889,819 |
| November | 23,242,829 | 18,486,146 |
| December | 22,060,150 | 17,333,505 |
| January | 23,819,011 | 17,128,124 |
| February | 22,337,295 | 18,963,280 |
| March | 21,627,017 | 17,128,124 |
| April | 29,505,136 | 29,505,136 |
| May | 29,505,136 | 29,505,136 |
| June | 29,505,136 | 29,505,136 |
| | 296,576,202 | 239,673,641 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|----------------------------------|-----------------------|----------------------|
| | BDT | BDT |
| (iii) 225 MW plant | | |
| July | 279,567,226 | - |
| August | 281,785,067 | - |
| September | 231,533,009 | 88,419,785 |
| October | 289,796,348 | 190,846,767 |
| November | 104,335,740 | 239,886,257 |
| December | 266,001,658 | 276,532,986 |
| January | 288,316,139 | 278,769,560 |
| February | 290,126,053 | 284,155,030 |
| March | 287,195,763 | 285,892,209 |
| April | 287,195,763 | 290,443,757 |
| May | 287,702,562 | 234,831,132 |
| June | 287,829,262 | 274,617,035 |
| | 3,181,384,590 | 2,444,394,518 |
| (iv) 450 MW (South) plant | | |
| July | 473,255,363 | 157,425,285 |
| August | 499,879,566 | 488,018,384 |
| September | 498,677,490 | 437,200,362 |
| October | 499,484,413 | 282,455,054 |
| November | 504,863,899 | - |
| December | 506,208,771 | 321,773,118 |
| January | 507,015,694 | 354,488,399 |
| February | 507,822,617 | 321,553,151 |
| March | 460,087,003 | 461,756,225 |
| April | 379,387,625 | 448,466,779 |
| May | 488,714,879 | 241,159,719 |
| June | 503,044,360 | 416,474,055 |
| | 5,828,441,680 | 3,930,770,531 |
| (v) 450 MW (North) plant | | |
| July | 315,178,405 | - |
| August | 315,178,405 | - |
| September | 315,343,018 | - |
| October | 315,836,852 | - |
| November | 319,129,088 | - |
| December | 319,952,147 | - |
| January | 271,432,200 | - |
| February | 310,448,482 | 56,143,806 |
| March | 231,676,428 | 105,191,643 |
| April | 200,096,477 | 107,141,001 |
| May | 277,082,783 | 106,528,346 |
| June | 359,053,032 | 245,408,904 |
| | 3,550,407,317 | 620,413,700 |
| Capacity payment adjustment | 566,886,276 | 54,319,574 |
| Total capacity payment | 15,136,696,272 | 9,822,339,727 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | BDT | BDT |
| 30.2 Energy payment (O & M) | | |
| (i) Unit 3,4,5 | | |
| July | 171,892,827 | 269,508,645 |
| August | 167,556,063 | 295,655,613 |
| September | 218,476,725 | 265,060,469 |
| October | 221,466,387 | 288,800,622 |
| November | 208,905,919 | 241,963,155 |
| December | 197,550,282 | 236,215,151 |
| January | 89,520,936 | 280,076,661 |
| February | 77,757,152 | 204,100,064 |
| March | 137,412,224 | 220,588,901 |
| April | 144,986,691 | 223,065,584 |
| May | 137,760,246 | 233,996,125 |
| June | 123,659,034 | 171,826,849 |
| | 1,896,944,486 | 2,930,857,839 |
| (ii) 50 MW plant | | |
| July | 20,104,836 | 8,949,843 |
| August | 21,350,978 | 13,675,565 |
| September | 23,289,474 | 13,668,217 |
| October | 22,974,152 | 14,868,279 |
| November | 20,798,639 | 12,250,453 |
| December | 20,402,062 | 14,405,811 |
| January | 22,020,289 | 14,235,076 |
| February | 18,635,484 | 13,366,130 |
| March | 19,975,617 | 15,883,787 |
| April | 18,861,849 | 15,083,024 |
| May | 21,763,086 | 14,591,957 |
| June | 21,103,142 | 15,407,070 |
| | 251,279,608 | 166,385,212 |
| (iii) 225 MW plant | | |
| July | 9,643,613 | - |
| August | 9,674,538 | - |
| September | 7,651,491 | 2,900,600 |
| October | 9,525,221 | 6,861,912 |
| November | 3,186,400 | 6,976,694 |
| December | 8,660,105 | 6,370,068 |
| January | 8,429,122 | 7,734,450 |
| February | 8,798,441 | 7,119,286 |
| March | 8,567,077 | 8,627,881 |
| April | 6,050,208 | 6,198,013 |
| May | 2,433,659 | 5,837,609 |
| June | 8,442,008 | 8,983,277 |
| | 91,061,883 | 67,609,790 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|----------------------|----------------------|
| | BDT | BDT |
| (iv) 450 MW (South) plant | | |
| July | 13,176,086 | 3,736,282 |
| August | 12,609,527 | 3,339,802 |
| September | 8,749,280 | 9,305,860 |
| October | 16,037,729 | 9,410,192 |
| November | 15,341,929 | - |
| December | 14,978,740 | 8,961,191 |
| January | 10,103,862 | 10,893,519 |
| February | 12,642,523 | 9,161,043 |
| March | 6,834,995 | 16,557,276 |
| April | 9,758,264 | 13,353,521 |
| May | 13,346,697 | 6,579,366 |
| June | 13,643,190 | 8,276,524 |
| | 147,222,822 | 99,574,576 |
| (v) 450 MW (North) plant | | |
| July | 15,859,286 | - |
| August | 16,505,073 | - |
| September | 16,768,982 | - |
| October | 13,772,314 | - |
| November | 21,259,060 | - |
| December | 4,266,468 | - |
| January | 21,600,501 | - |
| February | 21,117,209 | 401,355 |
| March | 17,859,317 | 86,489 |
| April | 12,407,991 | 2,863,267 |
| May | 20,478,178 | 6,814,239 |
| June | 16,842,934 | 15,399,885 |
| | 198,737,313 | 25,565,235 |
| Total energy payment (O & M Price) | 2,585,246,112 | 3,289,992,652 |
| 30.3 Energy payment (fuel price) | | |
| (i) 225 MW plant | | |
| July | 102,956,619 | - |
| August | 103,523,837 | - |
| September | 81,965,507 | 33,877,291 |
| October | 104,647,168 | 76,221,410 |
| November | 36,293,528 | 79,794,589 |
| December | 98,721,035 | 75,288,519 |
| January | 97,471,777 | 90,076,164 |
| February | 96,436,569 | 80,918,717 |
| March | 102,400,798 | 95,190,288 |
| April | 74,333,073 | 66,019,541 |
| May | 30,316,420 | 65,419,177 |
| June | 103,131,003 | 98,340,560 |
| | 1,032,197,334 | 761,146,256 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | BDT | BDT |
| (ii) 450 MW (South) plant | | |
| July | 152,427,251 | 128,322,252 |
| August | 147,535,703 | 38,310,074 |
| September | 99,595,828 | 120,363,900 |
| October | 172,898,980 | 109,895,209 |
| November | 165,462,374 | - |
| December | 162,991,604 | 117,040,373 |
| January | 126,481,442 | 121,147,078 |
| February | 143,585,838 | 95,891,139 |
| March | 93,648,046 | 153,371,966 |
| April | 115,435,994 | 134,105,837 |
| May | 154,253,673 | 76,704,127 |
| June | 148,744,162 | 120,459,253 |
| | 1,683,060,895 | 1,215,611,208 |
| (iii) 450 MW (North) plant | | |
| July | 96,075,852 | - |
| August | 98,261,128 | - |
| September | 98,882,640 | - |
| October | 80,937,474 | - |
| November | 120,119,652 | - |
| December | 26,805,232 | - |
| January (before COD) | 131,127,229 | 77,055,951 |
| February | 125,874,058 | 2,269,446 |
| March | 103,704,029 | 1,055,638 |
| April | 76,295,561 | 16,791,710 |
| May | 118,470,702 | 73,643,882 |
| June | 96,494,544 | 106,540,860 |
| | 1,173,048,101 | 277,357,487 |
| Total energy payment (fuel price) | 3,888,306,330 | 2,254,114,951 |

