

“If you have any query about this document, you may consult issuer, issue manager and underwriter”

PROSPECTUS

Of



UNITED POWER GENERATION & DISTRIBUTION COMPANY LIMITED

Public offer of 33,000,000 ordinary shares of Tk. 10/- each at an issue price of Tk. 72/- each including a premium of Tk. 62/- per share totaling to Tk. 2,376,000,000/-

Eligible Institutional Investors have subscribed 40% of the Offer i.e. 13,200,000 ordinary shares of Tk. 10/- each under Book Building Method at a weighted average price of Tk. 72/- per share

Remaining 60% of the Offer i.e. 19,800,000 ordinary shares of Tk. 10/- each at an issue price of Tk. 72/- per share (Cut off Price) are offered for General Public, ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, NRB and Mutual Fund registered with the Commission

Opening Date for Subscription: January 18, 2015

Closing Date for Subscription: January 22, 2015

For Non-Resident Bangladeshi Quota,

Subscription Opens on: January 18, 2015

Subscription Closes on: January 31, 2015

MANAGER TO THE ISSUE



LANKABANGLA INVESTMENTS LIMITED

Eunoos Trade Center, Level - 21,
52-53, Dilkusha C/A, Dhaka-1000
Phone: +88 02 956 12 38; Fax: +88 02 711 57 56;
e-mail: info@lankabangla-investments.com;
Website: www.lankabangla-investments.com

REGISTRAR TO THE ISSUE



ICB CAPITAL MANAGEMENT LIMITED

BDBL Bhaban (Level # 16),
8, Rajuk Avenue, Dhaka-1000
Phone: +88 02 958 56 92, Fax: +88 02 955 57 07
e-mail: ceocmcl@accesstel.net
Website: www.icbcm.com.bd

UNDERWRITERS

GSP Investments Limited	Royal Green Capital Market Limited
ICB Capital Management Limited	UniCap Investments Limited
NBL Capital and Equity Management Limited	One Bank Limited
IDLC Investments Limited	Rupali Life Insurance Company Limited
LankaBangla Investments Limited	

CREDIT RATING STATUS

Rating Particulars	Long Term	Short Term
Entity Rating	AA	ST-2
Rating Date	May 18, 2014	
Validity of the Rating	May 17, 2015	May 17, 2015
Outlook	Stable	
Rating Assigned By	Credit Rating Information and Services Limited (CRISL)	

Date of Publication of the Prospectus: December 14, 2014

The Issue shall be placed in “N” Category

UNITED POWER GENERATION & DISTRIBUTION COMPANY LIMITED

United Centre, House # NW (J)-6, Road # 51, Gulshan - 2, Dhaka – 1212, Bangladesh
Phone: +88 02 9861 000-10; 9850 161 -5; Fax: +88 02 989 3445-6
e-mail: info@unitedpowerbd.com; Website: www.unitedpowerbd.com

DEPZ Plant: Plot No. 280, Extension Area, Dhaka Export Processing Zone (DEPZ), Ganakbari, Savar, Dhaka
CEPZ Plant: Plot No. 6 & 7, Sector # 2/A, Chittagong Export Processing Zone (CEPZ), South Hlishahar, Chittagong

“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. 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/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR.”



AVAILABILITY OF PROSPECTUS

Prospectus of United Power Generation & Distribution Company Limited may be obtained from the Issuer Company, the Issue Manager, the Underwriters and the Stock Exchanges as follows:

ISSUER COMPANY	CONTACT PERSON	CONTACT NUMBER
United Power Generation & Distribution Company Limited United Centre, House # NW (J)-6, Road # 51, Gulshan - 2, Dhaka - 1212	Mr. Md. Ebadat Hossain Bhuiyan, FCA Chief Financial Officer	Tel: +88 02 9861 000-10; 9850 161 -5 Fax: +88 02 989 3445-6 ebadat@united.com.bd

MANAGER TO THE ISSUE	CONTACT PERSON	CONTACT NUMBER
LankaBangla Investments Limited Eunoos Trade Center, Level - 21, 52-53, Dilkusha C/A, Dhaka - 1000	Mr. Hassan Zabed Chowdhury Chief Executive Officer (C.C.)	Tel: +88 02 712 25 95, 956 12 38 Fax: +88 02 711 35 85 zabed@lankabangla-investments.com

UNDERWRITERS	CONTACT PERSON	CONTACT NUMBER
LankaBangla Investments Limited Eunoos Trade Center, Level - 21, 52-53, Dilkusha C/A, Dhaka - 1000	Mr. Hassan Zabed Chowdhury Chief Executive Officer (C.C.)	Tel: +88 02 712 25 95, 956 12 38 Fax: +88 02 711 35 85 zabed@lankabangla-investments.com
GSP Investments Limited 1, Paribagh, Mymensingh Road, Ramna, Dhaka - 1000	Mr. Md. Shahan Reza Senior Manager	Tel: +88 02 967 44 25, Fax: +88 02 967 43 79 info@gspfinance.com
ICB Capital Management Limited BDBL Bhaban, (Level - 16), 8, Rajuk Avenue, Dhaka - 1000	Mr. Md. Moshir Rahman Chief Executive Officer	Tel: +88 02 958 56 93, 958 56 91-2 Fax: +88 02 955 57 07 ceocmcl@accessel.net
NBL Capital and Equity Management Limited Corporate Office, Printers Building (8 th Floor) 5, Rajuk Avenue, Dhaka - 1000	Mr. Md. Tariqul Islam Chief Executive Officer (cc)	Tel: +88 02 711 89 74, 01195 016 774 Fax: +88 02 711 88 40 nblcemlbd@gmail.com
IDLC Investments Limited Eunoos Trade Center (Level - 21), 52-53, Dilkusha C/A, Dhaka - 1000	Mr. Md. Moniruzzaman, CFA Managing Director	Tel: +88 02 957 11 70 Fax: +88 02 957 11 71 mzaman@idlc.com
Royal Green Capital Market Limited Diganta Tower (1 st Floor), 12/1, R.K. Mission Road, Dhaka - 1203	Mr. Nomanur Rashid Manager (Issue Management)	Tel: +88 02 01717 040 230 Fax: +88 02 711 69 08 info.rgcm@gmail.com
UniCap Investments Limited Noor Tower (5 th Floor), 73, Sonargaon Road, Dhaka-1205	Mr. Tauhidul Ashraf, FCS Managing Director (C.C.)	Tel: +88 02 966 28 88 Fax: +88 02 861 68 78 tauhid@unicap-bd.com
One Bank Limited Corporate HQ, HRC Bhaban 46, Karwan Bazar C.A., Dhaka -1215	Mr. John Sarkar SEVP & Company Secretary & Head of HR	Tel: +88 02 911 81 61 Fax: +88 02 913 47 94 john.sarkar@onebank.com.bd
Rupali Life Insurance Company Limited Rupali Bima Bhaban (8 th Floor), 7, Rajuk Avenue, Motijheel C/A, Dhaka - 1000	Mr. Md. Habibur Rahman Patoary JEVP (F&A)	Tel: +88 02 957 13 55, Fax: +88 02 956 65 41 habibhaesong@yahoo.com

STOCK EXCHANGES	AVAILABLE AT	CONTACT NUMBER
Dhaka Stock Exchange Limited (DSE) Stock Exchange Building, 9/F, Motijheel C/A, Dhaka - 1000	DSE Library	Tel: +88 02 956 46 01-7, 02 966 69 44-8 Fax: +88 02 956 97 55
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080, Sheikh Mujib Road, Chittagong - 4100	CSE Library	Tel: +88 031 714 632-3, 031 720 871 +88 02 951 39 11-15 Fax: +88 031 714 101

Prospectus is also available on the websites of United Power Generation & Distribution Company Limited (www.unitedpowerbd.com), LankaBangla Investments Limited (www.lankabangla-investments.com), BSEC (www.sec.gov.bd), DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

NAME AND ADDRESS OF THE AUDITOR

Hoda Vasi Chowdhury & Co.

Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu
BTMC Bhaban (8th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka - 1215
Tel: +88 02 912 00 90; Fax: +88 02 811 92 98; Website: www.hudavasi.com

TABLE OF CONTENTS

Particulars	Page No.
SECTION I: STATUTORY CONDITIONS	07-16
Disclosure in Respect of Issuance of Security in Demat Form	07
Conditions under 2CC of the Securities and Exchange Ordinance, 1969	07
Consent to Commence Bidding by the Eligible Institutional Investors for Price Discovery of issuance of 33,000,000 ordinary shares of United Power Generation & Distribution Company Limited	14
General Information	16
SECTION II: DECLARATIONS AND DUE DILIGENCE CERTIFICATES	17-20
Declaration about the responsibility of the Director(s), including the CEO of the Company “United Power Generation & Distribution Company Limited” in respect of the Prospectus	17
Consent of Director(s) to serve as Director(s)	18
Declaration about filing of Prospectus with the Registrar of Joint Stock Companies & Firms	18
Declaration by the Issuer about the approval from Bangladesh Securities and Exchange Commission for any material changes	18
Declaration by the Issue Manager about the approval from Bangladesh Securities and Exchange Commission for any material changes	19
Due Diligence Certificate of the Manager to the Issue	19
Due Diligence Certificate of the Underwriter(s)	20
SECTION III: RISK FACTORS AND MANAGEMENT PERCEPTION	21-26
SECTION IV: ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING	27-28
Financial Structure of the Company	27
Use of IPO Proceeds & Implementation Schedule	28
SECTION V: INFORMATION ABOUT THE COMPANY	29-45
Company Profile	29
Nature of Business	30
Principal Products and Services or Market for the Products	30
Product/Service that accounts for more than 10% of the Company’s total revenue	30
Associates, Subsidiary/related Holding Company and their core areas of business	31
Distribution of Products/Services	32
Competitive Condition of Business	32
Sources and Availability of Raw Materials and Principal Suppliers	32
Sources of and requirement for Power, Gas and Water or any other utilities	33
Name of the Customers who purchase 10% or more of the Company’s Product/Services	33
Description of Contract with Principal Suppliers/Customers	34
Description of any Material Patents, Trademarks, Licenses or Royalty Agreements	43
Number of Employees	44
Production/Service Rendering Capacity and Current Utilization	45
SECTION VI: DESCRIPTION OF PROPERTY	46-46
Location of the Principal Plants and Other Property of the Company and their Condition	46

SECTION VII: PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION	47-53
Internal and External Sources of Cash	47
Material commitments for Capital Expenditure	47
Causes for Material Changes from period to period	47
Seasonal Aspect of the Company's Business	48
Known trends, events or uncertainties	48
Change in the assets of the Company used to pay-off liabilities	48
Loan taken from or given to Holding/Parent Company or Subsidiary Company	48
Future Contractual Liabilities	49
Future Capital Expenditure	49
Vat, Income Tax, Customs Duty or other Tax Liability	49
Operating Lease Agreement during the last five years	50
Financial lease Commitment during the last five years	51
Personnel related Scheme	51
Breakdown of Estimated Expenses for IPO	52
Revaluation of Company's Assets and Summary thereof	52
Transaction between Subsidiary/Associate/Holding Company and the Issuer	53
Auditors' Certificate regarding any allotment of shares to the Directors and Subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash	53
Declaration regarding Non-Suppression of Material Information	53
SECTION VIII: INFORMATION ABOUT DIRECTORS AND OFFICERS	54-67
Directors of the Company	54
Information regarding Directors and Directorship	54
Directors' Involvement with other organizations	54
Family relationship among Directors and top five Officers	58
Short Bio-data of the Directors	58
Credit Information Bureau (CIB) report	60
Description of top executives and departmental heads	61
Involvement of Directors and Officers in certain legal proceedings	61
Certain relationships and related transactions	62
Executive Compensation	63
Options granted to Directors, Officers and Employees	64
Transaction with the Directors and Subscribers to the Memorandum	64
Tangible Assets per Share	65
Ownership of Company's Securities	66
Shareholders' shareholding of 5% or more of the Company's Securities	66
Securities of the Company owned by the Officers	67
Securities of the Company owned by the Directors	67
Securities of the Company owned by Top Ten Salaried Officers	67
SECTION IX: FEATURES OF IPO	68-75
Book-building Method	68
Determination of Indicative Price	70
Valuation and Justification of the Offering Price	71
Indicative Price Supported by the Eligible Institutional Investors (EIIs)	72

Determination of Weighted Average Price and Cut-off Price	73
Market for the Securities being Offered	74
Declaration about Listing of shares with Stock Exchange(s)	74
Trading and Settlement	74
Description of Securities outstanding or being offered	74
Debt Securities	76
SECTION X: ALLOTMENT, SUBSCRIPTION AND MARKET	77-81
Lock-in Provision	77
List of EII Allotment	77
Refund of Subscription Money	79
Subscription by and refund to Non-Resident Bangladeshi (NRB)	79
Availability of Securities	79
Application for Subscription	80
SECTION XI: PLAN OF DISTRIBUTION	82-83
Underwriting of Shares	82
Principal terms and conditions of Underwriting Agreement	82
Commission for the Underwriters	83
Right of Underwriters on Company's Board	83
Officer or Director of the Underwriter(s) acting as Director of the Company	83
Allotment	83
SECTION XII: MATERIAL CONTRACTS AND OTHERS	84-85
Material Contracts	84
Manager to the Issue	84
Registrar to the Issue	84
Commission to the Bankers to the Issue	84
Bankers to the Issue	85
SECTION XIII: CORPORATE DIRECTORY	86-86
SECTION XIV: AUDITORS' REPORT AND RELATED CERTIFICATES	87-132
Revised Auditors' Report to the Shareholders	87
Auditors' Additional Disclosures relating to the Financial Statements	123
Auditors' Certificate regarding Plant and Machinery	128
Auditors' Report under Section 135(1) and Paragraph 24(1) of part-II of Third Schedule of the Companies Act 1994	129
Auditors' Certificate regarding Statement of Ratio Analysis	132
SECTION XV: CREDIT RATING REPORT	133-149
SECTION XVI: APPLICATION FORMS	150-157
SECTION XVII: NEW IPO APPLICATION PROCESS	158-159

ACRONYMS

A		Issue	Public Issue of United Power Generation and Distribution Company Limited
ACGU	Annual Contract Gas Usage		
AGM	Annual General Meeting	K	
Allotment	Letter of Allotment of Shares	KEPZ	Karnaphuli Export Processing Zone
Articles	Articles of Association	L	
APSCL	Ashuganj Power Station Company Limited	LLA	Land Lease Agreement
B		M	
BAS	Bangladesh Accounting Standards	MCQ	Monthly Contract Quantity
BDT	Bangladeshi Taka	Memorandum	Memorandum of Association
BERC	Bangladesh Energy Regulatory Commission	MHL	Malancha Holdings Limited
BEPZA	Bangladesh Export Processing Zone Authority	MHQ	Max Hourly Quantity
BFRS	Bangladesh Financial Reporting Standards	MMGU	Maximum Monthly Gas Usage
BO	Beneficiary Owners Account	MPO	Minimum Purchase Obligation
BPDB	Bangladesh Power Development Board	MW	Mega Watt
BSEC	Bangladesh Securities and Exchange Commission	N	
C		NAV	Net Asset Value
CDBL	Central Depository Bangladesh Limited	NRB	Non-Resident Bangladeshi
Certificate	Share Certificate	NWPGCL	North-West Power Generation Company Limited
CEPZ	Chittagong Export Processing Zone	O	
CIB	Credit Information Bureau	Offering Price	The Price of the each share offered
Commission	Bangladesh Securities and Exchange Commission	P	
Companies Act	Companies Act, 1994	PSA	Power Supply Agreement
CSE	Chittagong Stock Exchange Limited	PPA	Power Purchase Agreement
D		PGCB	Power Generation Company of Bangladesh
Depository Act	Depository Act, 1999	R	
DEPZ	Dhaka Export Processing Zone	REB	Rural Electrification Board
DESA	Dhaka Electric Supply Authority	RJSC	Registrar Joint Stock Companies and Firms
DESCO	Dhaka Electric Supply Company Limited	RPCL	Rural Power Company Limited
DSE	Dhaka Stock Exchange Limited	Rules	Securities and Exchange Commission (Public Issue) Rules, 2006
E		S	
EII	Eligible Institutional Investor	SCM	Standard Cubic Meters
EGM	Extra-ordinary General Meeting	SIPP	Small Independent Power Producer
EPS	Earnings per Share	T	
EPZ	Export Processing Zone	Tk. / Taka	Legal Currency of Bangladesh
EGCB	Electricity Generation Company of Bangladesh	U	
F		USD	United States Dollar
FC Account	Foreign Currency Account	UPGDCL/Issuer	United Power Generation and Distribution Company Limited
FY	Financial Year	V	
G		VAT	Value Added Tax
GOB	Government of Bangladesh		
GSA	Gas Supply Agreement		
I			
IM	Information Memorandum		
IPO	Initial Public Offering		
IPP	Independent Power Producer		

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

As per provision of the Depository Act, 1999 and regulation made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Limited (CDBL) system and any further issuance of shares (rights/bonus) will 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 3,30,00,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk. 72.00 each including a premium of Tk. 62.00 per share worth Tk. 237,60,00,000.00 (Two hundred thirty seven crore sixty lac) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, 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 **5 (Five) working days** of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the Issuer's website and shall also put on the websites of the Commission, Stock Exchanges, and the Issue Manager(s), within **5 (Five) 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 BSEC, the Stock Exchanges and the Issue Manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. Sufficient copies of prospectus shall be made available by the Issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the Issuer and the Issue Manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The Company shall submit 40 (Forty) copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The Issuer company and the Issue Manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within **5 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the Issuer and the Issue Manager within **2 (Two) working days** from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within **24 (twenty four)** hours of the publication thereof.
7. The Company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The Company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The Issuer company shall apply to all the stock exchanges in Bangladesh for listing within **7 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the Stock Exchanges.

9. The following declaration shall be made by the Company in the prospectus, namely: -

“Declaration about Listing of Shares 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 prospectus 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) per month 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 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.

11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the Issuer company within the closing date of the subscription so as to reach the same to the Company by the closing date plus 9 (Nine) days. Applications received by the Company after the above time period will not be considered for allotment purpose.

12. The Company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.

13. The Company and the Issue Manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities, the Issuer and the Issue Manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within **5 (Five) working days**, in respect of the following matters, namely: -

- a. Total number of securities for which subscription has been received;
- b. Amount received from the subscription; and
- c. Amount of commission paid to the bankers to the issue.

15. The Issuer and the Issue Manager shall jointly provide the Commission and the Stock Exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than **5 (Five) weeks** from the date of the subscription closure), if any of the following events occur:

- a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or
- b) At least 50% of the total IPO is not subscribed.
17. **40% of total public offering (i.e. 1,32,00,000 ordinary shares) shall be reserved for Institutional bidders, 20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for Non-Resident Bangladeshis (NRB) and 15% for mutual funds and the remaining 15% shall be open for subscription by the general public. In case of under-subscription under any of the 20%, 10% and 15% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the Issuer and the Manager to the Issue shall jointly conduct an open lottery of all the applicants added together.**
18. All the applicants shall first be treated as applied for one minimum market lot of **100 shares worth Taka 7,200/- (taka seven thousand two hundred only)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the Issuer and the Issue Manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the Stock Exchanges and the applicants, if there be any.
19. **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 makes 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.**
20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the applicant.**
21. **The applicants who have applied for more than two applications using same bank account, their applications will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**
22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The Company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/Account Payee Cheque/Refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 19, 20 and 21 above.
- Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.
- A compliance report in this regard shall be submitted to the Commission within **7 (Seven) weeks** from the date of closure of subscription.
24. The Company shall furnish the List of Allotees to the Commission and the Stock Exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The Issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the Issue Manager, other underwriters, issuer or the sponsor group.



26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the Company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided further that there shall be **lock-in of 4 (four) months** from the first trading day on the security issued to the eligible institutional investor.

27. **If any existing sponsor or director of any company transfers any share to any person other than existing shareholders, within preceding 12 months of submitting any application for raising of capital or initial public offering, all shares held by those transferee shareholders shall be subject to a lock-in period of three years from the date of issuance of prospectus for IPO.**
28. **In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the Issuer and Issue Manager(s), along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the Stock Exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the Company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters, the Issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.**
29. The Company shall apply to the Stock Exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the Stock Exchanges.
30. **The Company shall not declare any benefit/dividend based on the financial statements for the year ended on December 31, 2013 before listing of its securities with Stock Exchange(s).**

PART-B

1. In addition to the existing IPO application process, applicants can also apply through their Stockbroker/Merchant Bankers in the following process:

Step-1 (Applicant):

- Applicants other than Non-resident Bangladeshi (NRB) and Foreign applicants for public issue of securities shall submit application/instruction, within the subscription period, to the Stockbroker/ Merchant Banker where the applicant maintains BO account.
- The application/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 the applicant shall make the application money available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. Application/instructions shall be preserved by the same Stockbroker/Merchant Banker up to 6 months from listing of the securities with exchange.

Step-2 (Intermediary):

- The Stockbroker/Merchant Banker shall maintain separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall verify the availability of fund and if find in order, block the customer account for an amount equivalent to the application money, accumulate all the application/instructions received up to the subscription closing date, deposit the amount in the "Public Issue



Application Account” maintained with its bank, instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard. 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”.

- b. Banker of the Stockbroker/Merchant Banker shall block the account(s) as requested for, issue a certificate confirming the same and provide it to the respective Stockbroker/Merchant Banker. 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 subscription closing date, send it to the issuer both in electronic (text format with tilde ‘~’ separator) and printed format along with the certificate issued by its banker.

Step-3 (Issuer):

- a. The issuer shall prepare consolidated list of the applications and send the applicants’ BOIDs in electronic (text format with tilde ‘~’ separator) format in a CDROM to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not. Along with the verification report, CDBL shall provide the issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents’ Name, Joint Account Information and Bank Account Information. After receiving verification report and information from CDBL, the issuer shall scrutinize the applications, prepare category wise consolidated lists of the valid and invalid applications, submit status reports of subscription to the Commission and the stock exchanges and conduct lottery in line with the conditions of the consent letter.
- b. Within 02 (two) working days of conducting lottery, the issuer shall:
 - i. send the lists of the successful and unsuccessful applicants (other than NRB and foreign) in electronic (text format with tilde ‘~’ separator) and printed format to the Stockbroker/Merchant Banker, request them to unblock the amount blocked earlier and remit the amount of successful applicants to the issuers respective Escrow Account opened for subscription purpose.
 - ii. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stockbroker/Merchant Bankers. To credit the allotted shares to the respective BO accounts, the issuer shall send consolidated allotment data (BOID and number of securities) in text format in a CDROM to CDBL.

Step-4 (Intermediary):

- a. On the next working day of receiving the documents from the issuer and issue manager, the stockbroker/Merchant Banker shall request its banker to release the amount blocked earlier and remit the aggregate amount of successful applicants deducting service charge to the ‘Escrow’ account of the issuer opened for the subscription purpose.
- b. 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. Simultaneously, the stockbrokers/Merchant Bankers shall unblock the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions.

Miscellaneous:

- a. The issuer and Issue Manager(s) shall jointly ensure compliance of the above.
- b. The Stockbroker/Merchant Banker shall be entitled to service charge at a rate of 0.05% on the total amount of application money received by them. The service charge shall be paid by the issuer and deducted by the Stockbroker/Merchant Banker from the amount of successful applicants while remitting to the issuer. In case of shortage of the service charge, the Stockbroker/Merchant Banker shall send a bill to the issuer and the issuer shall pay it within 02 (two) working days. The Stockbroker/Merchant Banker shall provide the issuer with a statement of the remittance amount and the processing fee.



2. The above application process is a pilot project and optional for investors, i.e. investors can apply either following new process through stockbroker/merchant banker or in existing process through banker to the issue.
3. List of the Stockbroker/Merchant Bankers participating in the pilot project shall be disclosed in the prospectus and abridged version thereof. Only the applicants maintaining accounts with the Stockbroker/Merchant Bankers name contained in the list can apply through the new process.

PART-C

1. The Issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.
2. The Issue Manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/ inconsistency 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 BSEC and the Stock Exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with BSEC.
3. Both the Issuer Company and the Issue Manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with Stock Exchanges 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.
5. **No issuer of a listed security shall utilize more than 1/3rd (one-third) of the fund raised through IPO for the purpose of the loan repayment.**
6. 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 to the stock exchanges within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at Issuer's cost, to examine whether the Issuer has utilized the proceeds for the purpose disclosed in the prospectus.
7. While auditing the utilization of IPO proceeds, the auditors' shall perform their jobs under the followings terms of references (TOR) and confirm the same in their report/certificate:
 - a. Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - b. Whether IPO proceeds have been utilized in line with the conditions (Condition No. may be specified) of the Commission's consent/ approval letter for the IPO Issue;
 - c. Whether utilization of IPO proceeds have been completed within the time schedule/ implementation schedule as specified in the prospectus;
 - d. Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/ specified in the prospectus/ and
 - e. The auditors should also confirmed that: (i) assets have been procured/imported/ constructed maintaining proper/ required procedure as well as at a reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with Bank Statement.



8. All transactions, excluding petty cash expenses, shall be effected through the Company's bank account(s).
9. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders meeting under intimation to BSEC and Stock Exchanges.
10. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
11. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
12. **A compliance report on Corporate Governance Guideline as per the provision of the Bangladesh Securities and Exchange Commission Notification no. SEC/CMRRCD/ 2006-158/134/Admin/44 Dated 7 August 2012 shall be submitted to the Commission before 07 (seven) working days of the IPO subscription opening.**
13. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus 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 No. SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and the section 13 of the Securities and Exchange Rules, 1987.
14. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ after publication of the abridged version of prospectus 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.
15. **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.**

PART-D

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. 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.

PART-E

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including Rights/Bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The Company and the Issue Manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.



Consent to Commence Bidding by the Eligible Institutional Investors for Price Discovery of issuance of 33,000,000 ordinary shares of United Power Generation & Distribution Company Limited

The Commission hereby accords its consent under section 2A, sub-sections (2)(a) and (2)(b), read with section 2B of Securities and Exchange Ordinance, 1969 and the Securities and Exchange Commission (Public Issue) Rules, 2006, based on all the above documents and information provided to BSEC, to commence bidding by the eligible institutional investors for price discovery of issue of 33,000,000 ordinary shares of United Power Generation & Distribution Company Limited (hereinafter referred to as 'issuer' or 'company') through public offer, subject to the following conditions imposed under section-2CC of the said Ordinance:

1. The indicative price Tk. 60.00 (taka sixty) only shall be the basis for formal price building with an upward and downward band of 20% (twenty percent) of indicative price within which eligible institutional investors shall bid for the allocated amount of security;
2. If institutional quota is not cleared at 20% (twenty percent) below indicative price, the issue will be considered cancelled unless the floor price is further lowered within the face value of security, provided that, the issuer's chance to lower the price shall not be more than once;
3. Prospectus will have to be posted on the Websites of the Commission, stock exchanges, issue manager and issuer at least two weeks prior to the start of the bidding to facilitate investors to know about the company and all aspect of offering.

Associations (Stock Exchanges, BMBA, BAB, BLFCA, BIA, AAMC) shall ensure dissemination of hard copy of draft prospectus among their respective members;

4. No institutional investor shall be allowed to quote for more than 5% (five percent) of the total security offered for sale, subject to maximum of 5 (five) bids;
5. Institutional bidding period will be 48 (forty eight) hours which may be changed by the approval of the Commission;
6. The Company and the Issue Manager shall Submit the status of bidding and the Cut off price along with the final draft prospectus, simultaneously to the Commission and the stock exchanges within 05 (five) working days from the closing day of bidding;
7. The bidding will be handled through a uniform and integrated automated system of the stock exchanges, or any other organization as decided by the Commission, especially developed for book building method;
8. The volume and value of bid at different prices will be displayed on the monitor of the said system without identifying the bidder;
9. The institutional bidders will be allotted security on pro-rata basis at the weighted average price of the bids that would clear the total number of securities being issued to them;
10. Institutional bidders shall deposit their bid with 20% (twenty percent) of the amount of bid in advance to the designated bank account and the rest amount to settle the dues against security to be issued to them shall be deposited within 5 (five) working days prior to the date of opening subscription for general investors;
11. In case of failure to deposit remaining amount that is required to be paid by institutional bidders for full settlement of the security to be issued in their favor, 50% (fifty percent) of bid money deposited by them shall be forfeited by the Commission. The securities earmarked for the bidder who defaulted in making payment shall be added to the general investor quota;
12. General investors, which include mutual funds and NRBs, shall buy at the cut-off price;



13. There shall be a time gap of 15 (fifteen) working days or as may be determined by the Commission between closure of bidding by eligible institutional investors and subscription opening for general investors;
14. Subscription for general investors shall remain open for the period as specified by the Commission;
15. General investors shall place their application through banker to the issue;
16. All application money shall be kept in a separate escrow account opened with a designated bank with prior intimation to the Commission. Issuer will not be allowed to utilize such money until all the process of issue is completed and Commission's consent to this effect is obtained;
17. There shall be lock-in of 4 (four) months from the first trading day on the security issued to the eligible institutional investors;
18. Within 5 (five) working days of completion of the bidding process, the issuer and issue manager shall submit to the Commission, the following papers/documents for final approval of the prospectus:
 - i 10 (ten) copies of draft prospectus duly signed by the issuer and issue manager containing among others, the cut-off price and weighted average price as discovered through the bidding process, date of opening and closing of subscription for the general investors, number of shares to be allotted to each category of investors and a statement of shares to be allotted to each of the eligible institutional investors;
 - ii Statement of the designated bank account evidencing deposit of money paid in advance by the eligible institutional investors;
 - iii Hard copy and soft copy of the bidding results;
19. The Company along with the Issue Manager and Registrar to the Issue shall ensure due compliance of the above and the Securities and Exchange Commission (Public issue) Rules, 2006.



GENERAL INFORMATION

1. **LankaBangla Investments Limited**, the Issue Manager, has prepared this Prospectus based on information provided by **United Power Generation & Distribution Company Limited (The Company/Issuer)** and several discussions with Chairman, Managing Director, Directors and concerned executives of the Issuer. The Directors, including the Managing Director of United Power Generation & Distribution Company Limited and LankaBangla Investments Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading.
2. No person is authorized to give any information or to make any representation not contained in this Prospectus, and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.
3. The issue as contemplated in this Prospectus is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.
4. A copy of this Prospectus may be obtained from the Corporate Office of United Power Generation & Distribution Company Limited, LankaBangla Investments Limited, the Underwriters and the Stock Exchanges where the securities will be traded.

DECLARATIONS AND DUE DILIGENCE CERTIFICATES Section: II

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTOR(S), INCLUDING THE CEO OF THE COMPANY “UNITED POWER GENERATION & DISTRIBUTION COMPANY LIMITED” IN RESPECT OF THE PROSPECTUS

This prospectus 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 prospectus, 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 prospectus 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 prospectus to enable the investors to make a well informed decision for investment.

Sd/-
General Md. Abdul Mubeen (Retd.)
Chairman & Nominated Director
Representing United Enterprises & Co. Ltd.

Sd/-
Hasan Mahmood Raja
Director

Sd/-
Khandaker Moinul Ahsan Shamim
Director

Sd/-
Faridur Rahman Khan
Director

Sd/-
Abul Kalam Azad
Director

Sd/-
Akhter Mahmud Rana
Director

Sd/-
Ahmed Ismail Hossain
Director

Sd/-
Rear Admiral Bazlur Rahman (Retd.)
Chief Executive Officer

Sd/-
Moinuddin Hasan Rashid
Managing Director & Director



CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby agree that we have been serving as Director(s) of United Power Generation & Distribution Company Limited and continue to act as Director(s) of the Company.

Sd/-
General Md. Abdul Mubeen (Retd.)
Chairman & Nominated Director
Representing United Enterprises & Co. Ltd.

Sd/-
Hasan Mahmood Raja
Director

Sd/-
Khandaker Moinul Ahsan Shamim
Director

Sd/-
Faridur Rahman Khan
Director

Sd/-
Abul Kalam Azad
Director

Sd/-
Akhter Mahmud Rana
Director

Sd/-
Ahmed Ismail Hossain
Director

Sd/-
Moinuddin Hasan Rashid
Managing Director & Director

DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Government of Peoples' Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994 on or before the date of publication of the prospectus.

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

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

For Issuer

Sd/-
Moinuddin Hasan Rashid
Managing Director & Director
United Power Generation & Distribution Company Limited



DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

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

For Manager to the Issue

Sd/-

Hassan Zabed Chowdhury

Chief Executive Officer (C.C.)

LankaBangla Investments Limited

DUE DILIGENCE CERTIFICATE OF MANAGER TO THE ISSUE

Subject: Public offer of 33,000,000 Ordinary Shares of Tk. 10/- each at an issue price of Tk. 72/- each including a premium of Tk. 62/- per share totaling to Tk. 2,376,000,000/- of United Power Generation & Distribution Company Limited

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

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; 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) the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) all the legal requirements connected with the said issue have been duly complied with; and
- c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-

Hassan Zabed Chowdhury

Chief Executive Officer (C.C.)

LankaBangla Investments Limited



DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Subject: Public offer of 19,800,000 Ordinary Shares of Tk. 10/- each at an issue price of Tk. 72/- each including a premium of Tk. 62/- per share totaling to Tk. 1,425,600,000/- of United Power Generation & Distribution Company Limited

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

1. We, while underwriting the abovementioned issue on a firm commitment basis, have examined the draft prospectus, 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) all information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- b) 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
- c) this underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

Managing Director/Chief Executive Officer

GSP Investments Limited

ICB Capital Management Limited

IDLC Investments Limited

LankaBangla Investments Limited

NBL Capital and Equity Management Limited

One Bank Limited

Royal Green Capital Market Limited

Rupali Life Insurance Company Limited

UniCap Investments Limited

Investment in equity shares involves various levels of risk. Consequently, the return of the investment is dependent on the functioning of the risk factors. United Power Generation & Distribution Company Limited operates in an industry which is exposed to a number of internal and external risk factors over which the Company has little or no control. The occurrence of the risk factors as delineated hereunder, and if the management fails to avoid or mitigate those, can have significant bearing on the operational and financial performance of the Company, which, in turn, may negatively impact on the value of share of the Company. Therefore, it is imperative to thoroughly understand the risk profile of the Company along with management's perception of the risks for taking an informed investment decision.

INTEREST RATE RISK

Interest rate risk refers to the likely changes in the cash flows or future value of a firm on account of changes in the interest rates in the market. Increase in interest rate increases the cost of borrowed funds for a company in case of floating rate loans. Interest/financial charges are paid against the Company's borrowed funds. In the event of unfavorable movement in money markets, rising interest rates could increase the cost of debt and negatively impact profitability.

Management Perception

The Management of the Company is well aware of the volatility of the money market of our country and also believes that rising interest rates will not substantially affect the profitability of the Company. However, the ratio of finance cost to revenue has been increased slightly from 9.51% in FY 2012 to 10.62% in FY 2013 and the interest coverage ratio was close to 6 times in FY 2013.

EXCHANGE RATE RISK

The Company imports machinery and equipment against payment of international currencies (USD and EURO). Unfavorable volatility or currency fluctuations may increase import cost and thus affect the profitability of the Company.

Management Perception

Management of UPGDCL is aware of the risks related to currency fluctuations. Major imported machinery and equipment purchases from abroad have been settled. Currently, spare parts are being procured from suppliers from various countries. However, costs of these imported parts are a small component of revenues (i.e. only 3.40%) generated by the Company. Therefore, Management believes exchange rate risk is not going to hamper business of the Company.

INDUSTRY RISK

Industry risks refer to the impact that the country's industrial policy can have on the performance of a specific industry. Current Government of Bangladesh is mandated to ensure long-term energy security for the country. The Energy Ministry plans to add 15,000 MW generation by 2016¹ according to the Energy Ministry. This may create new competition in the industry that in turn could adversely affect the Company's business.

Management Perception

Over the last decade, energy demand grew heavily with little reliable supply addition. Therefore, the demand and supply gap for the industry is increasing at an alarming rate. Management believes power security is critical to the Country's industrial growth and its citizens' standard of living and hence, favors the Government's power generation initiatives and eagerly anticipates additional supply of electricity for the Country. However, it must be noted that the additional supply driven by the Government's plans will only narrow the immense gap between supply and demand. It is difficult to meet or surmount demand to create competition in the market.

Furthermore, it must be recognized that United Power Generation & Distribution Company Limited is the only power company mandated to build, operate and own power plants within the Export Processing Zones of Bangladesh by BEPZA. Therefore, UPGDCL has no competition in the markets in which it operates and sells electricity and possible entry of a new power company would not create any industry risk for the Company.

¹<http://www.powerdivision.gov.bd>



MARKET AND TECHNOLOGY RELATED RISK

Market and technology-related risks arise for any industrial concern as it keeps itself aligned with innovation. Capacity of generating power is dependent largely on the capacity of its generator. The demand for new and cost effective technology may render the existing technology obsolete, which may cause negative impact on the performance of the Company.

Management Perception

Management of the Company has utilized state-of-the-art technology and modern machinery for its power plants. The Company's DEPZ power plant has 4 (four) units of generator sets from the world renowned gas powered engine manufacturer, Wärtsilä Finland OY, 3 (three) units of generator sets from MTU, Germany Pte Ltd. and 5 (five) units of generator sets from Rolls Royce. The Company's CEPZ power plant has 5 (five) units of generator sets from Wärtsilä, Finland OY and 3 (three) units of generator sets from Rolls Royce as well. In order to ensure uninterrupted generation of electricity, UPGDCL's highly experienced and efficient team performs and carries out timely maintenance work for both the plants as per the manufacturer's guidelines and requirements. Management has safeguarded against potential disruptions in operations by procuring spare parts and lube oil from suppliers at lead times managed by professionals of the Company.

POTENTIAL OR EXISTING GOVERNMENT REGULATIONS

The Company conducts its business under the Companies Act 1994 and operates its power plants under policies framed by the Government of Bangladesh. The existing Government rules and regulations are favorable for the Company. Any abrupt changes in the policies may adversely affect profitability and operation of the Company.

Management Perception

The management highly believes it is unlikely that the Government will initiate any fiscal measure having adverse effect on the growth of the industry. On the contrary, the Government has moved towards greater natural gas exploration, reserve building and power capacity generation and distribution. So any potential risks caused by changes in existing government regulation, is improbable in the near future. It is worthwhile to mention that the Company's primary off-taker, BEPZA is a statutory and independent statutory entity, which generates 10% service fee on the electricity it distributes to the privately owned enterprises housed within the EPZs. Therefore, the Company is effectively an utility provider to the private sector and is not supposed to be affected by public sector regulations on the sector in general.

POTENTIAL CHANGES IN THE GLOBAL OR NATIONAL POLICIES

Changes in the existing global or national policies can have either positive or negative impact on the Company's profitability. The performance of the Company may be affected due to unavoidable circumstances in Bangladesh, as such any structural change in power generation industry, war, terrorism, political unrest in the country which may adversely affect the economy in general.

Management Perception

The risk due to changes in global or national policies is beyond control of any company. Yet the Company is well prepared to adopt new policies and preventive measures as and when required to reduce such risks. Furthermore, political unrest due to strikes and mass protests may have a negative impact on any business. However, electricity service being considered a daily necessity is most often kept out of obstruction. Most importantly, adequate risks are covered under the insurance agreement with Green Delta Insurance Company Limited, to compensate for all the potential damages.

HISTORY OF NON OPERATION

If a Company becomes non-operative for some period in its operating life, risk of becoming non-operative may exist in future for the same reasons.

Management Perception

There is no history of non-operation for United Power Generation & Distribution Company Limited.

OPERATIONAL RISK

Operational risk is measured against the ability of the Company's power projects to generate and distribute stipulated electricity to its off-takers. Limitation of technology used, fuel supply arrangement, operational and maintenance (O&M) arrangement, political or force majeure in the form of natural disasters like floods, cyclone, tsunami and earthquake may hamper normal performance of power generation.

Management Perception

The routine & proper maintenance of the own generating unit and distribution networks undertaken by BEPZA reduces the chance of major disruptions. However, severe natural calamities which are unpredictable and unforeseen have the potential to disrupt normal operations of UPGD. Management believes that prudent rehabilitation schemes and quality maintenance will lessen the damages caused by such natural disasters. Most importantly, all the above risks are covered under the insurance agreement with Green Delta Insurance Company Ltd., to compensate for all potential damages caused in such situations.

RISK ASSOCIATED WITH POWER PROJECT DURATION

The power projects under the Company have limited tenure periods, thereby exposing the Company to the risk of inadequate operation period.

Management Perception

The Power Supply Agreement (PSA) between the Company and BEPZA is for 30 years and there are provisions for renewal of the agreement for an additional 30 years thereafter. The Land Lease Agreement (LLA) between UPGDCL and BEPZA is also for 30 years and is valid based on the tenure of the PSA. Upon mutual consent, these agreements are renewable and hence the risk of inadequate operational years can be mitigated. It can be noted that other IPP power companies operating in the country are between 15 to 22 years whereas the power projects of this Company have life spans for 60 years in total (i.e. 30 years initially and another 30 years extendable) for out of which the Company has exercised only 5 years of its project life.

RISK ASSOCIATED WITH SUPPLY OF RAW MATERIALS

The main raw material used for generating electricity is Natural Gas. Any interruption of supplies of the gas to the power plants will hamper the generation of electricity, the only product of the company.

Management Perception

The Company has a Gas Supply Agreement with Karnaphuli Gas Distribution Company Limited for the life of the project and Titas Gas Transmission & Distribution Company Limited for 15 years that is renewable every 5 years thereafter. So, there is no threat of interruption of supplies of gas to the power plants that may hamper the generation of electricity, the only product of the company. Furthermore, new gas is being explored and discovered in many areas of the country such as Narayanganj, Narshindi and the Bay of Bengal. The Government of Bangladesh plans to add these discoveries to the national grid. Therefore, management does not expect gas supply interruption in the future.