31. Cost of sales

| | | |
|--|-----------------------|----------------------|
| Fuel cost - gas and diesel (note 31.1) | 6,119,641,693 | 5,579,827,856 |
| Depreciation on plant and machinery (Annex 1) | 1,291,338,160 | 1,288,280,838 |
| Depreciation on overhauling (Annex 1) | 607,036,786 | 607,036,786 |
| Depreciation on project cost (Annex 1) | 2,938,984,754 | 1,849,236,426 |
| Repair and maintenance (note 31.2) | 524,817,445 | 309,760,036 |
| | 11,481,818,838 | 9,634,141,942 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | BDT | BDT |
| 31.1 Fuel cost - gas and diesel | | |
| Cost of gas | | |
| (i) Unit -3, 4, 5 | | |
| July | 169,822,893 | 266,454,394 |
| August | 164,443,186 | 299,099,690 |
| September | 222,035,833 | 268,512,178 |
| October | 217,576,677 | 289,859,106 |
| November | 209,247,692 | 241,111,537 |
| December | 196,139,076 | 234,482,503 |
| January | 92,594,864 | 272,234,827 |
| February | 78,821,934 | 199,754,672 |
| March | 141,779,695 | 224,793,767 |
| April | 147,346,594 | 232,367,623 |
| May | 143,046,406 | 244,144,030 |
| June | 131,395,802 | 198,731,353 |
| | 1,914,250,652 | 2,971,545,680 |
| (ii) 50 MW plant | | |
| July | 20,728,671 | 9,287,208 |
| August | 21,914,455 | 14,021,161 |
| September | 23,815,552 | 14,088,238 |
| October | 23,474,869 | 15,209,766 |
| November | 21,106,351 | 12,399,470 |
| December | 20,758,931 | 14,400,494 |
| January | 22,154,747 | 14,350,571 |
| February | 18,969,319 | 13,464,011 |
| March | 20,155,128 | 16,897,202 |
| April | 19,191,442 | 16,078,094 |
| May | 22,454,641 | 15,985,933 |
| June | 21,643,184 | 17,657,423 |
| | 256,367,290 | 173,839,571 |
| (iii) 225 MW plant | | |
| July | 100,364,706 | - |
| August | 100,764,285 | - |
| September | 79,938,413 | 48,517,623 |
| October | 101,707,024 | 86,237,422 |
| November | 35,646,756 | 77,756,201 |
| December | 94,622,297 | 74,640,860 |
| January | 100,325,383 | 90,089,302 |
| February | 93,631,862 | 87,763,524 |
| March | 100,157,717 | 94,307,360 |
| April | 72,306,791 | 64,140,957 |
| May | 30,265,782 | 80,037,118 |
| June | 100,134,870 | 95,311,595 |
| | 1,009,865,886 | 798,801,962 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | BDT | BDT |
| (iv) 450 MW plant (South) | | |
| July | 141,592,019 | 238,233,256 |
| August | 132,152,850 | 45,691,473 |
| September | 92,056,874 | 127,097,022 |
| October | 160,949,076 | 123,722,083 |
| November | 154,030,898 | 61,549 |
| December | 150,484,651 | 107,705,433 |
| January | 117,424,627 | 131,518,771 |
| February | 131,110,975 | 107,819,220 |
| March | 90,680,207 | 129,824,173 |
| April | 104,939,312 | 124,498,738 |
| May | 141,349,293 | 69,907,306 |
| June | 142,267,978 | 116,887,676 |
| | 1,559,038,760 | 1,322,966,700 |
| (v) 450 MW plant (North) | | |
| July | 130,409,430 | - |
| August | 113,175,425 | - |
| September | 113,030,116 | - |
| October | 103,970,320 | - |
| November | 134,443,309 | - |
| December | 36,602,880 | - |
| January (before COD) | 142,718,281 | 77,055,951 |
| February | 128,910,930 | 1,689,842 |
| March | 121,152,902 | 5,967,702 |
| April | 111,116,698 | 47,738,020 |
| May | 138,830,410 | 73,643,882 |
| June | 105,706,670 | 106,540,860 |
| | 1,380,067,371 | 312,636,257 |
| Total cost of gas | 6,119,589,959 | 5,579,790,170 |
| Total cost of gas | 6,119,589,959 | 5,579,790,170 |
| Cost of diesel | 51,734 | 37,686 |
| Total fuel cost - gas and diesel | 6,119,641,693 | 5,579,827,856 |
| 31.2 Repair and maintenance | | |
| Chemical and gas consumption | 42,706,662 | 36,928,128 |
| Lube oil, grease, vaseline etc. | 33,349,546 | 28,855,304 |
| Spare parts | 288,730,404 | 133,023,039 |
| Repair and maintenance plant and machinery | 160,030,833 | 110,953,565 |
| | 524,817,445 | 309,760,036 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|----------------------|--------------------|
| | BDT | BDT |
| 32. Other operating Income | | |
| Sale of scraps | 40,671,283 | 3,974,214 |
| Forfeited of pay order | 1,457,152 | 474,500 |
| House rent | 90,224,761 | 90,087,418 |
| Received electricity bill from house rent | 255,868 | - |
| Income from lease rent amortization | 20,270,000 | 20,270,000 |
| Income from recruitment | 1,401,100 | 10,047,700 |
| Income from power plant training center | 94,200 | 220,600 |
| Sale of hydrogen gas | 22,082 | 21,262 |
| Sale of tender documents | 1,891,100 | 1,569,100 |
| Miscellaneous income | 3,364,685 | 2,543,908 |
| | 159,652,231 | 129,208,702 |
| 33. Personnel expenses | | |
| Salary and allowances (executive directors) | 12,282,519 | 12,715,120 |
| Salary and allowances (workers) | 322,767,254 | 295,836,378 |
| Salary and allowances (officers) | 313,161,851 | 274,255,059 |
| KPI bonus | 40,497,037 | - |
| Overtime allowance | 46,308,385 | 47,949,652 |
| Employer's contribution to CPF | 36,818,495 | 31,074,447 |
| Festival allowances (workers) | 28,858,991 | 24,973,391 |
| Leave encashment | 29,561,960 | 45,611,010 |
| Domestic gas and electricity for employees | 19,808,751 | 17,979,470 |
| Festival allowances (officers) | 31,050,295 | 26,552,546 |
| Salaries (casual employees) | 36,636,240 | 24,168,316 |
| Uniform and liveries | 2,418,930 | 4,579,880 |
| Education allowance | 5,310,818 | 5,534,245 |
| Conveyance | 27,078,690 | 21,294,588 |
| Bangla new year allowance | 6,408,728 | 5,428,617 |
| Group insurance premium | 7,403,981 | 5,754,855 |