RISK ASSOCIATED WITH SINGLE PARTY EXPOSURE

Risks associated with Single Party Exposure exist when the Company sells its products to a Single buyer. The Company's revenues may be in danger if/when its single buyer is under financial strain.

Management Perception

Besides guaranteed sale to BEPZA, UPGDCL also sells electricity to other buyers such as PDB and REB. UPGDCL has agreements with REB in DEPZ and PDB in CEPZ to supply any surplus electricity that is generated by the Company. So, the Company's ability to service its both existing and future financial obligations, does not solely rest on BEPZA's ability to make its tariff payments under the PSA. Therefore, UPGDCL is out of the single party exposure.



RISK ASSOCIATED WITH CHANGES IN TARIFF OF ELECTRICITY

Risk associated with pricing/tariff of electricity may arise if buyers have control over price/tariff determination.

Management Perception

Aside from UPGDCL, no other power plant in Bangladesh sells electricity under variable tariff rates that can be revised by the Government. UPGDCL has agreements with BEPZA, REB, PDB that provision predetermined and contracted terms and conditions regarding the tariff of electricity. Tariff is based on delivered MW/h for each year, which is adjusted and indexed from time to time in accordance with the PSA and the said reference tariff. Reference tariff is also adjusted in accordance with the changes in Government tariff rate. During the year 2012, UPGDCL's tariffs have been increased by 32.49% for DEPZ, 32.79% for CEPZ, 11.15% for REB, 42.49% for BPDB. Therefore, the Company enjoys higher earnings based on increased selling rates expected to be adjusted upwards in the future.

In March 2014, tariff rate of UPGDCL has been increased by 7% for DEPZ, 11% for CEPZ, 11% for KEPZ, 7% for Oli Knitting Fabrics Limited, 5% for Lilac Fashion Wear Limited and 5% for Ahad Fashion Limited in comparison with the rates as on December 31, 2013. Therefore, the Company enjoys the opportunity of higher earnings based on increased selling rates expected to be adjusted upwards in future.

RISK ASSOCIATED WITH HIGH FINANCE COST BURDEN

If any company holds too much debt in its balance sheet that it cannot sustain, then it becomes a risky venture for potential investors. With a high debt to equity ratio, the Company may not become able to provide sustainable return to its shareholders.

Management Perception

The Company has been managing its debts prudently over the years that is evident by the falling Debt to Equity and Debt to Asset ratios and rising Interest Coverage Ratios. Moreover, UPGDCL intends to pay off its debt fully/partially depending upon the fund it can raise through IPO.

RISK ASSOCIATED WITH NO O&M CONTRACTS WITH VENDORS

Risk may arise for any company without having O&M contracts with its vendors. O&M contracts with suppliers work as guarantee against future uncertainties from supply side.

Management Perception

The Company already entered into an Operation & Maintenance (O&M) Agreements with United Engineering & Power Services Limited (UEPSL) for providing operation, maintenance and technical support to the power plants of the Company.

RISK ASSOCIATED WITH NO SPARE PARTS AGREEMENT

For any manufacturing concern, spare parts are integral for the smooth running of its machineries. Risks may arise in case of spare parts shortage that may put at risk the whole production process.

Management Perception

The main machineries for UPGDCL are the power generators installed in its power plants. To ensure any risks associated with spare parts shortage, engineers regularly monitors the operating conditions of the machines. Spare Parts Agreement has been made with Wärtsilä, Finland OY. Moreover, the Company also maintains stockpile of the frequently required spare parts in its inventories.



RISK ASSOCIATED WITH INTER-COMPANY RECEIVABLE

Inter-Company Receivables in the balance sheet raises the key issue of opportunity cost for a business.

Management Perception

The Company had Inter-company receivables of around BDT 1,128.54 million as of December 31, 2013 with its parent company. Interest has been charged on the remaining balance of inter-company loan from July 01, 2013 according to the decision of the meeting of the Board of Directors held on January 01, 2010.

GAS PRICE ESCALATION RISK

Gas powered generators are highly susceptible to gas price fluctuation and for any power generating venture, escalation in gas price may significantly affect its profitability.

Management Perception

According to GSA with Titas Gas Transmission & Distribution Company Limited and Karnaphuli Gas Distribution Company Limited, the Minimum Purchase Obligation (MPO) is 60% of the Monthly Contract Quantity (MCQ) of 5,281,200 Standard Cubic Meters (SCM) and 50% of the Annual Contract Gas Usage (ACGU) of 108,928,788 SCM respectively. The purchase rate is set as per the tariff rate set by the Government of Bangladesh and Bangladesh Energy Regulatory Commission (BERC). As the Company has the right to sell electricity under variable tariff rate, if the gas price increases the company would increase the tariff rate commensurately.

RISK ASSOCIATED WITH ARBITRATION MADE AGAINST BEPZA

If the verdict comes against the Company, the Company has to pay the Liquidated Damage of BDT 117.00 Million that may hamper the profitability of the Company.

Management Perception

United Power Generation & Distribution Company Limited entered into a contract with Bangladesh Export processing Zones Authority on May 06, 2007 to implement gas based power plant at Dhaka EPZ of capacity up to 40/50 MW and supply electricity to BEPZA at specified tariff. Implementation time was 12 months from signing of the contract failing which UPGDCL would have to pay Liquidated Damage of Taka 5 lacs per day of delay. The obligation of BEPZA in the contract was to supply natural gas of required quantity and specification. BEPZA after 5 months shifted its responsibility and informed UPGDCL that constructing gas connection facility was UPGDCL's own matter and UPGDCL will have to construct the gas connection facility at their own cost. The statement is contrary to the provision of the contract. Therefore, BEPZA went into arbitration regarding this issue. UPGDCL had already invested huge amount to the project and gas was the only fuel for operating power plant. The Company took initiative and made gas connection facility at their own cost upon construction of an 11 km gas pipeline at Ashulia TBS, modification of Ashulia TBS of Titas and building of Regulating & Metering Station (RMS) at power plant premises and making connections to the gas engines. Total work was completed on 16 November 2008 and the power plant was commissioned on 26 December 2008. Commissioning of the power plant was delayed by 234 days owing to failure of BEPZA to give gas connection to the plant as per provision of the contract.

In the contract, it was stipulated that if delay would have occurred due to BEPZA then UPGDCL would not be liable to pay Liquidated Damage, rather, the Company would be entitled for reasonable compensation. But violating provision of the contract BEPZA submitted a bill of Liquidated Damage of BDT 117.00 Million. UPGDCL disputed to pay the bill. Both parties engaged in mutual discussion to resolve the dispute but failed. An expert was appointed, who determined that delay was caused by BEPZA and thus UPGDCL was not liable to pay Liquidated Damage and the Company was entitled to receive compensation. This is to mention that BEPZA gave three names of Expert to UPGDCL to select one. The Company selected one from the list given by BEPZA. However, BEPZA ultimately did not comply the opinion of the Expert and went for Arbitration. According to Expert's view, UPGDCL has no point to lose in the Arbitration. Moreover, as per provision of the contract and Expert's opinion UPGDCL would receive compensation. However, if the arbitral verdict comes against the Company then the Company, at best, may have to pay the Liquidated Damage of BDT 117.00 Million but the chances are very remote and the Company may not be required to pay the liquidated damage. Therefore, it can be assured that the profitability will have no effect of arbitration. Hearing of the Arbitration was scheduled on December 13, 2013. However, due to some unavoidable circumstances, the said hearing could not take place. New date for hearing has not been fixed yet.



RISK ASSOCIATED WITH GAS SUPPLY AGREEMENT

No Gas Supply Agreement with Titas & Karnaphuli Gas Distribution Company respectively for expanded 48 MW at DEPZ and 9 MW at CEPZ. Any sort of interruption in Gas supply to the power plants will negatively impact the generation of electricity, the only product of the company. Thus, the ascent of Gas supply agreement poses a direct challenge to its production.

Management Perception

Gas Supply Agreement (GSA) with Titas Gas Transmission and Distribution Company Ltd. for the expanded project of Dhaka EPZ for 48 MW has already been signed on 16 June 2014. Gas Supply Agreement (GSA) with Karnaphuli Gas Distribution Company Ltd. for the expanded project of Chittagong EPZ for another 9 (nine) MW is also in progress. Both the projects at present are getting the required amount of gas from the respective gas companies and in operation in full capacity as per demand.

RISK ASSOCIATED WITH NO MINIMUM CAPACITY PAYMENT IN CASE OF FAILURE OF GAS SUPPLY

There is minimum capacity of payment in case of failure of gas supply. However, in this project, if failure of Gas supply occurs than BEPZA will provide no minimum capacity of payment.

Management Perception

Failure of gas supply is a remote possibility because dedicated gas supply line and gas RMS has been established in the respective power plants to ensure reliable gas supply. Moreover, both the power plants are situated in strategic locations in respect of smooth gas supply. The risk of any possibility of gas supply failure may arise only in case the national gas supply system is jeopardized.

NO BANK GUARANTEE FOR PAYMENT OF ENERGY PRICE

Bank guarantee is required for payment of energy price. So, that in case of customer default the company can use the Bank guarantee as a safety net. However, in this project no Bank guarantee is required for payment of energy price, entailing the company to payment risk in case of customer default.

Management Perception

Electricity is sold to Bangladesh Export Processing Zone Authority (BEPZA), a national/government enterprise who in turn supplies it to the potential export processing industries. Those industries regularly pay electricity bill & they are always on time and UPGDCL is ensured its payment by BEPZA that is a Government body & Honorable Prime Minister, Republic of Bangladesh chairs the Board of Governors (BoG) meeting of BEPZA. The other customers BPDB and REB are also Government entities. Therefore, there is no requirement of any Bank Guarantee for payment of energy bill. The 1st phase of the plants will be in operation from 2008 for DEPZ power plant and 2009 for CEPZ power plant. Since then BEPZA has never defaulted payment of electricity bill.

RISK ASSOCIATED WITH REDEMPTION OF PREFERENCE SHARES

The Company has to to pay approximately Tk. 40 crore against redemption of preference shares including interest thereon for next 5 years, which may affect future profitability of the Company.

Management Perception

Over the years, UPGDCL has successfully handled their debts and gradually decreased the bank borrowing to equity from FY 2009 to FY 2012. Additional debt financing for the capacity expansion was partially offset by the issuance of preference shares. The funds available through IPO will be also used for paying off a part of the debt financing. Equity injection will lower the debt to equity ratio of UPGDCL, which was higher in FY 2013 in comparison to previous times due to the inclusion of debt for capacity expansion. As the expanded capacity has already started their commercial operation, inclusion of revenue from the expanded capacity will also increase the interest coverage ratio at comfortable zone for the UPGDCL. As the financing cost of preference shares was lower than other possible sources of debt financing, UPGDCL issued the preference shares to continue the capacity expansion plan forward. Redemption of the preference shares in upcoming periods will not financially worsen the position of UPGDCL, as almost 88% enhanced capacity is sufficient to cover the financial expenses associated with preference shares.

ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING Section: IV

FINANCIAL STRUCTURE OF THE COMPANY

Particulars	No. of Shares	Amount (BDT)
Authorized Share Capital		
Ordinary shares of Tk. 10 each	800,000,000	8,000,000,000.00
Redeemable preference shares of Tk. 10 each	200,000,000	2,000,000,000.00
Authorized Share Capital (as on December 31, 2013)	1,000,000,000	10,000,000,000.00
Ordinary Paid-up Capital as per audited accounts (as on December 31, 2013)	296,949,726	2,969,497,260.00
Pre-IPO Paid-up Capital	296,949,726	2,969,497,260.00
Initial Public Offering through Book Building Method	33,000,000	330,000,000.00
Post-IPO Paid-up Capital	329,949,726	3,299,497,260.00

United Power Generation & Distribution Company Limited is issuing 33,000,000 ordinary shares of Tk. 10/- each through Initial Public Offering (IPO) at an issue price of Tk. 72/- each of which 13,200,000 ordinary shares were subscribed by Eligible Institutional Investors through Book Building Method and the remaining 19,800,000 ordinary shares will be placed for General Public, ক্ষতিগ্রস্ত মুদ্রা বিনিয়োগকারী, NRB and Mutual Fund registered with the Commission.

SUMMARY OF ANNUAL GENERAL MEETING (AGM) OF UNITED POWER GENERATION & DISTRIBUTION COMPANY LIMITED:

#	AGM	Date of AGM
1.	First AGM was held on	<i>June 29, 2008</i>
2.	Second AGM was held on	<i>June 29, 2009</i>
3.	Third AGM was held on	<i>June 29, 2010</i>
4.	Fourth AGM was held on	<i>March 31, 2011</i>
5.	Fifth AGM was held on	<i>March 31, 2012</i>
6.	Sixth AGM was held on	<i>February 28, 2013</i>



USE OF IPO PROCEEDS

United Power Generation & Distribution Company Limited will utilize the IPO proceeds of BDT 2,376,000,000 as per following schedule:

Utilization of IPO Proceeds	Amount in BDT	Implementation Schedule
Full redemption of redeemable cumulative preference share	1,490,000,000	Within 3 months of receiving the IPO proceeds
Repayment of long-term loan (including current maturity)	792,000,000	Within 3 months of receiving the IPO proceeds
Working Capital	27,908,238	Within 1 months of receiving the IPO proceeds
IPO expenses	66,091,762	Time to time, as and when required
Total	2,376,000,000	

IMPLEMENTATION SCHEDULE

The IPO proceeds will utilized as per the above-mentioned schedule.

Sd/-
Rear Admiral Bazlur Rahman (Retd.)
 Chief Executive Officer
 United Power Generation & Distribution Co. Limited

Sd/-
Md. Ebadat Hossain Bhuiyan, FCA
 Chief Financial Officer
 United Power Generation & Distribution Co. Limited

TERMS OF CONTRACT

As per rule 8B-4(C) of Securities and Exchange Commission (Public Issue) Rules, 2006 there is no contract covering any of the activities of the Issuer Company for which the proceeds of sale of securities from IPO are to be used.

COMPANY PROFILE

United Power Generation & Distribution Company Limited (hereinafter referred to as “The Company”, “UPGDCL”) formerly known as Malancha Holdings Limited (MHL) was incorporated in Bangladesh as a private limited company on January 15, 2007 under the Companies Act 1994. The Company changed its name from Malancha Holdings Limited to United Power Generation & Distribution Company Limited on October 01, 2009. Subsequently, UPGDCL was converted to a Public Limited Company on December 22, 2010. The registered office of the Company is located at United Centre, House # NW (J)-6, Road # 51, Gulshan - 2, Dhaka - 1212, Bangladesh.

The Company started its commercial operation on December 26, 2008 with its first power plant located at Dhaka Export Processing Zone, which had an installed capacity of 41 MW. Subsequently, the Company enhanced its production capacity by installing its second power plant and started commercial operation on August 12, 2009 located at Chittagong Export Processing Zone with an installed capacity of 44 MW. The Company has already implemented two expansion projects, one at Dhaka Export Processing Zone (DEPZ) to increase its production capacity from 41 MW to 88 MW and another at Chittagong Export Processing Zone (CEPZ) to increase its production capacity from 44 MW to 72 MW. By doing so, UPGDCL has increased its production capacity from 85 MW to 160 MW through these projects in December 2013. Moreover, the DEPZ project will install 2 (two) Heat Recovery Boilers to produce 8 ton/h of steam & CEPZ project will install 3 (three) Heat Recovery Boilers to produce 12 ton/h of steam to sell to other customers.

The Power Plants of UPGDCL:**Dhaka Export Processing Zone (DEPZ) Power Plant**

The DEPZ Power Plant is located at Dhaka Export Processing Zone (DEPZ) premises, having 6,125.13 sq. meters areas under Land Lease Agreement signed on May 06, 2007 with BEPZA for 30 years. At present, the plant has 4 (four) gas fired engines with the capacity of 8.73 MW each, 3 (three) gas fired engines with the capacity of 2 MW each and 5 (five) gas fired engines with the capacity of 9.34 MW each having core engine facilities of 88 MW production capacity for the generation of electricity. The main raw material used for generating electricity is Natural Gas. The power plant gets gas supply from Titas Gas Transmission and Distribution Company Limited (TGTDC) under Gas Supply Agreement signed on November 16, 2008 for 15 years.

Chittagong Export Processing Zone (CEPZ) Plant

The CEPZ Power Plant is located at Chittagong Export Processing Zone (CEPZ) premises, having 6,033.80 sq. meters areas under Land Lease Agreement signed on May 16, 2007 with BEPZA for 30 years. At present, the plant has 5 (five) gas fired engines with the capacity of 8.73 MW each and 3 (three) gas fired engines with the capacity of 9.34 MW each having core engine facilities of 72 MW production capacity for the generation of electricity. The power plant gets gas supply from Karnaphuli Gas Distribution Company Limited under Gas Supply Agreement signed on July 09, 2009 for 30 years.

Important Dates:

Particulars	Date
Date of incorporation as Private Limited Company	<i>January 15, 2007</i>
Signing Date of PSA: BEPZA – DEPZ	<i>May 06, 2007</i>
Signing Date of LLA: BEPZA – DEPZ	<i>May 06, 2007</i>
Signing Date of PSA: BEPZA – CEPZ	<i>May 16, 2007</i>
Signing Date of LLA: BEPZA – CEPZ	<i>May 16, 2007</i>
Signing Date of GSA: Titas Gas Transmission & Distribution Co. Ltd.	<i>November 16, 2008</i>
Date of Commercial Operation of DEPZ Power Plant	<i>December 26, 2008</i>
Signing Date of PSA: Oli Knitting & Fabrics Limited	<i>April 02, 2009</i>
Signing Date of PPA: REB	<i>May 09, 2009</i>
Signing Date of GSA: Karnaphuli Gas Distribution Co. Ltd.	<i>July 09, 2009</i>
Date of Commercial Operation of CEPZ Power Plant	<i>August 12, 2009</i>
Signing Date of PPA: BPDB	<i>September 23, 2009</i>
Conversion date from Private Limited Company to Public Limited Company	<i>December 22, 2010</i>
Signing Date of PSA: BEPZA - KEPZ	<i>April 04, 2012</i>

NATURE OF BUSINESS

The principal activity of the Company is to generate electricity by two gas fired power plants, one at DEPZ with 88 MW capacity and the other at CEPZ with 72 MW capacity and to sell generated electricity to the export processing industries located inside DEPZ and CEPZ with the provision of selling surplus power outside the Export Processing Zones (EPZs) after fulfilling their requirement. The Company is supplying electricity to the national grid of Bangladesh through selling the same to Dhaka PBS-1 of Rural Electrification Board (REB), Bangladesh Power Development Board (BPDB), Karnaphuli Export Processing Zone (KEPZ) and other Private Sector Companies e.g. Oli knitting Fabrics Limited, Lilac Fashion Wear Limited, Dhaka Thai Limited and Ahad Fashion Limited.

PRINCIPAL PRODUCTS AND SERVICES OR MARKET FOR THE PRODUCTS

Generation and distribution of electricity is the principal products and services of the Company. The electricity produced from the Company's power plants is sold to Bangladesh Export Processing Zone Association (BEPZA). In turn, BEPZA distributes the generated electricity to industries in Dhaka Export Processing Zone and Chittagong Export Processing Zone. UPGDCL also supplies surplus electricity to Rural Electrification Board, Bangladesh Power Development Board and other private sectors.

PRODUCT/SERVICE THAT ACCOUNTS FOR MORE THAN 10% OF THE COMPANY'S TOTAL REVENUE

The principal activity of the Company is to produce and sell electricity. Therefore, selling electricity is accounted for 100% of the Company's total revenue.

ASSOCIATES, SUBSIDIARY/RELATED HOLDING COMPANY AND THEIR CORE AREAS OF BUSINESS

Name of the Company	Relationship with UPGDCL	Core Area of Business
United Enterprises & Co. Ltd.	Holding Company	The Company is engaged in Healthcare and Hospital, Manufacturing, Port & Maritime, Real-Estate, Energy through its subsidiaries as mentioned in shareholding of United Enterprises & Co. Ltd. of this Prospectus.

Holding Company Profile - United Enterprises & Co. Ltd. (UECL)

United Group is a widely known Business conglomerate in the Country. It started its operations in the late seventies with its flagship Company named “United Enterprises & Co. Ltd.”. The Group has been a strong, capable and dynamic business conglomerate over the last few decades proven by origination, execution and completion of large and pioneering projects. The group has expanded its business in various sectors in the economy such as the following:

- Manufacturing
- Energy & Power generation
- Polymer Industries
- Port & Maritime transportation
- Real Estate and Construction
- Healthcare and Hospital
- Civil & Hydro Engineering

United Enterprises & Co. Ltd. holds equity in the following Companies:

Name of the Company	Nature of Business	% of Ownership held by Parent Company (UECL)
United Ashuganj Energy Limited (UAEL)	Power Producer	99.97%
United Ashuganj Power Limited (UAPL)	Power Producer	90.00%
United Hospital Limited	Managed Care and Healthcare Service Provider	67.12%
United Polymers Limited	Manufacturer of Polyethylene (PET) Products	63.74%
United Makkah Madina Travel & Assistance Co. Ltd.	Travel Agency	56.25%
United Power Generation & Distribution Co. Ltd.	Power Producer	52.31%
Gunze United Limited	Manufacture and Dyeing of Sewing Threads and Garments Accessories	50.00%
United Land Port Teknaf Limited	Developer of Infrastructural and Civil Projects for Exporters, Importers and the Government	90.00%
Khulna Power Company Limited (KPCL)	Power Producer	35.28%



DISTRIBUTION OF PRODUCTS/SERVICES

United Power Generation & Distribution Company Limited has signed a Power Supply Agreement (PSA) with BEPZA to ensure uninterrupted quality supply of electricity to Dhaka EPZ and Chittagong EPZ under Private Sector Power Generation Policy of Bangladesh. The Company has arranged and connected feeders from the DEPZ and CEPZ power systems to its own plants in order to provide the stipulated loads to the DEPZ and CEPZ power systems.

Additionally, UPGDCL has a Power Purchase Agreement (PPA) with the Rural Electrification Board (REB) and Bangladesh Power Development Board (BPDB). The Company's power plants maintain interconnection lines and sub-station equipment with the national transmission grid through which it distributes electricity to REB and BPDB and private sector company (Oli Knitting Fabrics Limited).

COMPETITIVE CONDITION OF BUSINESS

United Power Generation & Distribution Company Limited is a Commercial Independent Power Producer (IPP) mandated to build, operate and own power plants within the Export Processing Zones of Bangladesh by BEPZA.

At present, only UPGDCL can sell electricity to BEPZA. Therefore, the Company has no competition in the markets in which it operates and sells electricity. However, other power producers are contributing to the national grid rather than selling it for commercial purpose. Unlike other IPPs, UPGDCL sells electricity directly to its customers.

SOURCES AND AVAILABILITY OF RAW MATERIALS AND PRINCIPAL SUPPLIERS

Items of Raw Materials	Name of Supplier/Manufacturer	Terms of Procurement
Natural Gas	Supplier: Titas Gas Transmission and Distribution Co. Limited (TGTDL) and Karnaphuli Gas Distribution Company Limited (KGDCL)	The major raw material for generating electricity is natural gas. Gas Supply Agreements (GSA) have been made and entered into to receive required gas supplies for generation of electricity.
Generators	Manufacturer: Wärtsilä, Finland OY and MTU Pte Ltd, Germany and Rolls Royce with capacity per genset of 8.73 MW, 2.00 MW and 9.34 MW respectively.	Equipment Supply Agreements have been made and entered into regarding supply, delivery, and installation of its generators.
Spare Parts	Manufacturer: Wärtsilä Finland OY, Areva T&D France, ABB Ltd. India, Tognum Asia Pte Ltd (MTU Pte Ltd.) Singapore and Energy Pack Bangladesh.	Spare parts and others are purchased from engine providers at agreed rates year to year.
Lubricant Oils	Supplier: MJL Bangladesh Limited and Petronas Lubricants International (PLI) Limited.	Lubricant oils are purchased from MJL Bangladesh Limited and PLI International Limited as and when required.



SOURCES OF AND REQUIREMENT FOR POWER, GAS AND WATER OR ANY OTHER UTILITIES

Particulars	Sources & Requirement
POWER	BEPZA is required to deliver energy to UPGDCL for the construction, commissioning, testing and other emergencies of the plants at the prevailing tariff rate. The operational power requirement of both the power plants is met from its own generation.
GAS	UPDGCL's plants require natural gas for generation and distribution of electricity. BEPZA facilitates necessary gas connection for required quantity and specifications from the nearest District Regulatory Station (DRS) of Titas Gas Transmission and Distribution Company Limited and Karnaphuli Gas Distribution Company Limited and maintains such connection.
WATER	BEPZA provides necessary water supply to UPGDCL's power stations and a monthly water bill is paid accordingly in favor of BEPZA.

NAME OF THE CUSTOMERS WHO PURCHASE 10% OR MORE OF THE COMPANY'S PRODUCTS/SERVICES

DEPZ, CEPZ and BPDB are the buyers who purchase more than 10% of the net electrical output of the Company -

(As per Audited Accounts)

#	Name of Customers	Contribution to Sales (%)
1.	Dhaka Export Processing Zone (DEPZ)	37.14%
2.	Chittagong Export Processing Zone (CEPZ)	37.60%
3.	Bangladesh Power Development Board (BPDB)	10.55%

DESCRIPTION OF CONTRACT WITH PRINCIPAL SUPPLIERS/CUSTOMERS

Contract with Principal Suppliers:

Contract	Nature of Transaction	Name of the Principal Supplier	Description of Contract	
Gas Supply Agreement (GSA)	Supplier	<i>Titas Gas Transmission & Distribution Company Ltd. (TGTDCI)</i>	<p>Signing Date: February 27, 2014 for DEPZ Power Plant, but said Gas Supply Agreement will be treated as effective from August 08, 2009;</p> <p>Tenure: As per Article-2, The term of this Agreement herein after referred to as the "Term" shall commence on the Execution date and shall continue subject to other provisions of this Agreement for a period that ends on the Expiry Date which is the expiration date for the Term of the Power Supply Agreement;</p> <p>Maximum Gas Usage: The Maximum Hourly Gas Usage (MHGU) shall be 8,150 Sm³ per hour, the Maximum Daily Gas Usage (MDGU) shall be 195,600 Sm³ per day, the Maximum Monthly Gas Usage (MMGU) shall be 5,281,200 Sm³ per month and the Annual Contract Gas Usage (ACGU) during a contract year shall be 63,374,400 Sm³ per annum. If Gas supplier has excess quantities of Gas available and transportation available as per requirement of the Company, Gas Supplier will sell and deliver such excess quantities to the Company in accordance with the terms of the Agreement (as per Article-6);</p> <p>Purchase Quantity: As per Article-7, Minimum Purchase Obligation for each contract year shall be fifty percent (50%) of the Annual Contract Gas Usage;</p> <p>Payment: As per Article-8, the Company shall make full payment within twenty one (21) days of receiving an invoice from Gas Supplier of the total amount due to Gas Supplier. Late payments shall bear interest commencing on the day following the date payment was due at the interest rate prevailing in Bangladesh announced by the Bank on the date payment is made per annum;</p> <p>Disconnection: According to Article-8, if the Company fails to make payment of monthly bills for 2 (two) consecutive months then it will allow the gas supplier to immediately disconnect Gas connection and the gas supplier will only give re-connection after payment of arrears by the Company along with interest and payment of re-connection fees as been determined by the gas supplier;</p> <p>Termination: The failure by Project Company to make any payment required to be made by it to Gas Supplier under the Agreement within sixty (60) days after notification by Gas supplier to Company that the same is due and payable (as per Article-15).</p>	

Gas Supply Agreement (GSA)	Supplier	<i>Karnaphuli Gas Distribution Company Ltd. (KGDCL)</i>	Signing Date: Tenure: Maximum Gas Usage: Purchase Quantity: Payment: Termination:	Effective from May 15, 2013 for CEPZ Power Plant; As per Article-2, the term of this Agreement herein after referred to as the “Term” shall commence on the Effective Date and shall continue subject to the other provisions of this Agreement for a period that ends on the expiry date, which is the expiration date for the term of the Power Supply Agreement with BEPZA, dated May 16, 2007. The Maximum Hourly Gas Usage (MHGU) shall be 20,377 Sm ³ per hour, the Maximum Daily Gas Usage (MDGU) shall be 415,690.80 Sm ³ per day, the Maximum Monthly Gas Usage (MMGU) shall be 12,470,728 Sm ³ per month and the Annual Contract Gas Usage (ACGU) during a contract year shall be 149,648,736 Sm ³ per annum. If Gas supplier has excess quantities of Gas available and transportation available as per requirement of the Company, Gas Supplier will sell and deliver such excess quantities to the Company in accordance with the terms of the Agreement (as per Article-6); As per Article-7, Minimum Purchase Obligation for each contract year shall be fifty percent (50%) of the Annual Contract Gas Usage; As per Article-8, the Company shall make full payment within thirty five (35) days of receiving an invoice from Gas Supplier of the total amount due to Gas Supplier. Late payments shall bear interest commencing on the day following the date payment was due at the interest rate prevailing in Bangladesh announced by the Bank on the date payment is made per annum; The failure by Project Company to make any payment required to be made by it to Gas Supplier under the Agreement within 60 (sixty) days after notification by Gas supplier to project company that the same is due and payable (as per Article-15).
-----------------------------------	----------	--	--	--

Contract with Principal Customers:

Contract	Nature of Transaction	Name of the Principal Customer	Description of Contract	
<p>Power Supply Agreement (PSA)</p>	<p>Customer</p>	<p>Bangladesh Export Processing Zone Authority (BEPZA) - DEPZ & CEPZ</p>	<p>Signing Date:</p> <p>Tenure:</p> <p>Supply Quantity:</p> <p>Purchase Quantity:</p> <p>Purchase Rate:</p>	<p>May 06, 2007 for UPGDCL's DEPZ Plant and May 16, 2007 for CEPZ Plant;</p> <p>According to Article-2, the agreements shall commence and become effective on the date written on Land Lease Agreement (LLA), that is May 06, 2007 for DEPZ Plant and May 16, 2007 for CEPZ Plant and shall continue in full force and effect until the expiry of a period of 30 (thirty) years as per LLA, unless extended or earlier terminated in accordance with its terms.</p> <p>The Project Company shall supply uninterrupted and quality power (50 cycle, 11KV ± 5% voltage level, minimum 0.8 power factor at the generating point) from power industry. Project Company shall have the right to sell surplus power to any party government or private, after meeting the total power requirement of Dhaka EPZ and Chittagong EPZ and for supplying such power, BEPZA shall not claim any service charge (as per Article-4).</p> <p>According to Article-3, BEPZA does unconditionally and irrevocably guarantee to the Project Company that BEPZA shall arrange to buy total electrical capacity and energy of the Power Industry owned by the Project Company up to the total requirement of Dhaka EPZ (both for Old and Extension) and Chittagong EPZ. In the event the Project Company becomes unable to fulfill the requirement of Dhaka EPZ and Chittagong EPZ, by giving Uninterrupted and Quality power only then, BEPZA can buy electricity from REB, BPDB, DESA, DESCO, PGCB or their Successor and permitted assignees.</p> <p>According to Article-9, for Dhaka EPZ, the Reference Tariff for each Billing Month shall be equal to the prevailing 11KV Electricity Tariff of Dhaka PBS-1 (REB) and in effect from time to time with the rebate in effect from time to time, if any, to the energy component of the Tariff up to maximum of 7.5% and without any reference to sanctioned load and minimum charge and service charge. For Chittagong EPZ, the Reference Tariff for each billing Month shall be equal to the prevailing Flat Tariff of 33KV General Category-H of BPDB in effect from time to time and without any reference to sanctioned load and minimum charge and service charge;</p>

			<p>Payment:</p> <p>Compensation for Supply Failure:</p> <p>Termination:</p>	<p>Invoices shall be on a Monthly basis for all charges incurred throughout a Month. The invoices for all charges payable to BEPZA to the Project Company shall be prepared and submitted to BEPZA within 7 (seven) days after the end of each month. Payment shall be made no later than the due date which is 15 (fifteen) working days of receipt of relevant invoice. Late payment shall bear interest at a rate p.a. equal to the Prevailing Commercial Bank Rate on day-to-day basis (as per Article-10).</p> <p>According to Article-12, in the event the Project Company fails to deliver any electricity for 24 (twenty four) hours at a stretch because of complete shutdown of the power plant or partial outage of one or more units of the power plant or fails to make any arrangement to supply from other suppliers within the said time, then, it shall pay Liquidated Damage at the rate of BDT 5.00 lacs per full day for complete shutdown of the power plant or BDT 1.00 lac for outage of each unit per full day if all units remain same capacity till it becomes able to restore its generation to make arrangement to supply electricity from other suppliers;</p> <p>As per Article-13, failure to start construction within 90 (ninety) days of the Agreement Date, failure to delay the Commercial Operation Date within 6 (six) months after the guaranteed COD, abandons the project or operations for a period of 30 (thirty) consecutive days without the prior written notice to BEPZA, if the Project Company fails to operate, maintain and modify or repair the Power Industry in accordance with Prudent Utility Practices and any material breach by the Project Company of this Agreement that is not remedied within 30 (thirty) days after notice from BEPZA.</p>
--	--	--	--	--

Contract	Nature of Transaction	Name of the Principal Customer	Description of Contract	
Power Supply Agreement (PSA)	Customer	Bangladesh Export Processing Zone Authority (BEPZA) - KEPZ	Signing Date: Tenure: Supply Quantity: Purchase Quantity: Purchase Rate: Payment: Termination:	<p>April 04, 2012 for UPGDCL's KEPZ Plant</p> <p>According to Article- 2, this Agreement shall come into effect on the date first written above and shall continue in full force and effect until such time M/s. Leviathan Global Corporation Ltd. declares COD of KEPZ power plant and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement;</p> <p>The Project Company shall supply surplus power of the CEPZ Power Plant to Karnaphuli EPZ (as per Article-4);</p> <p>BEPZA does unconditionally and irrevocably guarantee to the Project Company that BEPZA shall arrange to buy surplus power of the Chittagong EPZ power plant owned by the Project Company up to the total requirement of Karnaphuli EPZ. In the event of the Project Company becomes unable to fulfill the requirement of Karnaphuli EPZ, BEPZA can buy electricity from REB, BPDB, DESA, DESCO, PGCB or their Successor and permitted assignees (as per Article-3).</p> <p>According Article-8, the Reference tariff for each billing month shall be equal to the prevailing flat tariff of 33KV General Category-H rate of BPDB in effect from time to time and without any reference to sanctioned load and minimum charge, demand charge and service charge.</p> <p>According to Article-9, invoices shall be on a Monthly basis for all charges incurred throughout a month. The invoices for all charges payable to BEPZA shall be prepared by the Project Company and submitted to BEPZA within 7 (seven) days after the end of each month for which such invoice is applicable and shall show the due date of the invoice to be 15 (fifteen) working days after its delivery. Late payments shall bear interest at a rate p.a. equal to prevailing Commercial Bank Rate on day to day basis;</p> <p>Any material breach by the project company of the agreement that is not remedied within 30 (thirty) days after notice from BEPZA that could result in the termination of the agreement (as per Article-10).</p>

Contract	Nature of Transaction	Name of the Principal Customer	Description of Contract	
Power Purchase Agreement (PPA)	Customer	Rural Electrification Board (REB)	Signing Date: Renewal Date: Tenure: Supply Quantity: Purchase Quantity: Purchase Rate: Payment: Termination:	<p>Effective from May 09, 2009 for UPGDCL's DEPZ Plant;</p> <p>Executed on June 09, 2013;</p> <p>According to Article-14, the term of the agreement shall be 3 (three) years from the effective date as on May 09, 2012 of this agreement;</p> <p>The Power Producer may have surplus power up to 05 MW (during 8 A.M. to 6 P.M.) and up to 25 MW (from 6 P.M. to 8 A.M. of next day) each from Saturday to Thursday where the surplus power may be up to 30 MW during Fridays and Industrial Holidays (as per Article 5);</p> <p>The Power Producer shall schedule its surplus generation from the power plant according to the requirement and direction of the Power Purchaser.</p> <p>According to Article-9, billing will be as per the prevailing Indicative Benchmark Bulk Tariff (BT) determined by BERC for Gas Based Commercial Power Plant (GBCPP) in effect from time to time in Tk./KWh for power purchase from Gas based Commercial Power Plant (GBCPP) under the policy.</p> <p>According to Article-10, the Power Purchaser shall make payment of the amounts due within a period of 30 days from the date of submission of the bill. Late payment shall bear an interest at Bank Rate;</p> <p>Upon the concurrence of a Power Purchaser's or Power Producer's event of default as the case may be, that is not cured within the applicable period (if any) for cure, the non-defaulting party may, at its option, terminate this Agreement by delivery of a Termination Notice to the other party, whereupon this agreement shall immediately terminate (as per Article-20).</p>
Power Purchase Agreement (PPA)	Customer	Bangladesh Power Development Board (BPDB)	Signing Date: Renewal Date: Tenure: Supply Quantity:	<p>Effective from September 23, 2009 for UPGDCL's CEPZ Plant;</p> <p>Executed on May 07, 2013;</p> <p>The Power Purchaser and the Power Producer has agreed to extend the term of the Power Purchase Agreement for 36 months effective from September 23, 2012;</p> <p>The Power Producer desires to sell surplus electrical energy from its Commercial Power Plant to the Power Purchaser after fulfilling the requirement of CEPZ, in accordance with the provision of the Policy;</p>

			<p>Purchase Quantity: According to Article-5, power purchaser will purchase electricity from the Commercial Power Plant as per their demand abide by provisions of the policy. The Power Producer shall schedule its surplus generation from the power plant according to the requirement and direction of the Power Purchaser;</p> <p>Purchase Rate: According to Article-9, billing will be as per the prevailing Indicative Benchmark Bulk Tariff (BT) determined by BERC in effect from time to time in Tk./KWh for energy purchase from Commercial Power Plant under the policy;</p> <p>Payment: According to Article-10, the Power Purchaser shall make payment of the amounts due within a period of 45 days from the date of submission of the bill. Late payment shall bear an interest at Bank Rate;</p> <p>Termination: Upon the concurrence of a Power Purchaser's or a Power Producer's event of default as the case may be, that is not cured within the applicable period (if any) for cure, the non-defaulting party may, at its option, terminate this Agreement by delivery of a Termination Notice to the other party, whereupon this agreement shall immediately terminate (as per Article-22).</p>
--	--	--	---

Contract	Nature of Transaction	Name of the Principal Customer	Description of Contract	
Power Purchase Agreement (PPA)	Customer	Oli Knitting Fabrics Limited	<p>Signing Date: April 02, 2009 for UPGDCL's DEPZ Plant;</p> <p>Tenure: According to Section-9, this Agreement shall come into effect as of the date of execution hereof and shall continue to be in full force and effect for a primary term of 15 (fifteen) years;</p> <p>Contracted Load: 1000 kW and the Customer will be able to get 30% additional electricity on demand whenever needed if that much of electricity remain available with the Company (as per Section-2);</p> <p>Purchase Quantity: Minimum purchase obligation (MPO) is 70% of contracted load (as per Article-2);</p> <p>Purchase Rate: According to Article-2, Energy charge in effect Tk./kWh Prevailing flat rate Energy Charge of GP (11KV General Power) of Dhaka PBS-1 or concerned PBS which have jurisdiction over the customer;</p> <p>Payment: According to Article-4, payment of invoice must be made in full at the Company's designated bank within 15 (fifteen) days of the receipt of the invoice. In the event of the Customer's failure to pay the bill in due time, interest at the rate of 2% per month or fraction thereof shall be charged from the due date till the bill is paid in full.</p>	



			<p>Disconnection: Failure of the Customer to pay the Company's invoice within due date for consecutive 3 (three) times (as per Article-10);</p> <p>Termination: According to Article-9, agreement may be terminated by the Company on giving 30 (thirty) days' written notice to the Customer in case of continue neglect or default of the Customer to pay within the period stipulated by the Company on the invoices issued by the Company against supply of electricity.</p>
--	--	--	--

Contract	Nature of Transaction	Name of the Principal Customer	Description of Contract	
Power Purchase Agreement (PPA)	Customer	Dhaka Thai Limited	<p>Signing Date: December 20, 2012 for UPGDCL's DEPZ Plant;</p> <p>Tenure: According to Section-9, this Agreement shall come into effect as of the date of execution hereof and shall continue to be in full force and effect for a primary term of 3 (three) years;</p> <p>Contracted Load: Connected load of the customer is 1000 kW as per summation of all the present load which can be changed through mutual agreement provided the contracted load shall not be less than 1000 kW (as per Section-2);</p> <p>Purchase Quantity: Minimum purchase obligation (MPO) is 70% of the Monthly available energy (as per Section-2);</p> <p>Purchase Rate: According to Section-3, Energy charge in Tk./kWh which is prevailing retail flat energy charge applicable for consumer category 11 KV General Industry of Dhaka PBS-1 in effect from time to time;</p> <p>Payment: According to Section-5, the Company shall submit the bill to customer within first 3 (three) days of the month. The Customer shall pay the Bill within 15 (fifteen) days of the submission of the Bill. Late payment shall add an interest at the rate of 2% per month or fraction thereof.</p> <p>Disconnection: Failure of the Customer to pay the Company's invoice within due date or failure of Customer to submit Security Payment at its full amount (as per Section-10);</p> <p>Termination: According to Section-9, the agreement may be terminated by the Company on giving 30 (thirty) days' written notice to the Customer in case of continue neglect or default of the Customer to pay within the period stipulated by the Company on the invoices issued by the Company against supply of electricity.</p>	

Contract	Nature of Transaction	Name of the Principal Customer	Description of Contract	
Power Purchase Agreement (PPA)	Customer	Lilac Fashion Wear Limited	Signing Date: January 22, 2013 for UPGDCL's DEPZ Plant; Tenure: According to Section-9, this Agreement shall come into effect as of the date of execution hereof and shall continue to be in full force and effect for a primary term of 3 (three) years; Contracted Load: Connected load of the customer is 1000 kW against which the customer will presently use 200 kW. The demand of the customer will increase gradually up to 1000 kW (as per Section-2); Purchase Quantity: Minimum purchase obligation (MPO) in kWh is 70% of the Monthly available energy (as per Section-2); Purchase Rate: According to Section-3, Energy charge in Tk./kWh which is prevailing retail flat energy charge applicable for consumer category 11 KV General Industry of Dhaka PBS-1 in effect from time to time; Payment: According to Section-5, the Company shall submit the bill to customer within first 3 (three) days of the month. The Customer shall pay the Bill within 15 (fifteen) days of the submission of the Bill. Late payment shall add an interest at the rate of 2% per month or fraction thereof. Disconnection: Failure of the Customer to pay the Company's invoice within due date or failure of Customer to submit Security Payment at its full amount (as per Section-10); Termination: According to Section-9, the agreement may be terminated by the Company on giving 30 (thirty) days' written notice to the Customer in case of continue neglect or default of the Customer to pay within the period stipulated by the Company on the invoices issued by the Company against supply of electricity.	