| Employees welfare and recreation expenses | 2,392,607 | 2,070,805 |
| Festival allowances (casual employees) | 5,546,442 | 3,064,156 |
| Gratuity (note 33.1) | 82,421,736 | 57,370,322 |
| Festival allowances (executive directors) | 1,295,080 | 1,251,000 |
| Medical expenses re-imbrued | 13,851,912 | 11,113,757 |
| | 1,071,880,702 | 918,577,614 |
| 33.1. Gratuity | | |
| Gratuity (executive directors) | 1,650,895 | 1,269,920 |
| Gratuity (officers) | 42,666,496 | 28,120,190 |
| Gratuity (worker) | 36,955,645 | 27,260,092 |
| Gratuity (casual employees) | 1,148,700 | 720,120 |
| | 82,421,736 | 57,370,322 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|---|--------------------|-------------------|
| | BDT | BDT |
| 34. Office and Other Expenses | | |
| Directors' honorarium | 2,592,000 | 1,898,684 |
| Board meeting expenses | 956,645 | 559,836 |
| Committee meeting expenses | 3,382,079 | 2,980,876 |
| AGM and EGM expenses | 3,734,837 | 1,948,790 |
| Audit fee | 230,000 | 150,000 |
| Hospitalization benefit | 429,606 | 112,762 |
| Legal expenses | 7,169,582 | 344,555 |
| Advertising and procurement processing expenses | 5,136,564 | 4,513,020 |
| Recruitment and appointment affairs expenses | 2,092,130 | 7,955,273 |
| Printing and stationery | 4,085,752 | 4,836,584 |
| Postage, internet and telephone | 2,745,578 | 1,653,974 |
| Newspapers and periodicals | 342,155 | 247,693 |
| Entertainment | 2,013,424 | 3,489,471 |
| Training and education | 2,083,035 | 1,807,503 |
| Honorarium to technical committee members | - | 12,000 |
| Bank charges | 743,758 | 472,862 |
| Travelling and daily allowances | 15,901,188 | 10,519,052 |
| Defense service expense | 2,033,965 | 2,100,087 |
| Bond issue expense | 11,115,250 | - |
| Corporate office maintenance (Dhaka office) | 1,486,098 | 434,280 |
| Business development expense | 31,367,430 | 13,642,787 |
| | 99,641,076 | 59,680,089 |
| 35. Repair and maintenance | | |
| Carriage inward, freight and handling | 1,353,426 | 1,481,028 |
| Insurance expenses (vehicle) | 937,122 | 658,620 |
| Cleaning and gardening | 10,111,403 | 8,585,063 |
| Building maintenance | 32,832,473 | 24,604,316 |
| Roads and other civil maintenance | 2,863,042 | 3,561,933 |
| Electrical maintenance | 3,554,516 | 3,137,756 |
| Rent, rates and taxes | 77,077,643 | 5,524,376 |
| Annual license renewal fees | 5,453,700 | 1,748,460 |
| Consultancy services | 11,221,467 | 4,663,402 |
| Transformer oil, silica Jell, etc. | 815,591 | 1,255,794 |
| Other operating expenses | 3,669,010 | 5,131,457 |
| Repair of office equipment and furniture | 79,670 | 118,050 |
| Fuel for transport | 6,952,368 | 6,035,473 |
| Vehicle rent | 1,300,330 | |
| Vehicle maintenance | 3,837,778 | 4,757,079 |
| | 162,059,539 | 71,262,807 |
| 36. Depreciation expenses | | |
| As per existing value - Annex-1(a) | 68,714,258 | 64,983,010 |
| | 68,714,258 | 64,983,010 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | BDT | BDT |
| 37. Finance income | | |
| Interest income | 70,463,069 | 41,137,027 |
| Dividend income | 282,794,400 | - |
| | 353,257,469 | 41,137,027 |
| 38. Financial expenses | | |
| Interest on government loan (overhauling) | 89,514,850 | 89,514,850 |
| Interest on loan from BPDB | 124,058,959 | 122,293,151 |
| Interest on foreign loan (overhauling) | 74,422,948 | 74,422,948 |
| Interest on 225 MW ECA loan | 732,013,387 | 793,842,167 |
| Interest on 450 MW (South) ECA loan | 1,357,666,442 | 1,337,982,147 |
| Interest on 450 MW (North) | 981,785,628 | 46,919,292 |
| Loan adjustment of overhauling | (162,721,532) | (162,721,532) |
| | 3,196,740,682 | 2,302,253,023 |
| 39. Foreign currency fluctuation (gain)/loss | | |
| 225 MW ECA loan | 606,028,977 | 398,385,070 |
| 450 MW (South) ECA loan | 1,108,816,302 | 895,776,106 |
| USD bank account | (93,211,265) | (41,198,365) |
| | 1,621,634,015 | 1,252,962,811 |
| 40. Provision no longer required | | |
| During this year | - | 159,977,693 |
| As per Income Tax Ordinance, 1984, Section 93(3) (b) and BAS-37, Para-59, over provision for income tax for the year beyond six years Tk. 159,977,693 is no longer required. For this reason this amount is written back in the income statement as income during this period. | | |
| 41. Earnings per share | | |
| Profit after tax | 3,295,847,982 | 1,507,187,204 |
| Profit/(loss) after tax (before restatment) | 3,295,847,982 | 1,507,187,204 |
| Adjustment for correction of error (note 21) | - | (1,923,841,405) |
| Profit/(loss) after tax (restated) | 3,295,847,982 | (416,654,201) |
| Profit attributable to ordinary shareholders (restated) | 3,295,847,982 | (416,654,201) |
| Total weighted average number of shares outstanding during the year | 66,150,000 | 66,150,000 |
| Profit attributable to ordinary shareholders (before restatment) | 3,295,847,982 | 1,507,187,204 |
| Weighted-average number of ordinary shares outstanding during the year (note 41.1) | 66,150,000 | 66,150,000 |
| Number of shares as dilutive potential ordinary shares 41.2 | 103,114,680 | 103,114,680 |
| Weighted-average number of ordinary shares outstanding during the year/period (diluted) (41.1+41.2) | 169,264,680 | 169,264,680 |
| Basic earnings per share (before restatment) | 49.82 | 22.78 |
| Diluted earnings per share (before restatment) | 19.47 | 8.90 |
| Basic earnings per share (Restated) | 49.82 | (6.30) |
| Diluted earnings per share (Restated) | 19.47 | (2.46) |