Contract	Nature of Transaction	Name of the Principal Customer	Description of Contract	
Power Purchase Agreement (PPA)	Customer	Ahad Fashion Limited	Signing Date: July 01, 2013 for UPGDCL's DEPZ Plant; Tenure: According to Section-9, this Agreement shall come into effect as of the date of execution hereof and shall continue to be in full force and effect for a primary term of 1 (one) years; Contracted Load: Connected load of the customer is 1000 kW as per Section-2; Purchase Quantity: Minimum purchase obligation (MPO) in kWh is 70% of the Monthly available energy (as per Section-2); Purchase Rate: According to Section-4, Energy charge in effect, Tk./kWh is equal to prevailing flat rate energy charge of GP (11 KV General Power) of Dhaka PBS-1 or concerned PBS which have jurisdiction over the customer plus Tk. 2/kWh; Payment: According to Section-4, payment of invoice must be made in full at the Company's designated bank within 10 th of each month the invoice is issued. In the event of Customer's failure to pay the bill in due time, interest at the rate of 2% per month or fraction thereof shall be charged from the due date till the bill is paid in full. Disconnection: Failure of the Customer to pay the Company's invoice within due date or failure in depositing balance or additional security money on demand or if the sum of outstanding bill(s), accrued interest and the bill for the anticipated consumption till date of disconnection exceed 90% of the security deposit; which comes earlier (as per Section-10); Termination: According to Section-9, the agreement may be terminated by either party on giving 90 (ninety) days' notice to the other Party in the event of any violation of contract provisions.	

DESCRIPTION OF ANY MATERIAL PATENTS, TRADEMARKS, LICENSES OR ROYALTY AGREEMENTS

United Power Generation & Distribution Company Limited does not have any material patents, trademarks, licenses or royalty agreements.

NUMBER OF EMPLOYEES

The total number of employees of United Power Generation & Distribution Company Limited is 9 (nine) as on December 31, 2013. The details have been provided below:

(As per Audited Accounts)

Salary Range (Monthly)	Officers & Staffs		Workers	Total Employees
	Head Office	Power Plant		
Below Tk. 3,000	-	-	-	-
Above Tk. 3,000	9	-	-	9
For the year ended December 31, 2013	9	-	-	9
For the year ended December 31, 2012	7	-	-	7

Note: The Company has entered into an Operation & Maintenance Agreement with United Engineering & Power Services Limited (UEPSL) for providing technical and operational support.

Features of Operation & Maintenance Agreement:

Type of Contract	Description of Contract	
Operation & Maintenance Agreement between UPGDCL and UEPSL	<p>Signing Date: January 01, 2012;</p> <p>Tenure: Valid for 5 (five) years and upon agreement of Owner and Operator, this agreement may be extended for 6 (six) periods of 5 (five) years each (as per Article-8);</p> <p>Scope of Services: According to Article-3, Operator shall (i) operate, maintain and manage the project on behalf of Owner and (ii) also perform the specific duties set forth in the agreement if they are not otherwise required by the standards for performance of the service;</p> <p>Annual Operating Fee: As compensation to Operator for performance of the Services hereunder, Owner shall pay Operator the Annual Operating Fee. For the first contract year and each subsequent contract year Owner shall pay to Operator the sum of BDT 300,000 per month of the contract year, for an annual fee of BDT 3,600,000 (as per Article-5).</p> <p>Billing & Payment: Owner shall pay the Operator the sum specified in such invoice within 15 (fifteen) days after receiving of invoice. Any amount owed to either party under this agreement by the other party which remains unpaid more than 30 (thirty) days after the date such amount is due and payable shall begin to accrue interest on the 31 (thirty first) day after such due date (as per Article-5).</p> <p>Termination: According to Article-8, Owner may terminate this agreement upon 10 (ten) days prior written notice to Operator in the event that (i) Operator violates, or consents to a violation of any laws applicable to the services of the project or (ii) of a material breach by Operator in the performance of the services.</p> <p>Owner may terminate this agreement immediately (i) upon Bankruptcy of Operator or (ii) upon the occurrence of a Force Majeure Event that is not remedied within 120 days of its initial occurrence (as per Article-8).</p>	



PRODUCTION/SERVICE RENDERING CAPACITY AND CURRENT UTILIZATION

The production capacity of the company has increased in the year 2013 as previously stated. The expanded capacity of DEPZ power plant was gone for operation from 1 December 2013 and the expanded capacity of CEPZ power plant was gone for operation from 1 July 2013. Details of production capacity and utilization are as follows:

(As per Audited Accounts)

Name of Plant	Installed Capacity (KWH)	Actual Production (KWH)		Capacity Utilization (%)	
		2013	2012	2013	2012
DEPZ	359,333,333	278,093,102	276,463,636	77%	84%
CEPZ	426,720,000	346,223,915	321,555,370	81%	91%
Total	786,053,333	624,317,017	598,019,006	79%	88%

DESCRIPTION OF PROPERTY

Section: VI

LOCATION OF THE PRINCIPAL PLANTS AND OTHER PROPERTY OF THE COMPANY AND THEIR CONDITION

1. The principal Plants and other properties of United Power Generation & Distribution Company Limited are all located at the Company's plant premises and registered office. The Company's registered office is located at a leased premise in United Centre, House # NW (J)-6, Road # 51, Gulshan - 2, Dhaka - 1212, Bangladesh. The company has Land Lease Agreements with BEPZA for 30 years to establish both of its power plants. The details of land lease agreements have been provided in '**Operating Lease Agreement during Last Five Years**' under the head of Plan of Operation and Discussion of Financial Condition of this Prospectus.

2. The Company owns the following assets at written down value as on December 31, 2013:

(As per Audited Accounts)

#	Particulars	Written Down Value in BDT	
		December 31, 2013	December 31, 2012
1.	Plant & Machinery	9,281,801,587	3,368,944,263
2.	Gas Line	184,102,935	130,200,223
3.	Equipment	7,380,462	4,463,532
4.	Furniture and Fixtures	993,422	582,366
5.	Transport and Vehicles	5,198,151	3,791,834
Total		9,479,476,556	3,507,982,218

- The above-mentioned properties are situated at Company's registered office and plant premises and are in good operational condition.
- The above-mentioned properties are owned by the Company and purchased in brand new condition.
- Hypothecation of all fixed and floating assets including but not limited to machinery, book debts, furniture and equipment on first ranking pari-paasu basis creating present and future charges with the RJSC in case of default of loan arranged by Dhaka Bank Limited.
- Hypothecation of all fixed and floating assets including but not limited to machinery, book debts, furniture and equipment on first ranking pari-paasu basis creating present and future charges with the RJSC in case of default of loan arranged by Dutch-Bangla Bank Limited.
- The security of Redeemable Cumulative Preference Shares will get the first priority fixed and floating charge on building and all machineries.
- At present, the Company has no asset under lease agreement except as mentioned in '**Operating Lease Agreement during Last Five Years**' under the head of Plan of Operation and Discussion of Financial Condition of this Prospectus.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

Section: VII

INTERNAL AND EXTERNAL SOURCES OF CASH

The internal sources of cash of the company are share capital and retained earnings. The external sources of cash are long-term and short-term borrowings. The details are given below:

(As per Audited Accounts)

Particulars	As on Dec. 31, 2013 (Amount in Taka)	As on Dec. 31, 2012 (Amount in Taka)	As on Dec. 31, 2011 (Amount in Taka)
Internal Sources of Cash:			
Share Capital	2,969,497,260	1,979,664,840	1,979,664,840
Retained Earnings	4,051,308,485	3,266,713,247	1,246,234,967
Sub-Total	7,020,805,745	5,246,378,087	3,225,899,807
External Sources of Cash:			
Long-term Loan	1,744,273,042	1,934,715,782	2,135,832,865
Short-term Loan	-	542,668,476	267,843,911
Sub-Total	1,744,273,042	2,477,384,258	2,403,676,776
Grand Total	8,765,078,787	7,723,762,345	5,629,576,583

MATERIAL COMMITMENTS OF CAPITAL EXPENDITURE

United Power Generation & Distribution Company Limited has no material commitment for capital expenditure as on December 31, 2013 other than as specified in 'Utilization of IPO Proceeds' under the head of Issue Size and Purpose of the Public Offering of this Prospectus.

CAUSES FOR MATERIAL CHANGES FROM PERIOD TO PERIOD

The trend of the Company's net profit after Tax, EPS and other business indicators is upward due to the management effort and strategic action taken to face competition in the industry. The following table shows the year-to-year financial performance of the Company which is improving due to the Company's long-term vision in this sector, experienced top tier management and favorable economic and government rules and regulations and the commendable repayment culture:

(As per Audited Accounts)

Particulars	For the year ended on Dec. 31, 2013 (Amount in Taka)	For the year ended on Dec. 31, 2012 (Amount in Taka)	For the year ended on Dec. 31, 2011 (Amount in Taka)
Revenue	3,396,097,108	3,273,488,057	2,227,633,409
Operating Expenses	(1,038,613,966)	(884,552,090)	(895,484,539)
Gross Profit	2,357,483,141	2,388,935,967	1,332,148,870
Administrative Expenses	(242,519,472)	(57,396,889)	(36,371,340)
Operating Profit	2,114,963,670	2,331,539,078	1,295,777,530
Other Operating Income/(Loss)	32,252,489	225,333	2,057,447
Profit before Interest & Tax	2,147,216,159	2,331,764,411	1,297,834,977
Financial Expenses	(360,693,817)	(311,201,631)	(234,795,944)
Profit before Tax	1,786,522,342	2,020,562,780	1,063,038,033
Provision for Taxation	(12,094,683)	(84,500)	(771,543)
Net Profit after Tax³	1,774,427,658	2,020,478,280	1,062,266,490

³The financial performance of UPGDCL has been found as good. The revenue of the Company increased to Tk. 3,396.10 million in FY 2013 from Tk. 3,273.49 million in FY 2012. The revenue increased due to increased production of electricity from two expanded



plants. The gross profit stood at Tk. 2,357.48 million in FY 2013 and Tk. 2,388 million in FY 2012 with a margin of 69.42% and 72.98% respectively. The net profit of the company decreased to Tk. 1,774.43 million in FY 2013 from Tk. 2,020.51 million in FY 2012 with a margin of 52.25% and 61.72% respectively. The reason behind this decreased net profit was due to increased administrative expenses. The ratio of administrative expense to revenue increased to 7.14% in FY 2013 from 1.75% in FY 2012. During 2013, UPGD writes-off account receivable of Tk. 179.27 million from REB, which is charged in the Income Statement as administrative expense. Therefore, the profitability of UPGD has deteriorated to some extent in FY 2013. The ratio of cost to revenue stood at 30.58% in FY 2013, which was 27.02% in FY 2012. The ratio of finance cost to revenue has been increased slightly from 9.51% in FY 2012 to 10.62% in FY 2013.

Seasonal Aspect of the Company's Business

BEPZA is the prime customer of United Power Generation & Distribution Company Limited. BEPZA contributes around 74% of the sales to UPGDCL. Bangladesh Power Development Board (BPDB) is the other customer of UPGDCL, which contributing 10.55% of UPGDCL's sales. According to the power supply agreement (PSA) between BEPZA and UPGDCL, BEPZA will purchase total electric capacity and energy of UPGDCL's power stations to meet total requirements of DEPZ and CEPZ. UPGDCL has the right to sell surplus electricity to any organization or industry outside EPZs. From the previous statistics it reveals that UPGDCL sold electricity to parties other than BEPZA. This shows that UPGDCL has a risk exposure in case of lower demand of electricity by BEPZA. Power purchase agreements with the other parties are of short tenure in comparison to the tenure of the agreement with BEPZA. Tenure of PSA agreement with BEPZA is valid for 30 years and renewable for additional 30 (thirty) years, whereas tenure of PPA agreement with REB is 3 (three) years, with BPDB is 3 (three) years, with Oli Knitting Fabrics Limited is 15 (fifteen) years, with Dhaka Thai Limited is 3 (three) years, with Lilac Fashion Wear Limited is 3 (three) years and with Ahad Fashion Limited is 1 (one) year. This short tenure of PPA agreement partly offset benefits UPGDCL avails with longer PSA agreement with BEPZA [Other IPPs in Bangladesh generally have PPA agreements with a tenure of 15 (fifteen) years].

Seasonality factors that affect the electricity demand of BEPZA will also create fluctuations in the sales volume of UPGDCL to BEPZA. Short tenure with other customers and seasonality factors of those customers has a seasonal impact upon the sales of UPGD. Minimum supply quantity is applicable in the agreements with REB and Oli knitting Fabrics Limited. This partially reduces the seasonality impact upon UPGDCL. Long tenure of agreement with major buyer reduces the risk exposure of UPGDCL in comparison to other IPPs in terms of longevity of the business venture.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES

Entrance of new technology, increased competition, natural disaster, any abrupt change in policy of importing countries, labor unrest are known events that may affect the business of the Company. Due to being situated in Export Processing Zones of the country, political unrest does not affect the Company's business significantly.

CHANGE IN THE ASSETS OF THE COMPANY USED TO PAY OFF ANY LIABILITIES

No assets of the Company have been used to pay off any liabilities of the Company.

LOAN TAKEN FROM OR GIVEN TO HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY

United Power Generation & Distribution Company Limited does not have any subsidiary or associate company. However, the Company has its normal business transactions with its holding Company i.e., United Enterprises & Co. Ltd. as per audited financial statements as on December 31, 2013. The status of loans given to its holding Company is detailed below:

(As per Audited Accounts)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount Given during the year ended on (BDT)		Outstanding Amount receivable/(payable) (BDT)	Issue Status
			Dec. 31, 2013	Dec. 31, 2012		
United Enterprises Co. Ltd	Holding Company	Loan given to United Enterprises Co. Ltd.	1,799,533,577	1,587,000,710	1,128,541,871	Debtor



FUTURE CONTRACTUAL LIABILITIES

United Power Generation & Distribution Company Limited neither has any future contractual liabilities nor has any plan to enter into any contractual liabilities other than the normal course of business within the next one year that would impact the financial fundamentals of the Company.

FUTURE CAPITAL EXPENDITURE

The Company does not have any plan for capital expenditure in near future other than as specified in 'Utilization of IPO Proceeds' under the head of Issue Size and Purpose of the Public Offering of this Prospectus.

VAT, INCOME TAX, CUSTOMS DUTY OR OTHER TAX LIABILITY

Value Added Tax (VAT)

The Company is exempted from paying VAT according to the SRO Ref.: 104-AIN/2009/512 dated June 30, 2009 by order of the Government of Bangladesh. The SRO stated that any Company producing electricity will be exempted from paying VAT.

Income Tax

The Company is exempted from income tax for a period of 15 years from the date of commercial operation as per Private Sector Power Generation Policy. Therefore, no provision is required for income tax on the Company's profit as the Company has received exemption from all such taxes from the Government of Bangladesh, vide SRO Ref.: 188-Law/Income Tax/2009-Income Tax Ordinance, 1984 (XXXVI of 1984) dated July 01, 2009.

Year wise income tax status of the Company is under:

Accounting Year	Assessment Year	Status
2008-2009	2009-2010	As per certificate given by DCT of Tax Circle-95, Tax Zone-5, Dhaka dated 20.05.2012, Income Tax is settled up to assessment year 2011-2012.
2009-2010	2010-2011	As per certificate given by DCT of Tax Circle-95, Tax Zone-5, Dhaka dated 20.05.2012, Income Tax is settled up to assessment year 2011-2012.
2010-2011	2011-2012	As per certificate given by DCT of Tax Circle-95, Tax Zone-5, Dhaka dated 20.05.2012, Income Tax is settled up to assessment year 2011-2012.
2011-2012	2012-2013	As per certificate given by DCT of Tax Circle-95, Tax Zone-5, Dhaka dated 31.03.2013, Income Tax is settled up to assessment year 2012-2013.
2012-2013	2013-2014	As per certificate given by DCT of Tax Circle-95, Tax Zone-5, Dhaka dated 27.11.2013, Income Tax is settled up to assessment year 2013-2014.

Customs Duty or other Tax Liability

The Company is exempted from customs duties while importing plant and machinery during construction and all other spare parts. However, duties and taxes are payable to other suppliers as per provision of the Private Sector Power Generation Policy of Bangladesh. The Company enjoys duty free status in case of importing parts for the entire project life under the rules and regulations of BEPZA. Additionally, the Company enjoys tax benefits on its lube oil purchases for the tenure of the project as well.

OPERATING LEASE AGREEMENT DURING LAST FIVE YEARS

The company has Land Lease Agreements with BEPZA for 30 years to establish both of its power plants. The details of land lease agreements are as follows:

#	Particulars of Plants	Location of the Land	Area (sq. meters)	Status
1.	DEPZ Power Plant	Plot No. 280, Extension Area, Dhaka Export Processing Zone, Ganakbari, Savar, Dhaka	6,125.13	Land Lease Agreement entered on 6 th May, 2007 with BEPZA for 30 years
2.	CEPZ Power Plant	Plot No. 6 & 7, Sector 2/A, Chittagong Export Processing Zone, South Halishahar, Chittagong	6,033.80	Land Lease Agreement entered on 16 th May, 2007 with BEPZA for 30 years

The lease commitments as above are being liquidated through repayment of quarterly lease rentals amounting to \$3,368.82 for DEPZ and \$3,318.59 for CEPZ power plant.

These power plants have been constructed on around 12,158.93 sq. meters of land. UPGDCL has 2 (two) storied building located at these plant sites with different support and facilities for its employees. The company has 4 (four) generator sets for DEPZ and 5 generator sets for CEPZ. DEPZ has also added another 6 MW Power Plant on October 24, 2010 with 3 unit gas generators. The Company has established pipelines for gas transmission from Titas Gas Transmission and Distribution Company Limited to DEPZ power plant and Karnaphuli Gas Distribution Company Limited to CEPZ power plant.

Features of Land Lease Agreements:

Type of Contract	Description of Contract	
Land Lease Agreements (LLA) between BEPZA and UPGDCL for DEPZ and CEPZ Power Plants	Signing Date:	May 06, 2007 and May 16, 2007 between BEPZA and UPGDCL for DEPZ Power Plant and CEPZ Power Plant respectively.
	Tenure:	Valid for 30 (thirty) years and renewable for a further period of 30 (thirty) years by mutual agreement.
	Area of Land under Lease:	6,125.13 sq. meters and 6,033.80 sq. meters at the extension area of Dhaka Export Processing Zone and Chittagong Export Processing Zone respectively.
	Lease Rental:	The amount of rental chargeable on the said land is US\$ 2.20 per square meter p.a. payable quarterly in advance. The rental rates may be revised by the lessor.
	Payment Schedule:	The Lessee has paid (transferred) to the lessor a sum of US\$ 6,125.13 for DEPZ and US\$ 6,033.20 for CEPZ at US\$ 2.20 per sq. meter only equivalent to 6 (six) months rental of the said land as security deposit which sum shall be held by the Lessor for the duration of the lease in the form of a guarantee against any possible loss of damage of the property of the Lessor or failure by the Lessee to pay rental and other charges.
	Termination:	The Lessor shall be entitled to terminate the lease agreement after the expiration of 21 (twenty one) days after the lessor shall have served on the Lessee a notice in writing specifying the failure to perform its obligations contained in the project document. The Lessee shall be entitles to terminate the lease agreement by 30 (thirty) days in writing.

FINANCIAL LEASE COMMITMENT DURING LAST FIVE YEARS

The Company entered into lease commitment to purchase motor vehicles in 2009 with National Bank Limited (NBL) and in 2007 with United Leasing Company Limited (ULCL). The Company has paid off its lease obligation in full through cheque payment, by December 31, 2012. Details are as follows:

(As per Audited Accounts)

Name of Institutions	Lease Amount (BDT)	Rate of Interest (%)	Sanction Date	Monthly Installment (BDT)	Lease Period (monthly basis)	Date of Expiry	Outstanding Balance as on Dec. 31, 2013 (BDT)
ULCL	1,600,000	15.83%	07.10.2007	37,586	60	07.10.2012	NIL
NBL	1,642,000	13.50%	17.07.2009	55,722	36	17.07.2012	NIL

PERSONNEL RELATED SCHEME

The following benefits and related schemes are applicable for Company's permanent payroll employees (presently for existing nine employees):

Yearly Increment	:	Upon management approval and salary brackets/scales, annual increments on basic salaries may be given to employees;
Allowances	:	According to pay scales, allowances are given for expenses such as house rent, conveyance, medical expense, car maintenance and mobile phone facility;
Provident Fund	:	The Company has a provident fund facility in a Trust Fund named " United Power and Generation & Distribution Company Limited, Employee Provident Fund ". This Trust Fund deed has not been registered yet but all permanent employees after confirmation of service are eligible for the provident fund. The rate of contribution by employer is 10% of basic salary by both sides. Employees are eligible for the contribution once they have completed 2 years of service with the company and are eligible for full contribution with interest once they have completed 3 years of service. A managing committee is formed by the management, who will manage the Trust Fund with equal representation from both the employer and the employee;
Festival Bonus	:	Festival bonus is paid to each employee based on their religion and with 6 months of service completion;
Production Bonus	:	Entitled for those employees involved in the operational and maintenance process of the plant. The bonus will be paid on a quarterly basis for each month (at the rate of 30%) of achieving monthly target production in DEPZ and CEPZ power plant;
Performance Bonus	:	Bonus may be paid based on an individual employee's annual performance which will be graded by the employee's departmental head;
Other Benefits	:	Other benefits include hospital admittance fees, lunch benefit and corporate mobile phone reimbursement, scholarship for meritorious students, motorcar loan and general loans.

BREAKDOWN OF ESTIMATED EXPENSES FOR IPO

#	Particulars	Nature of Expenditure	Amount (BDT) (approx.)
Issue Management Fees:			
1.	Manager to the Issue Fee	0.70% of the Total Issue Size	16,632,000.00
2.	VAT against Issue Management Fees	@ 15% on Issue Management Fees	2,494,800.00
Listing Related Expenses:			
3.	Application Fee for DSE	Fixed	5,000.00
4.	Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on Tk. 100 million and 0.15% on the rest amount of paid up capital; maximum Tk. 2 million for each exchanges	4,000,000.00
5.	Annual Fee for DSE & CSE	Paid-up Capital exceeding Tk. 1000 million; Tk. 100,000 for each exchanges	200,000.00
BSEC Fees:			
6.	Application Fee	Fixed	10,000.00
7.	BSEC Consent Fee	Fee @ 0.15% on the public offering amount	3,564,000.00
IPO Commission:			
8.	Underwriting Commission	Commission @ 0.50% on Underwritten Amount	3,564,000.00
9.	Bankers to the Issue Commission	Commission @ 0.10% of Amount Collected	7,128,000.00
10.	Credit Rating Fees	At Actual	150,000.00
11.	Auditor Certification Fees	At Actual	150,000.00
CDBL Fees and Expenses:			
12.	Security Deposit	At Actual	500,000.00
13.	Documentation Fee	At Actual	2,500.00
14.	Annual Fee	At Actual	100,000.00
15.	Connection Fee	At Actual	6,000.00
16.	IPO Fees	@0.0175% of issue size+0.0175% of Pre-IPO Paid-up Capital	935,462.00
Printing and Post IPO Expenses:			
17.	Registrar to the Issue Fees	Lump Sump	1,500,000.00
18.	Publication of Prospectus & Application Forms	Estimated (5,000 Copies of Prospectus)	1,500,000.00
19.	Abridged version of Prospectus and Notice in 4 daily newspaper	Estimated	850,000.00
20.	Notice for Prospectus, Lottery, Refund etc. in 4 daily newspaper	Estimated	300,000.00
21.	Lottery Conducting Expenses & BUET Fee	Estimated	1,000,000.00
22.	Collection of Forms, Data Processing and Share Software Charge	Estimated	20,000,000.00
23.	Allotment and Refund	Estimated	300,000.00
24.	Stationeries and Other Expenses	Estimated	1,200,000.00
Grand Total			66,091,762.00

N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

REVALUATION OF COMPANY'S ASSETS AND SUMMARY THEREOF

The company has not made revaluation of any of its assets since its inception.

TRANSACTION BETWEEN SUBSIDIARY/HOLDING/ASSOCIATE COMPANY AND THE ISSUER

United Power Generation & Distribution Company Limited does not have any subsidiary or associate company. However, the Company has its normal business transactions with its holding Company i.e., United Enterprises & Co. Ltd. as per audited financial statements as on December 31, 2013. The details of transaction of last five years:

(As per Audited Accounts)

Name of the Party	Nature of Relationship	Nature of Transaction	Amount Outstanding (BDT in Million)					Issue Status
			2013	2012	2011	2010	2009	
United Enterprises & Co. Ltd.	Holding Company	Loan given to United Enterprises & Co. Ltd.	1,128.54	2,569.38	1,378.95	425.88	(141.35)	Debtor/ (Creditor)

AUDITORS' CERTIFICATE REGARDING ANY ALLOTMENT OF SHARES TO THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION FOR ANY CONSIDERATION OTHERWISE THAN FOR CASH

After due verification, we certify that the paid-up capital of **United Power Generation & Distribution Company Ltd.** as of December 31, 2013 was **Taka 296,94,97,260** divided into **29,69,49,726** Ordinary shares of Taka 10/- each, made up as follows:

Particulars of allotment	Date of Allotment	Number of shares issued		Amount of share capital (Taka)
		Consideration in Cash	Consideration other than Cash	
First (Subscription to the Memorandum & Articles of Association at the time of incorporation)	15.01.2007	200,000	-	20,00,000
Second Allotment	31.12.2007	90,00,000	-	9,00,00,000
Third Allotment	31.12.2008	725,66,860	-	72,56,68,600
Fourth Allotment	10.05.2009	141,48,650	-	14,14,86,500
Fifth Allotment	15.10.2009	110,93,400	-	11,09,34,000
Sixth Allotment (Bonus Issue)	08.09.2011	-	909,57,574	90,95,75,740
Seventh Allotment (Bonus Issue)	12.02.2013	-	989,83,242	98,98,32,420
Total		107,008,910	1899,40,816	296,94,97,260

This is also certified that the amounts shown against paid-up capital as cash consideration was deposited in the company's bank account.

The Company, however, has sub-divided the face value of its ordinary share from Taka 100 /- to Taka 10/- by passing a special resolution in its Extra-Ordinary General Meeting (EGM) held on 22/12/2010 and necessary amendments in the capital clause of the Memorandum and Articles of Association were made accordingly. Hence, the paid up capital of the Company comes to taka **2,969,497,260** divided into **296,949,726** ordinary shares of taka 10/- each.

Moreover during the year 2013, the Company issued redeemable preference share amounting to Taka **200,00,00,000/-** divided into **20,00,00,000** redeemable preference share of Taka 10/- each.

Dated: Dhaka
27 April 2014

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants

DECLARATION FOR NON-SUPPRESSION OF MATERIAL INFORMATION

This is to declare that, to the best of our knowledge and belief, no information, facts or circumstances, which should be disclosed have been suppressed, which can change the terms and conditions under which the offer has been made to the public.

For Issuer

Sd/-

Mr. Moinuddin Hasan Rashid
Managing Director & Director
United Power Generation & Distribution Company Limited

INFORMATION ABOUT DIRECTORS AND OFFICERS

Section: VIII

DIRECTORS OF THE COMPANY

#	Name	Position	Age (Years)	Qualification	Experience (Years)
1.	General Md. Abdul Mubeen (Retd.)	Chairman	59	SP, ndc, psc	37
2.	Mr. Moinuddin Hasan Rashid	Managing Director & Director	30	B.Sc. in EEE	7
3.	Mr. Hasan Mahmood Raja	Director	55	B.Com	35
4.	Mr. Ahmed Ismail Hossain	Director	56	MSS (IR)	35
5.	Mr. Khandaker Moinul Ahsan Shamim	Director	55	B.Com	35
6.	Mr. Akhter Mahmud Rana	Director	52	'A' Level	35
7.	Mr. Faridur Rahman Khan	Director	57	B.Sc.	35
8.	Mr. Abul Kalam Azad	Director	57	B.Sc.	36

INFORMATION REGARDING DIRECTORS AND DIRECTORSHIP

#	Name	Position	Date of becoming Director for the first time	Date of Expiration of Current Term
1.	General Md. Abdul Mubeen (Retd.)	Chairman	February 12, 2013	In the AGM of 2018
2.	Mr. Moinuddin Hasan Rashid	Managing Director & Director	January 10, 2008	In the AGM of 2016
3.	Mr. Hasan Mahmood Raja	Director	January 15, 2007	In the AGM of 2014
4.	Mr. Ahmed Ismail Hossain	Director	January 15, 2007	In the AGM of 2014
5.	Mr. Khandaker Moinul Ahsan Shamim	Director	January 15, 2007	In the AGM of 2014
6.	Mr. Akhter Mahmud Rana	Director	January 15, 2007	In the AGM of 2014
7.	Mr. Faridur Rahman Khan	Director	January 15, 2007	In the AGM of 2014
8.	Mr. Abul Kalam Azad	Director	January 15, 2007	In the AGM of 2014

DIRECTORS' INVOLVEMENT WITH OTHER ORGANIZATIONS

Name	Designation in the Company	Involvement with other Organizations	
		Name of the Organization	Position
MR. MOINUDDIN HASAN RASHID	Managing Director & Director	United Enterprises & Co. Ltd.	Managing Director
		United Ashuganj Power Limited	Managing Director
		United Property Solutions Limited	Managing Director
		Shajahanullah Power Generation Co. Limited	Managing Director
		United Ashuganj Energy Limited	Managing Director
		UG Ship Management Limited	Managing Director
		United Maritime Academy Limited	Managing Director
		United Grains & Spices Limited	Managing Director
		United Engineering & Power Services Limited	Managing Director
		United Hospital Limited	Director
		Novo Healthcare and Pharma Ltd.	Director
		IPCO Developments (Bangladesh) Limited	Director
		IPCO Hotels Limited	Director
		IPCO Resorts Limited	Director
		Khulna Power Company Limited	Director
Khulna Power Co. Unit II Limited	Director		

Note: Ministry of Commerce vide its' letter dated June 19, 2013 has permitted Mr. Moinuddin Hasan Rashid, Managing Director of United Power Generation & Distribution Company Limited to act as the Managing Director of 8 (eight) other companies under provision of Section 109 (2) of Companies Act, 1994.

Name	Designation in the Company	Involvement with other Organizations	
		Name of the Organization	Position
MR. MOINUDDIN HASAN RASHID	Managing Director & Director	Khanjahan Ali Power Co. Limited	Director
		United City Twin Tower Developers Limited	Director
		United Makkah Medina Travel & Assistance Co. Ltd.	Director
		Neptune Land Development Limited	Director
		United Land Port Teknaf Limited	Director
		Gunze United Limited	Director
		United Polymers Limited	Director
		United Elevator World Limited	Director
		Soya Products Bangladesh Limited	Director
		Comilla Spinning Mills Limited	Director
		United International University	Member
MR. HASAN MAHMOOD RAJA	Director	United Hospital Limited	Chairman
		United Enterprises & Co. Ltd.	Chairman
		United Makkah Medina Travel & Assistance Co. Ltd.	Chairman
		Khulna Power Company Limited	Managing Director
		Khulna Power Co. Unit II Limited	Managing Director
		Khanjahan Ali Power Co. Limited	Managing Director
		IPCO Developments (Bangladesh) Limited	Managing Director
		IPCO Hotels Limited	Managing Director
		IPCO Resorts Limited	Managing Director
		United Land Port Teknaf Limited	Director
		United Ashuganj Power Limited	Director
		Neptune Land Development Limited	Director
		Neptune Commercial Limited	Director
		United Rotospin Limited	Director
		Comilla Spinning Mills Limited	Director
		United Property Solutions Limited	Director
		Novo Healthcare and Pharma Limited	Director
		Shajahanullah Power Generation Co. Limited	Director
Neptune Properties	Partner		
United International University	Member		
MR. AHMED ISMAIL HOSSAIN	Director	United Hospital Limited	Vice-Chairman
		Comilla Spinning Mills Limited	Managing Director
		Novo Healthcare and Pharma Limited	Managing Director
		United Rotospin Limited	Managing Director
		United Ashuganj Power Limited	Director
		IPCO Developments (Bangladesh) Limited	Director
		IPCO Hotels Limited	Director
		IPCO Resorts Limited	Director
		Khulna Power Company Limited	Director
		Khulna Power Co. Unit II Limited	Director
		United Engineering & Power Services Ltd.	Director
		Neptune Land Development Limited	Director
		Neptune Commercial Limited	Director
		United Property Solutions Limited	Director
		United Land Port Teknaf Limited	Director
		United Polymers Limited	Shareholder
		United City Twin Tower Developers Limited	Shareholder
United Elevator World Limited	Shareholder		

Name	Designation in the Company	Involvement with other Organizations	
		Name of the Organization	Position
MR. AHMED ISMAIL HOSSAIN	Director	Soya Products Bangladesh Limited	Shareholder
		United Makkah Medina Travel & Assistance Co. Ltd.	Shareholder
		United Enterprises & Co. Ltd.	Shareholder
		United Maritime Academy Limited	Shareholder
		Neptune Properties	Partner
		United International University	Member
MR. KHANDAKER MOINUL AHSAN SHAMIM	Director	United Polymers Limited	Managing Director
		United Enterprises & Co. Ltd.	Director
		United Hospital Limited	Director
		United Ashuganj Power Limited	Director
		Khulna Power Company Limited	Director
		Khulna Power Co. Unit II Limited	Director
		Khanjahan Ali Power Co. Limited	Director
		United Land Port Teknaf Limited	Director
		Comilla Spinning Mills Limited	Director
		Neptune Land Development Limited	Director
		Neptune Commercial Limited	Director
		United Rotospin Limited	Director
		United Property Solutions Limited	Director
		United Makkah Medina Travel & Assistance Co. Ltd.	Director
		United City Twin Tower Developers Limited	Director
		United Elevator World Limited	Director
		Novo Healthcare and Pharma Limited	Director
		United Engineering & Power Services Limited	Director
		UG Ship Management Limited	Director
		United Grains & Spices L Limited	Director
		United Maritime Academy Limited	Director
Shajahanullah Power Generation Co. Limited	Director		
Soya Products Bangladesh Ltd.	Director		
Neptune Properties	Partner		
United International University	Member		
MR. AKHTER MAHMUD RANA	Director	United Elevator World Limited	Managing Director
		United Enterprises & Co. Ltd.	Director
		United Hospital Limited	Director
		United Ashuganj Power Limited	Director
		Khulna Power Company Limited	Director
		Khulna Power Co. Unit II Limited	Director
		United Land Port Teknaf Limited	Director
		Comilla Spinning Mills Limited	Director
		Neptune Land Development Limited	Director
		Neptune Commercial Limited	Director
		United Rotospin Limited	Director
		United Property Solutions Limited	Director
		United Makkah Medina Travel & Assistance Co. Ltd.	Director
		United City Twin Tower Developers Limited	Director
		Novo Healthcare and Pharma Limited	Director
		United Polymers Limited	Director
Shajahanullah Power Generation Co. Limited	Director		

Name	Designation in the Company	Involvement with other Organizations	
		Name of the Organization	Position
MR. AKHTER MAHMUD RANA	Director	United Maritime Academy Limited	Director
		United Engineering & Power Services Limited	Director
		Soya Products Bangladesh Limited	Director
		Neptune Properties	Partner
		United International University	Member
MR. FARIDUR RAHMAN KHAN	Director	Neptune Commercial Limited	Managing Director
		United Hospital Limited	Managing Director
		Soya Products Bangladesh Limited	Managing Director
		Neptune Properties	Managing Partner
		United Enterprises & Co. Ltd.	Director
		United Polymers Limited	Director
		IPCO Developments (Bangladesh) Limited	Director
		IPCO Hotels Limited	Director
		IPCO Resorts Limited	Director
		United Makkah Medina Travel & Assistance Co. Ltd	Director
		United Engineering & Power Services Limited	Director
		Neptune Land Development Limited	Director
		United Land Port Teknaf Limited	Director
		United Rotospin Limited	Director
		Comilla Spinning Mills Limited	Director
		Novo Healthcare and Pharma Limited	Director
		Khulna Power Company Limited	Director
		United Ashuganj Power Limited	Director
		United Property Solutions Limited	Director
		Khulna Power Co. Unit II Limited	Director
		Khanjahan Ali Power Co. Limited	Director
		United City Twin Tower Developers Limited	Director
		Shajahanullah Power Generation Co. Limited	Director
UG Ship Management Limited	Director		
United Maritime Academy Limited	Director		
United Grains & Spices Limited	Director		
United Elevator World Limited	Director		
United International University	Member		
MR. ABUL KALAM AZAD	Director	United Enterprises & Co. Ltd.	Vice Chairman & Director
		Neptune Land Development Limited	Managing Director
		United Land Port Teknaf Limited	Managing Director
		United City Twin Tower Developers Limited	Managing Director
		United Hospital Limited	Director
		United Ashuganj Power Limited	Director
		IPCO Developments (Bangladesh) Limited	Director
		IPCO Hotels Limited	Director
		IPCO Resorts Limited	Director
		Khulna Power Company Limited	Director
		Khulna Power Co. Unit II Limited	Director
		Khanjahan Ali Power Co. Limited	Director
		Comilla Spinning Mills Limited	Director
		Neptune Commercial Limited	Director

Name	Designation in the Company	Involvement with other Organizations	
		Name of the Organization	Position
MR. ABUL KALAM AZAD	Director	United Rotospin Limited	Director
		United Property Solutions Limited	Director
		Novo Healthcare and Pharma Limited	Director
		United Engineering & Power Services Ltd.	Director
		United Polymers Limited	Director
		Shajahanullah Power Generation Co. Limited	Director
		UG Ship Management Limited	Director
		United Maritime Academy Limited	Director
		United Grains & Spices Limited	Director
		United Elevator World Limited	Director
		Soya Products Bangladesh Limited	Director
		Neptune Properties	Partner
		United International University	Member

FAMILY RELATIONSHIP AMONG DIRECTORS

Name	Position	Relationship with other Directors
General Md. Abdul Mubeen (Retd.)	Chairman	Father-in-law of Mr. Moinuddin Hasan Rashid
Mr. Moinuddin Hasan Rashid	Managing Director & Director	Son of Mr. Hasan Mahmood Raja and Nephew of Mr. Akhter Mahmud Rana
Mr. Hasan Mahmood Raja	Director	Brother of Mr. Akhter Mahmud Rana and Father of Mr. Moinuddin Hasan Rashid
Mr. Akhter Mahmud Rana	Director	Brother of Mr. Hasan Mahmood Raja and Uncle of Mr. Moinuddin Hasan Rashid

Note: Other than those mentioned in the above table, there is no family relationship between the Directors of the Company.

FAMILY RELATIONSHIP AMONG DIRECTORS AND TOP FIVE OFFICERS

There is no family relationship between the Directors and top five officers of the Company.

SHORT BIO-DATA OF THE DIRECTORS

GENERAL MD. ABDUL MUBEEN (RETD.)

Chairman & Nominated Director, United Power Generation & Distribution Company Limited

General Mubeen graduated from Bangladesh Military Academy in 1976 and in the next 36 years of his commendable and distinguished career service, he took several courses and underwent trainings, which include but are not limited to Nato Weapon Conversion Course, Infantry Weapon Course, Senior Command Course, National Defense Course etc. In the vast expand of his career he played several roles. He served as General- Chief of Army Staff, Bangladesh Army, Director of Military Training in Army Headquarters and many others. In his 36 years of active service, he received 16 operational, service and UN honors, medals and decorations for his distinguished service. He has attended numerous conferences, seminars and exercises' at home and abroad and chaired in the panel in number of seminars and conferences. Some of his significant ex-officio assignments include being President of Bangladesh Olympic Association and being Chairman of Trust Bank Limited.

MR. MOINUDDIN HASAN RASHID

Managing Director & Director, United Power Generation & Distribution Company Limited

Mr. Moinuddin Hasan Rashid was born in 1982 in Dhaka. On completion of his B.Sc. Engineering (Electrical & Electronics) from London, UK, he joined the United Group in 2007 as second generation Director. As a young and



energetic entrepreneur, he marked his future through dedication, dynamism and foresight in shaping the Power Sector, one of the major enterprises of the Group. On 12 July 2011, he was appointed as Managing Director of United Enterprises & Co. Ltd (UECL), the parent Company of the Group, and the Managing Director of the United Group as a whole.

Presently, he is also the Managing Director of United Power Generation & Distribution Company Limited (UPGDCL), United Ashuganj Power Ltd (UAPL), United Property Solutions Ltd (UPSL) and in the Board of Directors of United Hospital Limited (UHL), Khulna Power Company Ltd (KPCL) and United Land Port Teknaf Limited (ULPTL), etc. He is also an active member of Board of Trustees of United International University (UIU).

He is also one of the active Trustees of the United Trust, a CSR organization of the Group. He is the eldest son of Mr. Hasan Mahmood Raja, the Chairman of United Group.