The calculation of diluted earnings/(loss) per share has been based on the following profit/(loss) attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The shares currently in the form of Equity of BPDB, Direct Grant, Subordinated loan - debt service liabilities (note 13,14 and 16) which will be converted to share capital of the company after observing due regulatory processes are stated as dilutive potential ordinary shares here.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

41.1 Weighted average number of ordinary shares outstanding during the year

Year 2018

At 01 July 2017 (no. of shares)

Time weight Weighted no. of share

365/365 66,150,000

Total weighted average no. of ordinary shares outstanding at the end of the period

Year 2017

At 01 July 2016 (no. of shares)

365/365 66,150,000

Total weighted average no. of ordinary shares outstanding at the end of the period.

365/365 66,150,000

41.2 Weighted average number of diluted ordinary shares outstanding during the year

Year 2018

At 01 July 2017 (no. of shares)

Time weight Weighted no. of share

Equity of BPDB

365/365 55,726,150

Direct grant

365/365 3,441,820

Subordinated loan - debt service liabilities

365/365 10,252,300,000

Total weighted average no. of ordinary shares outstanding at the end of the period.

103,114,680

Year 2017

At 01 July 2016 (no. of shares)

365/365 55,726,150

Equity of BPDB

365/365 3,441,820

Direct grant

365/365 10,252,300,000

Subordinated loan - debt service liabilities

Total weighted average no. of ordinary shares outstanding at the end of the period.

103,114,680

42. Related parties disclosure

In accordance with BAS 24: Related Party Disclosures, amount of transactions during the period and outstanding balances as of the end of report period with the entity's related parties are disclosed as follows:

| Name of the Related Party | Nature of Relationship | Nature of Transaction | | |
|---|------------------------|---|----------------------|----------------------|
| Bangladesh Power Development Board (BPDB) | Majority Shareholder | (A) Accounts Receivable | | |
| | | Opening balance | 3,851,435,686 | 2,882,317,011 |
| | | Addition during the year: | | |
| | | Sales | 21,773,269,662 | 15,660,032,053 |
| | | Other adjustment | | - |
| | | Adjustment for debt service liability (DSL) | | - |
| | | Payment / adjustment made during the year: | | |
| | | Fuel cost paid by BPDB (receivable) | (1,714,735,604) | (3,634,776,138) |
| | | Cash collection | (14,678,653,982) | (9,559,571,994) |
| | | Loan adjustment | (1,853,800,000) | (1,149,600,000) |
| | | Debt service liability (DSL) | (389,717,454) | (346,965,246) |
| | | Closing balance | <u>6,987,798,308</u> | <u>3,851,435,686</u> |
| | | (B) Other Receivable | | |
| | | Opening balance | 141,918,893 | - |
| | | Less: Received operational insurance | (141,918,893) | - |
| | | Add: Operational insurance premium | 88,415,108 | 141,918,893 |
| | | Closing balance | <u>88,415,108</u> | <u>141,918,893</u> |
| | | (C) Loan from BPDB | | |
| | | Opening balance | 4,741,600,000 | 3,280,000,000 |
| | | Addition during the year | - | 2,261,600,000 |
| | | Payment made during the year | (1,800,000,000) | (800,000,000) |
| | | Current portion | (2,400,000,000) | - |
| | | Closing balance | <u>541,600,000</u> | <u>4,741,600,000</u> |
| | | (D) Interest on BPDB Loan | | |
| | | Opening balance | 122,293,151 | - |
| | | Add: Accrued during the year | 124,058,959 | 122,293,151 |
| | | Closing balance | <u>246,352,110</u> | <u>122,293,151</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | 2018 | 2017 |
|--|--------------------|----------------------|
| | BDT | BDT |
| 42.1 Key management personnel compensation comprises: | | |
| Short term benefits (salary and other allowances) | 42,645,253 | 34,271,943 |
| Post employment benefits (provident fund) | 5,204,464 | 4,165,300 |
| Post employment benefits (Gratuity) | 5,421,316 | 3,471,083 |
| Total | 53,271,033 | 41,908,326 |
| (*) Key management personnel includes employees of the rank of Deputy General Manager and above. | | |
| (*) No loans to Directors of the Company were given during the period. | | |
| 42.2 Investment in related party | | |
| APSCL has no investment in related party. | | |
| 42.3 Loan from related party (BPDB) | | |
| Opening Balance | 4,741,600,000 | 3,280,000,000 |
| Addition during the year | - | 2,261,600,000 |
| Payment during the year | (1,800,000,000) | (800,000,000) |
| Current Portion | (2,400,000,000) | - |
| Non-Current Portion | 541,600,000 | 4,741,600,000 |

43. Contingent assets

Contingent asset is a possible asset that arises from past events, the existence of which can be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset must not be recognized. Only when the realization of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent. During the considering period July 2017 to June 2018 APSCL had not contingent asset.

44. Contingent liabilities

Contingent liability is a possible obligation that arises from past events, the existence of which can be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liability should not be recognized in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met. During the considering period July 2017 to June 2018 APSCL had not contingent liability.