MR. HASAN MAHMOOD RAJA

Director, United Power Generation & Distribution Company Limited

Mr. Hasan Mahmood Raja is one of the renowned businesspersons of the country. Born in 1957, he completed his graduation in commerce and got passionately involved in business. He is one of the Founding Directors of the country's one of the leading business houses - 'United Group'.

With a humble beginning in 1978, Mr. Raja displayed his excellence in business entrepreneurship in building his business domain. Milestone of his success is the courage to embark into new business ventures based on sound foresight, ingenuity and skillful execution. Dominant position of United Group in the Country's Power and Real Estate sectors and creating unique establishments like United Hospital, United International University and United Maritime Academy are few of his landmark entrepreneurship.

At this moment, he is the Chairman or MD of more than 20 Concerns of the Group, notably United Enterprises & Company Ltd., Khulna Power Company Limited, Neptune Land Development Ltd, United City twin Towers Developers Ltd, Novo Healthcare and Pharma Ltd, United Hospital, United Maritime Academy Ltd etc. He is also the Chairman, Board of Trustees of United International University.

MR. AKHTER MAHMUD RANA

Director, United Power Generation & Distribution Company Limited

Mr. Akhter Mahmud Rana is one of the Founding Directors of United Group. He was born in 1960 in a respectable family of Jamalpur. He is the younger brother of the Group Chairman, Mr. Hasan Mahmood Raja. With his entrepreneurial initiatives and administrative skills, United Group has added much to its current growth and streamlined administration and human resources development of the Group.

He is one of the Directors of all the corporate entities of United Group, notably United Enterprises & Co. Ltd., United Power Generation and Distribution Company Ltd., United Hospital Limited, Khulna Power Company Ltd., etc. Besides this, he is also a member, Board of Trustees of United International University.

Being one of the active Trustees of the United Trust, a CSR organization of the Group, he generously patronizes education, healthcare and various charitable activities in and around his village home, Malanch, Jamalpur.

MR. AHMED ISMAIL HOSSAIN

Director, United Power Generation & Distribution Company Limited

Mr. Ahmed Ismail Hossain is a Founding Directors of country's one of the leading business houses - United Group which marked its debut in business in 1978. He was born in June 1956. After schooling from Faujderhat Cadet College, he completed his Honours and Master's degrees in International Relations from Dhaka University. He is one of the architects of United Group what it is today.

He undertook the responsibility as the Managing Director of United Enterprises & Co. Ltd., the parent Company of United Group for many years, demonstrated his entrepreneurial skills, and used his experience to establish many corporate bodies of the Group notably in textile and Pharmaceutical sectors. He is the Vice-Chairman of United Hospital Ltd and Managing Director of Comilla Spinning Mill Ltd and Novo Healthcare and Pharma Ltd. and performing diverse



responsibilities of the Group as and when required. He is a Director of Khulna Power Company Ltd. He is also a member of the Board of Trustees, United International University.

Mr. Ahmed Ismail Hossain hails from Kishoregonj. Being one of the Trustees of the United Trust, the CSR wing of the Group, he enthusiastically undertakes considerable social works in his home area of Kishoregonj district.

MR. KHANDAKER MOINUL AHSAN SHAMIM

Director, United Power Generation & Distribution Company Limited

Mr. Khadaker Moinul Ahsan Shamim is one of the Founding Directors of United Group. He was born in 1957 in a respectable Muslim family in Feni district. After completion of his Bachelor of Commerce, he joined the business together with a few like-minded friends. With his diligence and exceptional entrepreneurial skills, he played important roles in establishing firm footing and quick expansion of business of the Group.

At present, he is one of the Directors of all the corporate entities United Group, notably United Enterprises & Co. Ltd., United Power Generation and Distribution Company Ltd., United Hospital Limited, Khulna Power Company Ltd., etc. Besides this, he is also a member, Board of Trustees of United International University.

He plays key role in the social development sector of his home area. Being one of the active Trustees of the United Trust, a CSR organization of the Group, he generously patronizes education sector in his home village and surrounding areas.

MR. FARIDUR RAHMAN KHAN

Director, United Power Generation & Distribution Company Limited

Mr. Faridur Rahman Khan, one of the Founding Directors of the United Group, was born in 1955. After completion of his Bachelor degree in Science, he engaged himself in Business. At present, he is the Managing Director of two vibrant Concerns of the Group: United Hospital Ltd. and Neptune Properties Ltd. Under his entrepreneurship and foresight, United Hospital developed its Medicare system at par with any international standard hospitals. Now, it is a health care asset of the country. He is also a member of the Board of Trustees, United International University who takes keen interest in the education matters.

Mr. Faridur Rahman Khan hails from Louhojang, Munshigonj. Being one of the honored Trustees of the United Trust, the CSR wing of the Group, he spontaneously patronizes and contributes substantially in social activities in his home village and surrounding areas. Notably, he set up ‘Younus Khan-Mahmuda Khanam Memorial Clinic’ in his village home which provides free treatment to the local people including free cataract Eye Surgery.

MR. ABUL KALAM AZAD

Director, United Power Generation & Distribution Company Limited

Mr. Abul Kalam Azad was born in 1955. After completion of his Bachelor of Science, he joined United Group as one of the Founding Directors. Presently, he is the Vice-Chairman of United Group. Best known for his dynamism, he is a key entrepreneur of the Group especially in Real Estate sector.

At present, he is the Managing Director of almost all Real Estate Enterprises of the Group, notably Neptune Land development Ltd., United City Twin Towers Developers Ltd. etc. He is also the Managing Director of United Land Port Teknaf Ltd., one of the pioneering ‘Build Operate and Transfer’ (BOT) project of the Government. Besides being a member of the Board of Trustees of United International University, he is also the Director of Khulna Power Company Ltd and many other Concerns of the Group.

Well known for his benevolence within the Group, he is one of the Trustees of United Trust, an organ responsible for CSR. He is actively engaged in many social and charitable works at his village home in Bikrampur.

CREDIT INFORMATION BUREAU (CIB) REPORT

Neither the Company nor any of its Directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is a loan defaulter according to the CIB Report of the Bangladesh Bank.

DESCRIPTION OF TOP EXECUTIVES AND DEPARTMENTAL HEADS

Name of the Executives	Designation	Date of Joining	Educational Qualification	Last Five Years Experience
Mr. Moinuddin Hasan Rashid	Managing Director & Director	January 10, 2008	B.Sc. in EEE	United Group
Rear Admiral Bazlur Rahman	Chief Executive Officer	March 19, 2013	MCD, ndc, psc, BN (Retd.), AFNI	United Group
Mr. Syed Abdul Mayeed	Advisor	December 27, 2004	M.Sc. Engineering (EEE)	United Group
Mr. Md. Amir Khashru	Project Director	July 01, 2007	B.Sc. Engineering (Mech.)	United Group
Mr. Mohammad Ismail⁴	Chief Operating Officer (Operation)	September 01, 2012	Class one Marine Engineer (UK).	United Group Western Marine Shipyard Limited
Mr. Md. Ebadat Hossain Bhuiyan, FCA⁵	Chief Financial Officer	April 25, 2010	MBA (D.U.), FCA	United Group Abul Khair Group M&J Group
Mr. Chandra Shekhar Barua⁶	Chief Operating Officer (Maintenance)	March 01, 2005	B.Sc. in EEE	United Group
Mr. Md. Khairul Islam⁷	Plant Manager	October 01, 2013	Diploma(BIMT), Marine Engineer	United Group Wärtsilä
Mr. Md. Mustafizur Rahman⁸	Company Secretary	March 01, 2013	Hons. & Masters in English and B.B.A.	United Group

^{4,5,6,7,8}Employed with Honorarium

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No director or officer of the Company was involved in any of the following types of legal proceedings in the last 10 (Ten) years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the Prospectus was a director, officer or partner at the time of the bankruptcy;
- Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him;
- Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities;
- Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Enforcement Actions taken by the Bangladesh Securities and Exchange Commission (BSEC)

During the IPO review process, an error in Statement of Cash Flows for the year ended on December 31, 2013 has been identified by the Bangladesh Securities and Exchange Commission. The Commission imposed a penalty of Tk. 2.00 lac on the Company for submission of incorrect Statement of Cash Flows. The penalty amount has been paid and the Statement of Cash Flows has been rectified accordingly.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company does not have any transaction during the last two years or any proposed transaction between the Issuer and any of the following persons as under, except as mentioned in Financial Statements of December 31, 2013, Note No. 42.2 of the notes to the financial statements of the Company.

The name of related parties, nature of these transactions and total value have been set in accordance with the provisions of BAS 24. Related party disclosure, details of related party transactions are given below:

(As per Audited Accounts)

#	Related parties	Relation ship	Nature of Transaction	Opening Balance as on January 01, 2013	Transaction during the Year		Closing Balance as on December 31, 2013	Closing Balance as on December 31, 2012	Issuer Status
					Addition	Adjustment			
1.	United Enterprises & Co. Ltd.	Parent Company	Loan	2,569,378,523	1,799,533,577	3,240,370,229	1,128,541,871	2,569,378,523	Debtor
2.	United Ashuganj Power Ltd.	Sister concern	Loan	49,138,000	-	49,138,000	-	49,138,000	Debtor
3.	United Hospital Ltd.	Sister concern	Loan	4,493,265	-	4,493,265	-	4,493,265	Debtor
4.	United Engineering & Power Services Ltd.	Sister concern	O & M, EPC	1,785,175	2,926,737,639	2,928,522,814	-	-	Creditor
5.	Shahjanullah Power Company Ltd.	Sister concern	Loan	71,600,000	-	71,600,000	-	71,600,000	Debtor
6.	Neptune Properties	Sister concern	Loan	100,000,000	-	100,000,000	-	100,000,000	Debtor
7.	Neptune Land Development Ltd.	Sister concern	Loan	20,000,000	-	20,000,000	-	20,000,000	Debtor
8.	Neptune Commercial Ltd.	Sister concern	Loan	4,719,107	-	4,719,107	-	4,719,107	Debtor
9.	Gulshan Properties Ltd.	Sister concern	Office Rent	-	13,080,000	13,080,000	-	-	Creditor
Total Related Party Transactions							1,128,541,871	2,821,114,070	

Except from the above, The Company did not have any transaction during the last two years, or does not have any proposed transaction, between the issuer and any of the following persons:

- Any director or executive officer of the issuer;
- Any director or officer;
- Any person owning 5% or more of the outstanding shares of the issuer;
- Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons;
- Any transaction or arrangement entered into by the issuer or its subsidiary for 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 Prospectus;
- The company did not take or give any loan from or to any Director or any person connected with any Director nor did any Director or any person connected with any Director;
- Any Director holding any position, apart from being a Director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm is already disclosed in involvement of directors with other organizations;
- There were no interests and facilities whether pecuniary or non-pecuniary enjoyed by the Directors except as specified in 'Executive Compensation' under the head of Information about Directors and Officers of this Prospectus.

EXECUTIVE COMPENSATION

a) Remuneration paid to Top Five Salaried Officers

Remuneration paid to top five salaried officers of United Power Generation & Distribution Company Limited during last accounting year -

(As per Audited Accounts)

Sl. No.	Name	Designation	December 31, 2013 (Amount in BDT)	December 31, 2012 (Amount in BDT)
1.	General Md Abdul Mubeen (Retd.)	Chairman	2,250,000	-
2.	Moinuddin Hasan Rashid	Managing Director & Director	6,448,839	4,320,000
3.	Syed Abdul Mayeed	Adviser	2,658,065	2,625,000
4.	Rear Admiral Bazlur Rahman ⁹	Chief Operating Officer	1,800,000	-
5.	Sheikh Asraf Hossain	Chief Operating Officer	-	1,200,000
6.	Md. Amir Khasru	Project Director	1,960,000	1,680,000
7.	Md. Mojibul Islam Patoary	Manager (Finance and Accounts)	-	540,000
Total			15,116,904	10,365,000

⁹Rear Admiral Bazlur Rahman (Retd.) has been appointed as Chief Executive Officer of United Power Generation & Distribution Company Limited on March 19, 2013.

b) Aggregate amount of Remuneration paid to Directors and Officers

(As per Audited Accounts)

Particulars	Nature of Payment	December 31, 2013 (Amount in BDT)	December 31, 2012 (Amount in BDT)
Directors	Board Meeting Fees	-	-
Managing Director's Salary	Remuneration	8,698,839	4,320,000
Officers & Executives	Salary, Bonus & Other Allowances	10,440,437	10,686,383
Total		19,139,276	15,006,383

c) Remuneration paid to any Director who was not an Officer of the Company

The company did not pay any remuneration to any director who was not an officer of the Company during the last accounting year.

d) Contract for payment of future compensation

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

e) Pay Increase Intention

There is no material commitment for increase in the pay structure of the employees. However, the company provides annual increment to the employees considering business growth, rate of inflation, performance of the individuals etc. as per Company's policy.

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any other person involved with the Company.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

(a) Benefits received or given by the Company or the Issuer Company

The Directors and Subscribers to the Memorandum of the Company have not received any benefits directly or indirectly during the last five years except remuneration which are shown in the following table. The issuer also has not received any assets, services or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

(As per Audited Accounts)

Name of Directors & Subscribers to the Memorandum	Designation	Nature of Value Received	Amount in BDT				
			01.01.2013 to 31.12.2013	01.01.2012 to 31.12.2012	01.01.2011 to 31.12.2011	01.01.2010 to 31.12.2010	01.01.2009 to 31.12.2009
Mr. Hasan Mahmood Raja ¹⁰	Chairman	Remuneration	-	-	3,292,500	5,556,000	5,903,000
General Md. Abdul Mubeen (Retd.) ¹¹	Chairman	Remuneration	2,250,000	-	-	-	-
Mr. Moinuddin Hasan Rashid	Managing Director & Director	Remuneration	6,448,839	4,320,000	2,474,381	1,339,615	702,799

¹⁰Mr. Hasan Mahmood Raja resigned from the post of the Chairman of UPGDCL on February 12, 2013 and simultaneously

¹¹General Md. Abdul Mubeen (Retd.) has been co-opted as Director as well as the Chairman of UPGDCL being nominated by United Enterprises & Co. Ltd..

(b) Directors' and Subscribers' Assets to the Company

The Directors and Subscribers to the Memorandum of the Company have not transferred any asset to the Company but deposited share money from time to time.

TANGIBLE ASSETS PER SHARE

(As per Audited Accounts)

Particulars	Amount in BDT
ASSETS	
Non-Current Assets:	
Property, Plant and Equipment	9,479,476,556
Capital Work in Progress	-
Total Non-Current Assets [A]	9,479,476,556
Current Assets:	
Inventories	250,939,632
Trade Receivables	670,397,657
Inter-Company Balances	1,128,541,871
Advance, Deposits and Prepayments	73,036,908
Cash and Bank Balances	75,613,642
Total Current Assets [B]	2,198,529,710
Total Assets excluding Intangible Assets [C = A+B]	11,678,006,266
LIABILITIES	
Non-Current Liabilities:	
Redeemable Preference Share Capital	2,000,000,000
Long-term Loan	1,744,273,042
Total Non-Current Liabilities [D]	3,744,273,042
Current Liabilities	
Trade payables	80,113,687
Other payables and accrual	24,239,960
Long term loan (Current portion)	796,479,149
Short term loan	-
Provision for taxation	12,094,683
Total Current Liabilities [E]	912,927,479
Total Liabilities [F = D+E]	4,657,200,521
Net Tangible Assets [G = C-F]	7,020,805,746
No. of Ordinary Shares outstanding as on December 31, 2013 [H]	296,949,726
Net Tangible Asset Value per Share as at December 31, 2013 [I = G/H]	23.64

OWNERSHIP OF THE COMPANY'S SECURITIES

Shareholding Structure

The shareholding position of the Company is stated below:

(As per Audited Accounts)

Sl. No.	Name of the Shareholders	Address	Status	No. of Shares Subscribed	Subscribed Amount (BDT)	% of Shareholding
1.	United Enterprises & Co. Ltd. (Represented by General Md. Abdul Mubeen (Retd.))	House # NW (J)-6, Road # 51, Gulshan - 2, Dhaka - 1212	Chairman	155,339,035	1,553,390,350	52.31%
2.	Mr. Moinuddin Hasan Rashid	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Managing Director & Director	25,489,929	254,899,290	8.58%
3.	Mr. Hasan Mahmood Raja	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Director	25,489,929	254,899,290	8.58%
4.	Mr. Ahmed Ismail Hossain	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Director	25,489,929	254,899,290	8.58%
5.	Mr. Akhter Mahmud Rana	House # 1/C Road # 35, Gulshan - 2, Dhaka - 1212	Director	25,489,929	254,899,290	8.58%
6.	Mr. Khandaker Moinul Ahsan Shamim	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Director	25,489,929	254,899,290	8.58%
7.	Mr. Faridur Rahman Khan	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Director	7,080,523	70,805,230	2.38%
8.	Mr. Abul Kalam Azad	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Director	7,080,523	70,805,230	2.38%
Total				296,949,726	2,969,497,260	100.00%

Shareholders' shareholding of 5% or more of the Company's Securities

There are no shareholders owning 5% or more of the Company except the following Directors and holding Company of United Power Generation & Distribution Company Limited

(As per Audited Accounts)

Sl. No.	Name of the Shareholders	Address	Status	No. of Shares Subscribed	Subscribed Amount (BDT)	% of Shareholding
1.	United Enterprises & Company Limited (Represented by General Md. Abdul Mubeen (Retd.))	House # NW (J)-6, Road # 51, Gulshan - 2, Dhaka - 1212	Chairman	155,339,035	1,553,390,350	52.31%
2.	Mr. Moinuddin Hasan Rashid	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Managing Director & Director	25,489,929	254,899,290	8.58%
3.	Mr. Hasan Mahmood Raja	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Director	25,489,929	254,899,290	8.58%
4.	Mr. Ahmed Ismail Hossain	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Director	25,489,929	254,899,290	8.58%
5.	Mr. Akhter Mahmud Rana	1/C Road # 35, Gulshan - 2, Dhaka - 1212	Director	25,489,929	254,899,290	8.58%
6.	Mr. Khandaker Moinul Ahsan Shamim	House # 10, Road # 55, Gulshan - 2, Dhaka - 1212	Director	25,489,929	254,899,290	8.58%
Total				282,788,680	2,827,886,800	95.23%

Securities of the Company owned by the Officers

No officer/executive holds any share of the Company individually or as a group except the Managing Director who is a Director of United Power Generation & Distribution Company Limited.

Securities of the Company owned by the Directors

(As per Audited Accounts)

Sl. No.	Name of the Shareholders	Status	No. of Shares Subscribed	% of Shareholding
1.	United Enterprises & Co. Ltd. (Represented by General Md. Abdul Mubeen (Retd.))	Chairman	155,339,035	52.31%
2.	Mr. Moinuddin Hasan Rashid	Managing Director & Director	25,489,929	8.58%
3.	Mr. Hasan Mahmood Raja	Director	25,489,929	8.58%
4.	Mr. Ahmed Ismail Hossain	Director	25,489,929	8.58%
5.	Mr. Akhter Mahmud Rana	Director	25,489,929	8.58%
6.	Mr. Khandaker Moinul Ahsan Shamim	Director	25,489,929	8.58%
7.	Mr. Faridur Rahman Khan	Director	7,080,523	2.38%
8.	Mr. Abul Kalam Azad	Director	7,080,523	2.38%
Total			296,949,726	100.00%

Securities of the Company owned by top Ten Salaried Officers

None of the salaried officer of the Company owns securities of the Company except the Managing Director who is a Director of the Company.

BOOK-BUILDING METHOD

Book Building is a process through which an issuer attempts to determine the price to offer its security based on demand from institutional investors. Under the process, the price of an IPO share will be determined through an automated bidding to be participated by different financial institutions and then the share will be opened for the IPO participant at the cut-off price determined during the book building process. The bidding will be handled through a uniform and integrated automated system of the stock exchanges, or any other organizations as decided by the Commission, especially developed for book building method. The entire procedure of price discovery under book building method is delineated below:

- (a) The issuer/issue manager shall issue invitation to the eligible institutional investors, both in writing and through publication in at least 5 (five) widely circulated national dailies, giving at least 10 (ten) working days time, to the road show/presentation/seminar indicating time and venue of such event. The invitation letter shall accompany an Information Memorandum (IM) containing all relevant information covering the proposed issue of the issuer and 5 (five) years audited financial statements of the issuer or such shorter period during which the issuer was in commercial operation. The eligible institutional investors shall submit indicative price to the issuer/issue manager, signed jointly by the Chief Executive Officer (CEO) and the Financial Analyst, highlighting the factors taken into consideration in support of the indicative price, within the next 3(three) working days of the said road show/presentation/seminar;
- (aa) Representatives from the stock exchanges shall participate in the road show as observers;
- (b) The issuer, in consultation with the issue manager, shall quote its own indicative price in the draft prospectus based on the indicative prices so obtained from the eligible institutional investors;

Provided that the issuer and the issue manager shall send the Information Memorandum to eligible institutional investors (EIs) **without mentioning the indicative price**. The Indicative Price should be disclosed by the Issuer and Issue Manager after the quotation received from the EIs. The said indicative price should be supported by at least 20 EIs including at least 3 (three) quotations from each of the following category:

- a. Merchant Bankers
- b. Commercial Banks
- c. Asset Management Companies
- d. Non-Banking Financial Institutions (NBFIs)
- e. Insurance Companies
- f. Stock Dealers

EIs who support the indicative price should participate in the electronic bidding process, at least with their intended quantity and indicative price. However, as long as the total intended quantity by the EIs, who support the indicative price, does not reach 10% of the total issue size, the indicative price shall not be treated as discovered.