45. Events after balance sheet date

The Board of Directors of APSCL has recommended a cash dividend @5% on paid up capital amounting to BDT 33,07,50,000 for the year ended 30 June 2018 in its meeting dated 07 November 2018. The dividend will be subject to approval of the shareholders in the next 18th Annual General Meeting scheduled to be held on 29 November 2018. There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

46. Number of employees and remuneration of Managing Director

| | | |
|--------------------------------|------------------|------------------|
| Number of employees | 750 | 727 |
| Managing Director remuneration | 3,406,020 | 3,431,000 |

47. Capital commitments

Bangladesh Securities Exchange Commission (BSEC) has been approved APSCL to issue bond of Tk. 500 crore through private placement. To raise fund through the issuance of bond is under processing. Investment commitment of Tk. 330 crore has already been received commitment from potential investor.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

48. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

The Board 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. The Board is assisted in its oversight role by Audit Committee, undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit Risk: Credit risk is the risk of financial loss to the company if a customer or counterparty fails to meet its contractual obligations. The company's sales are made to Bangladesh Power Development Board (BPDB) under the conditions of long term Power Purchase Agreement (PPA). Sales made to that entity are fully secured by Letters of Credit issued by local scheduled banks.

Liquidity Risk: Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of cash forecast, prepared based of time line of payment of the financial obligation and accordingly arrange for sufficient fund to make the expected payment within due date.

Market Risk: Market risk is the risk that changes in market forces such as foreign exchanges rates and interest rate that will affect the company's income or value of its holding of financial instruments. The objectives of market risk management are to manage and control market risk exposures within acceptable parameters, while optimizing the return. APSCL has already taken necessary measures such as interest rate SWAP in order to address such market risk.

| | 2018 | 2017 |
|--|------|------|
| | BDT | BDT |

49. Financial Ratio

49.1 Current Ratio :

| | | |
|---------------------|-----------------|------------------|
| | 1.23 : 1 | 1.369 : 1 |
| Current asset | 14,631,988,707 | 10,458,718,872 |
| Current liabilities | 13,039,012,568 | 7,638,114,041 |

49.2 Quick Ratio :

| | | |
|--------------------------|------------------|------------------|
| | 1.011 : 1 | 1.203 : 1 |
| Quick asset/Liquid asset | 13,190,945,064 | 9,191,560,037 |
| Quick liabilities | 13,039,012,568 | 7,638,114,041 |

49.3 Net Asset Value (NAV) per share (restarted)

| | | |
|--|----------------|----------------|
| Net assets (Total assets- liabilities) | 16,093,815,946 | 12,963,342,964 |
| Number of ordinary shares outstanding | 66,150,000 | 66,150,000 |
| Net Asset Value (NAV) per share | 243.293 | 195.97 |

49.4 Net Operating Cash Flow Per Share (NOCFPS)

| | | |
|---|---------------|---------------|
| Net operating cash flows | 9,202,921,962 | 5,326,056,092 |
| Number of ordinary shares outstanding | 66,150,000 | 66,150,000 |
| Net Operating Cash Flows Per Share (NOCFPS) | 139.12 | 80.51 |

49.5 Debt Equity Ratio :

| | | |
|---------------------|----------------|----------------|
| | 4.78 | 5.98 |
| Long term debt | 76,875,834,909 | 77,507,410,179 |
| Shareholders equity | 16,093,815,946 | 12,963,342,964 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

| | | 2018 | 2017 |
|--|----------------------|---------------|-----------------|
| | | BDT | BDT |
| 49.6 Earnings/(loss) per share | | | |
| Basic earnings/(loss) per share (BDT 100 per share) | | 49.82 | 22.78 |
| | Net Income | 3,295,847,982 | 1,507,187,203 |
| | No. of Share Issued | 66,150,000 | 66,150,000 |
| Diluted earnings/(loss) per share (BDT 100 per share) | | 19.47 | 8.90 |
| | Net Income | 3,295,847,982 | 1,507,187,203 |
| | Diluted No. of Share | 169,264,680 | 169,264,680 |
| Restated: | | | |
| Profit before tax for the year ended 30 June 2017, as previously reported. | | | 1,507,187,203 |
| Error correction (note 21) | | | (1,923,841,405) |
| Restated Profit after tax | | | (416,654,202) |
| Basic earnings/(loss) per share (BDT 100 per share) | | | (6.30) |
| | Net Income | | (416,654,202) |
| | No. of Share Issued | | 66,150,000 |
| Diluted earnings/(loss) per share (BDT 100 per share) | | | (2.46) |
| | Net Income | | (416,654,202) |
| | No. of Share Issued | | 169,264,680 |

50. General

- Figures in these notes and in the annexed financial statements have been rounded off to the nearest BDT.
- Previous period's figures have been rearranged, wherever considered necessary, to conform to current period's presentation without causing any impact on the operating results for the period and value of assets and liabilities at the end of that period as shown in the financial statements under reporting.
- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

For and on behalf of Board of Directors of Ashuganj Power Station Company Ltd

Sd/-
Company SecretarySd/-
Executive Director (Finance)Sd/-
Managing DirectorSd/-
DirectorDhaka, Bangladesh
Dated, 08 November 2018

DETAILS OF PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2018

ANNEX I

| Particulars | Cost | | | | Rate (%) | Depreciation | | | Carrying amount/ Written down value at 30 June |
|------------------------|-----------------------|--------------------------------|--------------------------------|-----------------------|--------------|-----------------------|------------------------|-----------------------|---|
| | At 01 July | Addition during the year | Transfer during the year | Total at 30 June | | At 01 July | Charge for the year | Total at 30 June | |
| | BDT | BDT | BDT | BDT | | BDT | BDT | BDT | BDT |
| Land | 1,180,354 | 201,432,843.00 | - | 202,613,197 | - | - | - | - | 202,613,197 |
| Building | 2,520,823,563 | 7,894,158 | - | 2,528,717,721 | 1.55 - 13.33 | 735,160,891 | 52,718,431 | 787,879,322 | 1,740,838,399 |
| Plant and machinery | 23,332,251,987 | 164,191,742 | 390,027,259 | 23,886,470,988 | 5 - 40 | 13,004,064,309 | 1,291,338,160 | 14,295,402,469 | 9,591,068,519 |
| Office equipments | 51,514,637 | 7,535,992 | - | 59,050,629 | 10 - 33.33 | 33,175,930 | 4,541,410 | 37,717,340 | 21,333,289 |
| Vehicles | 97,784,346 | 8,107,500 | - | 105,891,846 | 12.5 | 44,333,899 | 8,533,039 | 52,866,938 | 53,024,908 |
| Furniture and fixtures | 20,306,308 | 4,334,115 | - | 24,640,423 | 20 | 16,538,682 | 2,921,378 | 19,460,060 | 5,180,363 |
| Overhauling project | 8,498,515,000 | - | - | 8,498,515,000 | 7.14 | 4,345,714,670 | 607,036,786 | 4,952,751,456 | 3,545,763,544 |
| Total 2018 | 34,912,403,454 | 393,496,350 | 390,027,259 | 35,305,899,804 | | 18,178,988,381 | 1,967,089,204 | 20,146,077,585 | 15,159,822,219 |
| Total 2017 | 34,478,010,742 | 44,365,453 | - | 34,522,376,195 | | 16,406,116,993 | 1,772,871,388 | 18,178,988,381 | 16,343,387,814 |

ANNEX IA

| | |
|--|----------------------|
| Total depreciation | 1,967,089,204 |
| Less: Depreciation of plant and machinery - COGS | 1,291,338,160 |
| Less: Depreciation overhauling project - COGS | 607,036,786 |
| | 68,714,258 |
| Depreciation on property, plant and equipment | 1,967,089,204 |
| Depreciation for 225 MW | 693,355,053 |
| Depreciation for 450 MW CCPP (south) | 1,289,107,500 |
| Depreciation for 450 MW CCPP (north) | 956,522,201 |
| Total depreciation | 4,906,073,958 |

DEVELOPMENT/PROJECT COST*For the year ended 30 June 2018***ANNEX 2**

| Particulars | Cost | | | | Rate (%) | Depreciation | | | Written down value at 30 June |
|--|----------------|------------------|--------------------------|------------------|----------|---------------|---------------------|------------------|-------------------------------|
| | At 01 July | Error correction | Addition during the year | Total at 30 June | | 01 July 2017 | Charge for the year | Total at 30 June | |
| | BDT | | BDT | BDT | | BDT | BDT | BDT | |
| 225 MW Combined Cycle Power Plant (Annex 3A) | 18,137,337,719 | 195,152,826 | 5,127,297 | 18,337,617,842 | 4 | 1,528,922,342 | 693,355,053 | 2,222,277,395 | 16,115,340,447 |
| 450 MW (South) Project (Annex 3B) | 31,162,954,735 | (220,838,326) | 5,521,817,876 | 36,463,934,285 | 4 | 1,111,736,871 | 1,289,107,498 | 2,400,844,369 | 34,063,089,916 |
| 450 MW (North) Project (Annex 3C) | 23,815,353,244 | - | 2,712,567,260 | 26,527,920,504 | 4 | 49,588,133 | 956,522,200 | 1,006,110,333 | 25,521,810,170 |
| Total 2018 | 73,115,645,698 | (25,685,500) | 8,239,512,433 | 81,329,472,631 | | 2,690,247,346 | 2,938,984,751 | 5,629,232,097 | 75,700,240,533 |

DETAILS OF CAPITAL WORK-IN-PROGRESS

As at 30 June 2018

| 225 MW combined cycle power plant | | | ANNEX 3A |
|-----------------------------------|----------------|--------------------------|----------------|
| Particulars | 01 June 2017 | Addition during the year | 30 June 2018 |
| | BDT | BDT | BDT |
| Office furniture | 739,730 | - | 739,730 |
| Building | 1,928,052 | - | 1,928,052 |
| Land development | 3,701,442 | - | 3,701,442 |
| Civil works | 22,373,367 | - | 22,373,367 |
| Advance payment against LC | 2,035,083,078 | - | 2,035,083,078 |
| Plant and machinery | 11,695,766,434 | 5,000,000 | 11,700,766,434 |
| LC commission | 159,397,771 | - | 159,397,771 |
| Bank charges and others | 579,323 | - | 579,323 |
| Premium | 1,856,064,509 | - | 1,856,064,509 |
| Fees, rent, rates and taxes | 888,332,141 | 127,297 | 888,459,438 |
| Printing and stationary | 289,801 | - | 289,801 |
| Consultancy services | 13,851,148 | - | 13,851,148 |
| Entertainment | 121,037 | - | 121,037 |
| Travelling and daily allowance | 200,528 | - | 200,528 |
| Office equipment | 712,260 | - | 712,260 |
| Store equipment | 5,947,774 | - | 5,947,774 |
| Salary and allowances | 10,418,562 | - | 10,418,562 |
| CD VAT | 1,078,691,630 | - | 1,078,691,630 |
| Other operating expense | 5,440,786 | - | 5,440,786 |
| Interest expense | 265,596,439 | - | 265,596,439 |
| Legal expense | 92,101,907 | - | 92,101,907 |
| Total | 18,137,337,719 | 5,127,297 | 18,142,465,016 |
| 450 MW (south) project | | | ANNEX 3B |
| Particulars | 01 July 2017 | Addition during the year | 30 June 2018 |
| | BDT | BDT | BDT |
| Legal fee | 4,217,333 | - | 4,217,333 |
| Civil works | 4,228,868 | - | 4,228,868 |
| Office equipment | 1,270,730 | - | 1,270,730 |
| Office furniture | 1,332,458 | - | 1,332,458 |
| Interest expense | 1,908,431,730 | - | 1,908,431,730 |
| Loan processing fee | 463,600,277 | - | 463,600,277 |
| Premium | 5,536,272,023 | - | 5,536,272,023 |
| Fees, rent, rent and taxes | 1,245,216,466 | 7,149,241 | 1,252,365,707 |
| CD VAT | 1,363,731,277 | 2,292,822 | 1,366,024,099 |
| ORM REF (VAT) commitment fee | 55,773,210 | - | 55,773,210 |
| LC commission and charges | 315,884,716 | - | 315,884,716 |
| Consultancy services | 24,367,659 | - | 24,367,659 |
| Bank charges and others | 32,718,278 | - | 32,718,278 |
| Salary and allowances | 22,149,668 | - | 22,149,668 |
| Printing and stationary | 498,072 | - | 498,072 |
| Other operating expense | 520,475 | - | 520,475 |
| Entertainment | 112,438 | - | 112,438 |
| Design, installation and others | 5,659,448,097 | 3,025,709,804 | 8,685,157,901 |
| Plant , machinery and equipment | 10,872,431,017 | 2,486,666,009 | 13,359,097,026 |
| 15% down payment | 3,650,749,943 | - | 3,650,749,943 |
| Total | 31,162,954,735 | 5,521,817,876 | 36,684,772,611 |

DETAILS OF CAPITAL WORK-IN-PROGRESS

As at 30 June 2018

| 450 MW (north) project | | | ANNEX 3C |
|---|----------------|--------------------------|----------------|
| Particulars | 01 July 2017 | Addition during the year | 30 June 2018 |
| | BDT | BDT | BDT |
| Land development/civil works | 43,952,821 | 100,142,143 | 144,094,964 |
| Building | 4,541,759 | - | 4,541,759 |
| Travelling and daily allowance | 52,800 | - | 52,800 |
| Office equipment | 1,171,330 | - | 1,171,330 |
| Advertisement | 1,778,178 | - | 1,778,178 |
| Consultancy service | 94,913,389 | 43,265,953 | 138,179,342 |
| Printing and stationary | 294,826 | - | 294,826 |
| Entertainment | 357,731 | - | 357,731 |
| Advance payment (installation and others) | 1,417,242,504 | - | 1,417,242,504 |
| Plant and machinery | 19,933,359,670 | 2,569,159,164 | 22,502,518,834 |
| Bank charge | 176,898 | - | 176,898 |
| CD VAT | 722,209,286 | - | 722,209,286 |
| CD VAT account | (1,730,718) | - | (1,730,718) |
| Interest expense | 1,437,865,902 | - | 1,437,865,902 |
| Legal expense | 62,500 | - | 62,500 |
| Other operating expense | 236,090 | - | 236,090 |
| Fees, rent, rates and taxes | 113,638,188 | - | 113,638,188 |
| Office furniture | 1,185,585 | - | 1,185,585 |
| Salary and allowances | 44,044,505 | - | 44,044,505 |
| Total | 23,815,353,245 | 2,712,567,260 | 26,527,920,505 |

| 200 MW modular project | | | ANNEX 3D |
|------------------------|--------------|--------------------------|--------------|
| Particulars | 01 July 2017 | Addition during the year | 30 June 2018 |
| | BDT | BDT | BDT |
| Legal expense | 291,000 | - | 291,000 |
| Entertainment | 10,700 | - | 10,700 |
| Land | 167,862,967 | - | 167,862,967 |
| Total | 168,164,667 | - | 168,164,667 |

| 400 MW (east) project | | | ANNEX 3E |
|--------------------------------|--------------|--------------------------|--------------|
| Particulars | 01 July 2017 | Addition during the year | 30 June 2018 |
| | BDT | BDT | BDT |
| Office furniture | 901,620 | 389,881 | 1,291,501 |
| Civil Works | - | 70,200 | 70,200 |
| Office equipment | 619,000 | 451,950 | 1,070,950 |
| Entertainment | 199,006 | 223,299 | 422,305 |
| Consultancy service | 955,000 | - | 955,000 |
| Vehicle rent | 713,550 | 808,510 | 1,522,060 |
| Advertisement | 5,905,859 | - | 5,905,859 |
| Travelling and daily allowance | 44,250 | - | 44,250 |
| Salary and allowances | 9,261,552 | 14,890,100 | 24,151,652 |
| Honorarium expense | 69,339 | - | 69,339 |
| Legal expense | 103,500 | 40,250 | 143,750 |
| Safety materials | 164,600 | - | 164,600 |
| Printing and stationary | 182,943 | 761,063 | 944,006 |
| Total | 19,120,219 | 17,635,253 | 36,755,472 |

DETAILS OF CAPITAL WORK-IN-PROGRESS

As at 30 June 2018

| Patuakhali 1320 MW Super Thermal Power Plant Project | | | ANNEX 3F |
|--|--------------|--------------------------|------------------|
| Particulars | 01 July 2017 | Addition during the year | 30 June 2018 |
| | BDT | BDT | BDT |
| Consultancy service | - | 3,641,000 | 3,641,000 |
| Entertainment | - | 268,289 | 268,289 |
| Salary and allowance | - | 2,261,118 | 2,261,118 |
| Printing and stationary | - | 13,469 | 13,469 |
| Conveyance | - | 133,420 | 133,420 |
| Office maintenance | - | 140,780 | 140,780 |
| Sarveor (For land acquisition) | - | 225,000 | 225,000 |
| Rent rates and taxes | - | 958,750 | 958,750 |
| Total | - | 7,641,826 | 7,641,826 |

(iv) Management Financial Accounts for the quarter ended March 31, 2019

Ashuganj Power Station Company Ltd
Statement of Financial Position
As at 31 March 2019

| | 31-Mar-19 BDT | 30-Jun-18 BDT |
|---|------------------------|------------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 13,992,918,307 | 15,159,822,219 |
| Deferred expenditure | - | - |
| Investment in UAEL | 304,050,000 | 304,050,000 |
| Capital works-in-progress | 76,760,344.95 | 75,912,802,499 |
| Total non-current assets | 91,057,313,260 | 91,376,674,718 |
| Current assets | | |
| Stocks | 1,275,523,636 | 1,441,043,643 |
| Advances, deposits and pre-payments | 545,583,436 | 94,141,023 |
| Accounts and other receivable | 9,910,436,070 | 7,087,527,426 |
| Cash and bank balances | 9,893,355,867 | 6,009,276,615 |
| Total current assets | 21,624,899,009 | 14,631,988,707 |
| Total assets | 112,682,212,267 | 106,008,663,423 |
| Equity and Liabilities | | |
| Share capital | 6,615,000,000 | 6,615,000,000 |
| Equity of BPDB | 5,572,614,964 | 5,572,614,964 |
| Equity of Govt. | 1,247,678,074 | - |
| Direct grant | 344,182,000 | 344,182,000 |
| Retained earnings | 6,853,693,358 | 3,562,018,982 |
| | 20,633,168,396 | 16,093,815,946 |
| Subordinated loan | | |
| Subordinated loan- debt service liabilities | 10,252,300,000 | 10,252,300,000 |
| Non-current liabilities | | |
| Government loan | 2,217,397,474 | 3,471,277,531 |
| Loan from BPDB | 541,600,000 | 541,600,000 |
| Foreign loan | 24,898,414,030 | 24,912,063,975 |
| Export credit agency (ECA) | 29,359,714,653 | 31,579,968,386 |
| Deferred tax | 6,230,080,347 | 5,555,080,347 |
| Advance land lease rent UAEL | 228,037,500 | 243,240,000 |
| Deferred- liabilities for gratuity | 369,674,768 | 320,304,670 |
| Total non-current liabilities | 66,694,918,772 | 66,623,534,909 |
| Current liabilities | | |
| Provision for income tax | 1,035,256,692 | 1,063,541,998 |
| Current portion of loan | 7,632,254,831 | 7,538,036,332 |
| Advance land lease rent UAEL | 20,270,000 | 20,270,000 |
| Liabilities for interest expense | 3,265,516,694 | 1,643,176,432 |
| Trade payable | 2,505,952,748 | 2,240,903,778 |
| Liabilities for expenses | 371,037,644 | 303,899,516 |
| Worker's profit participation fund (WPPF) | 271,536,491 | 229,184,513 |
| Total current liabilities | 15,101,825,099 | 13,039,012,568 |
| Total liabilities | 92,049,043,871 | 89,914,847,477 |
| Total equity and liabilities | 112,682,212,267 | 106,008,663,423 |

Sd/-
Company Secretary

Sd/-
Executive Director (Finance)

Sd/-
Managing Director

Sd/-
Director

Ashuganj Power Station Company Ltd
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 31 March 2019

| | Period ended 31-Mar 2019 BDT | Period ended 31-Mar 2018 BDT |
|---|---|---|
| Revenue (Sales) | 17,363,137,790 | 16,745,080,132 |
| Cost of sales | 9,343,084,816 | 8,784,472,654 |
| Gross profit | 8,020,052,974 | 7,960,607,478 |
| Other operating income | 133,465,257 | 123,076,990 |
| | 8,153,518,231 | 8,083,684,468 |
| Operation and maintenance expenses | | |
| Personnel expenses | 831,940,174 | 739,695,950 |
| Office and other expenses | 105,453,338 | 61,677,417 |
| Repair and maintenance | 119,876,135 | 56,100,025 |
| Depreciation expenses | 55,646,164 | 51,005,649 |
| | 1,112,915,811 | 908,479,041 |
| Operating profit | 7,040,602,420 | 7,175,205,427 |
| Finance income | 75,358,637 | 39,867,541 |
| Financial expense | 2,667,664,270 | 3,185,810,864 |
| Foreign currency fluctuation (gain)/loss | 211,606,922 | 1,064,425,503 |
| Income before tax | 4,236,689,865 | 2,964,836,601 |
| Income tax expenses | | |
| Current tax | 105,431,770 | 101,448,148 |
| Deferred tax | 675,000,000 | - |
| | 780,431,770 | 101,448,148 |
| Profit after tax | 3,456,258,095 | 2,863,388,453 |
| Worker's profit participation fund (WPPF) | 164,583,719 | 136,351,831 |
| Net income | 3,291,674,376 | 2,014,549,492 |
| Earnings per share: | | |
| Basic earnings per share of BDT 10 | 4.98 | 4.12 |

Sd/-
Company Secretary

Sd/-
Executive Director (Finance)

Sd/-
Managing Director

Sd/-
Director

Ashuganj Power Station Company Ltd
Statement of Changes in Equity
For the period ended 31 March 2019

| | Share capital BDT | Equity of BPDB BDT | Equity of Govt. BDT | Direct grant BDT | Retained earnings (Restated) BDT | Total BDT |
|---|-------------------------|--------------------------|---------------------------|------------------------|---|-----------------------|
| 31-Mar-19 | | | | | | |
| Balance at 01 July 2018 | 6,615,000,000 | 5,572,614,964 | | 344,182,000 | 3,562,018,982 | 16,093,815,946 |
| 450 MW (N) Govt. Loan (60%) Transferred | | | 1,247,678,074 | | | 1,247,678,074 |
| Total comprehensive income | - | - | - | - | 3,291,674,376 | 3,291,674,376 |
| Payment of dividend | - | - | - | - | - | - |
| Balance at 31 December 2018 | 6,615,000,000 | 5,572,614,964 | 1,247,678,074 | 344,182,000 | 6,853,693,358 | 20,633,168,396 |
| Year 2018 | | | | | | |
| Balance at 01 July 2017 | 6,615,000,000 | 5,572,614,964 | - | 344,182,000 | 431,546,000 | 12,963,342,964 |
| Total comprehensive income | - | - | - | - | 3,295,847,982 | 3,295,847,982 |
| Payment of dividend | - | - | - | - | (165,375,000) | (165,375,000) |
| Balance at 30 June 2018 | 6,615,000,000 | 5,572,614,964 | - | 344,182,000 | 3,562,018,982 | 16,093,815,946 |

Sd/-
Company Secretary

Sd/-
Executive Director (Finance)

Sd/-
Managing Director

Sd/-
Director

Ashuganj Power Station Company Ltd
Statement of Cash Flows
For the period ended 31 March 2019

| | 31-Mar 2019 BDT | 31-Mar 2018 BDT |
|---|---------------------------|---------------------------|
| Cash flows from operating activities | | |
| Cash received from operation | 14,540,229,146 | 13,564,356,037 |
| Cash received from other income | 193,621,394 | 147,742,031 |
| Payment for salary and allowances | (782,570,076) | (685,445,650) |
| Payment to suppliers | (5,769,185,709) | (4,450,174,637) |
| Finance expense paid | (1,045,324,008) | (1,025,870,647) |
| Company Income Tax Paid | (133,717,076) | (94,987,267) |
| WPPF Payment | (122,231,741) | (84,324,709) |
| Dividend Payment | - | (165,367,745) |
| Net cash received from operating activities | 6,880,821,930 | 7,205,927,413 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (287,497,077) | (174,650,993) |
| Payments towards project cost | (3,201,751,508) | (8,344,918,967) |
| Net cash used in investing activities | (3,489,248,585) | (8,519,569,960) |
| Cash flows from financing activities | | |
| Repayment of government loan | (159,847,947) | (159,847,947) |
| Repayment of foreign loan | (49,836,795) | (49,836,795) |
| Received from Bond | 2,850,000,000 | - |
| Loan paid to BPDB | (1,400,000,000) | - (1,100,000,000) |
| Government loan received for 450 MW (N) project | - | 220,000,000 |
| GOB loan refund to Bangladesh Bank | (5,529,297) | - |
| Government loan received for 400 MW (E) project | 55,000,000 | - |
| ADB loan received for 400 MW (E) project | 853,291,775 | 1,543,527,238 |
| IDB loan received for 400 MW (E) project | 763,388,317 | 826,128,785 |
| ECA loan received for 450 MW (South) Project | - | 4,191,562,107 |
| Export credit agency (ECA) loan payment | (2,419,895,163) | (2,395,968,367) |
| Net cash from/(used in) financing activities | 486,570,890 | 3,075,565,021 |
| Net increase in cash and cash equivalents | 3,878,144,235 | 1,761,922,474 |
| Opening cash and cash equivalents | 6,009,276,615 | 5,160,571,223 |
| Effects of exchange rate changes on cash and cash equivalents | 5,935,017 | 81,647,031 |
| Closing cash and cash equivalents | 9,893,355,867 | 7,004,140,728 |

Sd/-
Company Secretary

Sd/-
Executive Director (Finance)

Sd/-
Managing Director

Sd/-
Director

NOTE

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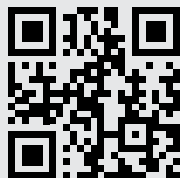
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company



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