Further provided that while submitting the indicative price the concerned EIs will also mention the number of shares they are willing to buy at that price.

- (c) The draft prospectus shall simultaneously be submitted to the Commission and the stock exchanges along with the due diligence statements issued by all concerned;
- (d) Rationale for the indicative price must be included in the draft prospectus i.e. the issuer is required to disclose in detail about the qualitative and quantitative factors justifying the indicative price;
- (e) The indicative price shall be the basis for formal price building with an upward and downward band of 20% (twenty percent) of indicative price within which eligible institutional investors shall bid for the allocated amount of security;
- (f) Eligible institutional investors bidding shall commence after getting consent from the Commission for this purpose;

- (g) If institutional quota is not cleared at 20% (twenty percent) below indicative price, the issue will be considered cancelled unless the floor price is further lowered within the face value of security: Provided that, the issuer's chance to lower the price shall not be more than once;
- (h) Prospectus will have to be posted on the Websites of the Commission, stock exchanges, issue manager and issuer at least two weeks prior to the start of the bidding to facilitate investors to know about the company and all aspect of offering;

Provided that hard copy of Information memorandum **without mentioning the indicative price** shall physically be sent to the following institutions/associations at least 5 (five) working days prior to the Road Show:

- a. Stock Exchanges
- b. Bangladesh Merchant Bankers' Association (BMBA)
- c. Bangladesh Association of Banks (BAB)
- d. Bangladesh Leasing & Finance Companies Association (BLFCA)
- e. Bangladesh Insurance Association (BIA)
- f. Association of Asset Management Companies

Associations shall ensure dissemination of hard copy of draft prospectus among their respective members;

- (i) No institutional investor shall be allowed to quote for more than 5% (five percent) of the total security offered for sale, subject to maximum of 5 (five) bids;
- (j) Institutional bidding period will be 48 (forty eight) hours which may be changed with the approval of the Commission;
- (jj) The Company and The Issue Manger shall submit the status of bidding and the Cut Off price along with the final draft prospectus, simultaneously to the Commission and the stock exchanges within 5 working days from the closing day of the bidding.
- (k) The bidding will be handled through a uniform and integrated automated system of the stock exchanges, or any other organization as decided by the Commission, especially developed for book building method;
- (l) The volume and value of bid at different prices will be displayed on the monitor of the said system without identifying the bidder;
- (m) The institutional bidders will be allotted security on pro-rata basis at the weighted average price of the bids that would clear the total number of securities being issued to them;
- (n) Institutional bidders shall deposit their bid with 20% (twenty percent) of the amount of bid in advance to the designated bank account and the rest amount to settle the dues against security to be issued to them shall be deposited within 5 (five) working days prior to the date of opening subscription for general investors;
- (o) In case of failure to deposit remaining amount that is required to be paid by institutional bidders for full settlement of the security to be issued in their favor, 50% (fifty percent) of bid money deposited by them shall be forfeited by the Commission. The securities earmarked for the bidder who defaulted in making payment shall be added to the general investor quota.
- (p) General investors, which include mutual funds and NRBS, shall buy at the cut-off price;
- (q) There shall be a time gap of 15 (fifteen) working days or as may be determined by the Commission between closure of bidding by eligible institutional investors and subscription opening for general investors;
- (r) Subscription for general investors shall remain open for the period as specified by the Commission;
- (s) General investors shall place their application through banker to the issue; and
- (t) All application money shall be kept in a separate escrow account opened with a designated bank with prior intimation to the Commission. Issuer will not be allowed to utilize such money until all the process of issue is completed and Commission's consent to this effect is obtained.

Lock-in Period for Ells:

There shall be lock-in of 4 (four) months from the first trading day on the security issued to the eligible institutional investors.



DETERMINATION OF INDICATIVE PRICE

United Power Generation & Distribution Company Limited has conducted a Road Show on April 17, 2013 for Price Discovery under Book-building Method. Total 61 (sixty one) Eligible Institutional Investors (EIIs) from 6 (six) categories have given their indicative prices. The Issuer in consultation with the Issue Manager quote the indicative price at BDT 60.00 based on these indicative prices as the price is supported by 28 (twenty eight) EIIs from 6 (six) categories against the requirement of minimum 20 (twenty) offers covering 10% of the total issue size as per Rule 8(B)(16)(4)(b) of the Securities and Exchange Commission (Public Issue) Rules, 2006.

Indicative Price for Book-Building Purpose

Qualitative Justification of Indicative Price:

- First Commercial IPP and being operating in EPZ areas UPGDCL can be considered as more than an IPP;
- Variable tariff structure has reduced the risk associated with possible price hike in Gas price;
- Long tenure of PSA agreement with BEPZA made UPGDCL more attractive among investors for long-term investments;
- Maintaining the improvement in capacity utilization is noteworthy. This also indicates the efficiency, capability and expertise of UPGDCL's management in efficient handling of power plants;
- Considering the current economic and national issues, it is very unlikely that the power price will hike in forthcoming years. However, the growth momentum of revenue figure of UPGDCL will sustain as the company is on a process of expanding its capacity by more than 88%;
- With outstanding track record of capacity utilization since inception it is expected that the management will be able to continue the success in its upcoming expansion projects;
- Improvement in gas pressure reduced the operating cost of UPGDCL in last year. Taking the present status of gas reserve and development in gas pipeline connected with UPGDCL implies that the improvement in gas pressure will sustain in near future, which will help UPGDCL to maintain its gross profit margin;
- By maintaining the commitment to BEPZA through providing quality power and standard mode of operation UPGDCL strengthen its acceptance among its customers. Thus, UPGDCL raised the barrier for new entrants in this business segment. Commitment from BEPZA to give UPGDCL priority over new entrants reduced the risk factors for new entrants;
- Scope for future capacity expansion depending of BEPZA requirement also provides the company flexibility in further increasing its capacity in future.

Quantitative Justification of Indicative Price:

61 (sixty one) Institutional Investors from 6 (six) categories have given indicative price out of which 28 (twenty eight) Institutional Investors from 6 (six) categories have given support to the proposed indicative price of Tk. 60.00 each along with their intended quantity as against the requirement of minimum 20 (twenty) offers [including at least 3 (three) quotations from each of the 6 (six) categories] covering 10% of the total issue size as specified in "**Indicative Price Supported by the Eligible Institutional Investors (EIIs)**" under the head of Features of IPO of this Prospectus.

VALUATION AND JUSTIFICATION OF THE OFFERING PRICE

Analyzing the business model and other related factors of UPGDCL, Earnings based valuation would be the most appropriate valuation method for a capital-intensive company like UPGDCL. Therefore, **Primary Valuation** method for the Company is considered on the basis of earnings. Besides other suitable and frequently referred methods, i.e. Valuation based on Net Asset Value per share has also been applied for valuation.

A. Valuation with reference to Earning-based value per share

Earning-based-value per share based on historical information sourced from audited financial statements and statistics from Dhaka Stock Exchange Limited (DSE). The value was calculated by considering weighted net profit after tax for last 5 (five) years as per audited financial statements and market earnings multiple. The weighted average Earnings per share (EPS) is **BDT 4.66** and the three months average DSE Market P/E is **17.22**. Therefore, Earning-based-value per share has been derived as **BDT 80.25**.

Accounting Year (1 January - 31 December)	No. of Shares	Weight of No. of Shares	Net Profit After Tax (BDT)	Weighted Net Profit After Tax (BDT)
2009	107,008,910	0.1180	194,497,283.00	22,949,531.87
2010	107,008,910	0.1180	900,279,474.00	106,227,666.34
2011	197,966,484	0.2183	1,062,266,490.00	231,881,180.85
2012	197,966,484	0.2183	2,020,478,280.00	441,048,356.37
2013	296,949,726	0.3274	1,774,427,658.00	581,007,286.59
Weighted Net Profit After Tax during the period of 2009 - 2013 [A]			1,383,114,022.03	
No. of shares outstanding as on December 31, 2013 [B]			296,949,726	
Weighted Average Earnings per Share (EPS) [C = A/B]			4.66	
Average DSE Market P/E ¹² [D]			17.22	
Earning-based-value per share (BDT) [C × D]			80.25	

¹²Calculation of Relevant P/E Multiple:

Month	Market P/E
July, 2014	16.28
August, 2014	16.80
September, 2014	18.58
Relevant P/E Multiple: Last 3 (three) Months average Market P/E	17.22

Source: DSE Monthly Review, July 2014, Vol. 29, No. 07, August 2014, Vol. 29, No. 08 and September 2014, Vol. 29, No. 09

B. Valuation with reference to Net Asset Value (NAV) per share

NAV per share is based on the information of the latest audited financial statements as on December 31, 2013. NAV per share is **BDT 23.64** that has been derived by dividing the net assets at the end of the period by the number of outstanding shares before IPO as shown in the table below:

Particulars	Amount in BDT
Share Capital	2,969,497,260.00
Retained Earnings	4,051,308,485.00
Total Shareholders' Equity [E]	7,020,805,745.00
No. of Ordinary Shares outstanding as on June 30, 2014 [F]	296,949,726.00
Net Asset Value (NAV) per share [E/F]	23.64

INDICATIVE PRICE SUPPORTED BY THE ELIGIBLE INSTITUTIONAL INVESTORS

List of 28 (twenty eight) Eligible Institutional Investors (EII) giving support to the indicative price of BDT 60.00 along with intended quantity:

Sl. No.	Name of the Eligible Institutional Investors (EII)	Category	Intended Quantity (NoS)	Indicative Price (BDT)
1.	Alliance Capital Asset Management Limited	Asset Management Company	5,000	60.00
2.	LR Global Bangladesh Asset Management Company Limited		30,000	62.00
3.	Alif Assets Management Limited		20,000	60.00
4.	CAPM (Capital & Asset Portfolio Management) Company Limited		30,000	62.00
5.	RACE Management Pvt. Co. Limited		50,000	60.00
6.	LankaBangla Asset Management Company Limited		250,000	61.50
7.	Vanguard Asset Management Limited		15,000	74.00
8.	Green Delta Insurance Company Limited	Insurance Company	30,000	60.00
9.	Eastern Insurance Company Limited		300,000	60.00
10.	Pragati Insurance Limited		100,000	60.00
11.	Pragati Life Insurance Limited		50,000	60.00
12.	Rupali Life Insurance Company Limited		10,000	61.00
13.	Meghna Life Insurance Company Limited		10,000	60.00
14.	One Bank Limited	Commercial Bank	41,667	60.00
15.	The Premier Bank Limited		10,000	60.00
16.	AB Bank Limited		500,000	60.57
17.	MIDAS Financing Limited	Non-Banking Financial Institution (NBFI)	100,000	60.00
18.	LankaBangla Finance Limited		250,000	60.00
19.	Uttara Finance and Investments Limited		500,000	60.00
20.	CAPM Advisory Limited	Merchant Bank	75,000	61.00
21.	Swadesh Investment Management Limited		250,000	60.00
22.	Union Capital Limited		100,000	60.00
23.	Moharam Securities Limited	Stock Dealer	100,000	60.00
24.	Eastern Shares & Securities Limited		100,000	62.00
25.	Rose Securities Limited		25,000	66.00
26.	LankaBangla Securities Limited		300,000	62.00
27.	Multi Securities & Services Limited		50,000	60.00
28.	Jamal Ahmed Securities Limited		150,000	80.00
Total Intended Quantity (no. of shares) Supported by EII			3,451,667	

DETERMINATION OF WEIGHTED AVERAGE PRICE & CUT-OFF PRICE

The summary of bidding process participated by the Eligible Institutional Investors (EIs):

Face Value	BDT 10.00
Indicative Price	BDT 60.00
Price Band (20% Downward and Upward of the Indicative price)	BDT 48.00 - 72.00
Total Participants in the Bid	68
Total No. of Bids	99
Highest Bidding Price	BDT 72.00
Lowest Bidding Price	BDT 48.00
Weighted Average Price (applicable for EII quota allotment)	BDT 72.00
Cut-off Price (applicable for General Public, ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, NRB and Mutual Funds)	BDT 72.00

The weighted average price and cut-off price have been determined at Tk. 72/- through the electronic bidding process under Book Building System for Stock Exchanges in Bangladesh. Total 68 Eligible Institutional Investors (EIs) have successfully participated in the Price Discovery Process. Amongst them, 44 EIs have subscribed 40% of the public offer i.e. 13,200,000 ordinary shares of Tk. 10/- each at a weighted average price of Tk. 72/- each including a premium of Tk. 62/- per share as specified in '**List of EII Allotment**' under the head of 'Subscription & Market' of this Prospectus.

Offer Price:

As per Securities and Exchange Commission (Public Issue) Rules, 2006, the cut-off price has been determined at **Tk. 72/-** including a premium of Tk. 62/- per share, as 40% of the public offer exhausted at weighted average price at Tk. 72/-. Therefore, the general investors, which include mutual funds and NRBs, shall buy securities of the Company at the cut-off price.

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to all the stock exchanges in Bangladesh within 7 (seven) working days from the date of consent accorded by the Commission to issue Prospectus.

The issuer will apply at:



Dhaka Stock Exchange Limited (DSE)
Stock Exchange Building
9/F, Motijheel C/A, Dhaka - 1000



Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080, Sheikh Mujib Road,
Chittagong - 4100

DECLARATION ABOUT LISTING OF SHARES WITH STOCK EXCHANGE(S)

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

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, 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) per month 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 submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) 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 shares of the Company.

The issue shall be placed in "N" Category with DSE and CSE.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting & Preemption Right

The share capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting - Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Issue of Rights shares in terms of the guidelines issued by the Bangladesh Securities and Exchange Commission from time to time.



Conversion and Liquidation Rights

The Company in its General Meeting may convert paid-up shares to any denomination. No special preferences or privileges shall be attached to this conversion.

If the Company at any time issue Preference Shares or Debentures or Bonds with the consent of BSEC, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

In case of winding-up or liquidation of the Company, all shareholders have the same privileges and advantages as ordinary shareholders as regards participation in profits and voting at meetings of the Company.

Dividend Policy

- a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the capital paid-up on the shares held by them respectively.
- b) The Company in General Meeting may declare dividend to be paid to the members according to their rights and interests in the profits and may fix the time of payment. No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net Profit of the Company shall be conclusive.
- c) No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- f) There is no limitation on the payment of dividends to the common stockholders of the Company.

Other Rights of Stockholders

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. 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.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of the Companies Act, 1994.

DEBT SECURITIES

United Power Generation & Distributed Company Limited has issued 200,000,000 Redeemable Cumulative Preference shares @BDT 10/- each totaling BDT 2,000,000,000 vide Bangladesh Securities and Exchange Commission (BSEC) letter no. SEC/CI/CPLC-295/2011/2535 dated August 07, 2013 to following banks and financial institutions:

Sl. No.	Name of Lender	Issue Date	Amount (Tk.)	Balance Amount (Tk.) as on August 31, 2014	Rate of Dividend
1.	Eastern Bank Limited ¹³	November 06, 2013	510,000,000	-	11.00%
2.	Pubali Bank Limited	November 06, 2013	500,000,000	500,000,000	11.00%
3.	Delta Brac Housing Finance Limited	November 06, 2013	90,000,000	90,000,000	11.00%
4.	Trust Bank Limited	November 06, 2013	200,000,000	200,000,000	11.00%
5.	The City Bank Limited	November 06, 2013	300,000,000	300,000,000	11.00%
6.	Jamuna Bank Limited	November 06, 2013	200,000,000	200,000,000	11.00%
7.	Standard Bank Limited	November 06, 2013	200,000,000	200,000,000	11.00%
Total			2,000,000,000	1,490,000,000	

¹³The Company has already started redemption of its preference shares. The Company has paid BDT 510,000,000 to Eastern Bank Limited on March 27, 2014.

The Terms and Conditions of the Redeemable Cumulative Preference Shares are as follows:

Instrument	Redeemable Cumulative Preference Share
Issuer	United Power Generation & Distribution Company Limited (UPGDCL)
Face Value	BDT 10.00
Issue Price	BDT 10.00
Number of shares issued	200,000,000
Issue Size as on November 06, 2013	BDT 2,000,000,000.00
Present Size as on August 08, 2014	BDT 1,490,000,000.00
Purpose	To finance expansion of power plants in DEPZ and CEPZ
Security	First priority fixed and floating charge on building and all machineries
Tenure	5 Years
Dividend Rate	11.00%
Frequency of Dividend Payment	Quarterly payable in arrears commencing from 1 st quarter of Year 1
Frequency of Capital Redemption	Yearly payable in arrears in equal installments commencing from 4 th quarter of Year 1
Participation Fee	0.80% (upfront)

Repayment Schedule of Redeemable Cumulative Preference Shares is as follows:

Year	Repayment Amount (Tk.)	Balance (Tk.)	Year of Payment
	-	1,490,000,000	-
1 st	298,000,000	1,192,000,000	2014
2 nd	298,000,000	894,000,000	2015
3 rd	298,000,000	596,000,000	2016
4 th	298,000,000	298,000,000	2017
5 th	298,000,000	-	2018

The Company has not issued any debt securities except above and has no future plan as such within 6 (six) months.

ALLOTMENT, SUBSCRIPTION AND MARKET

Section: X

LOCK-IN PROVISION

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the lock-in status of the shareholders of United Power Generation & Distribution Company Limited:

#	Name of the Shareholders	Status	No. of Shares Subscribed	% of Shareholding	Date of Acquisition	Lock-in Period from the Date of Issuance of Prospectus ¹³
1.	United Enterprises & Co. Ltd. (represented by General Md. Abdul Mubeen (Retd.))	Chairman	155,339,035	52.31%	12.02.2013	3 years
2.	Mr. Moinuddin Hasan Rashid	Managing Director & Director	25,489,929	8.58%	12.02.2013	3 years
3.	Mr. Hasan Mahmood Raja	Director	25,489,929	8.58%	12.02.2013	3 years
4.	Mr. Ahmed Ismail Hossain	Director	25,489,929	8.58%	12.02.2013	3 years
5.	Mr. Akhter Mahmud Rana	Director	25,489,929	8.58%	12.02.2013	3 years
6.	Mr. Khandaker Moinul Ahsan Shamim	Director	25,489,929	8.58%	12.02.2013	3 years
7.	Mr. Faridur Rahman Khan	Director	7,080,523	2.38%	12.02.2013	3 years
8.	Mr. Abul Kalam Azad	Director	7,080,523	2.38%	12.02.2013	3 years
Total			296,949,726	100.00%		

¹³Lock-in Period starts from the date of issuance of Prospectus i.e., December 14, 2014.

LIST OF EII ALLOTMENT:

As per Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2008/186/115/Admin/30 dated October 05, 2011, 40% of the proposed issue of 33,000,000 ordinary shares i.e. 13,200,000 ordinary shares were allotted to intuitional bidders. There shall be lock-in of 4 (four) months from the first trading day on the security issued to the eligible institutional investors. Following is the list of EIs who participated in the bid and were allotted the shares:

Sl. No.	Name of the Eligible Institutional Investors	No. of Shares Allotted	Amount (Tk.)	% of outstanding shares Post Offering
1.	EBL Investments Limited	33,669	2,424,168.00	0.010%
2.	CAPM Advisory Limited	18,047	1,299,384.00	0.005%
3.	IDLC Investments Limited	444,442	31,999,824.00	0.135%
4.	LR Global BD Asset Management Company Limited	20,202	1,454,544.00	0.006%
5.	Vanguard Asset Management Limited	10,100	727,200.00	0.003%
6.	LankaBangla Asset Management Company Limited	444,443	31,999,896.00	0.135%

Sl. No.	Name of the Eligible Institutional Investors	No. of Shares Allotted	Amount (Tk.)	% of outstanding shares Post Offering
7.	LankaBangla Securities Limited Employees Provident Fund	60,606	4,363,632.00	0.018%
8.	Incepta Pharmaceuticals Employees Provident Fund	67,339	4,848,408.00	0.020%
9.	IDLC Employees' Provident Fund	185,184	13,333,248.00	0.056%
10.	Expo Freight Limited Employee's Provident Fund	269,358	19,393,776.00	0.082%
11.	LankaBangla Finance Limited Employees' Provident Fund	444,443	31,999,896.00	0.135%
12.	BRAC Bank Limited	444,442	31,999,824.00	0.135%
13.	Social Islami Bank Limited	444,443	31,999,896.00	0.135%
14.	Delta Brac Housing Finance Corporation Limited	33,669	2,424,168.00	0.010%
15.	Uttara Finance and Investments Limited	336,699	24,242,328.00	0.102%
16.	LankaBangla Finance Limited	444,443	31,999,896.00	0.135%
17.	MIDAS Financing Limited	444,442	31,999,824.00	0.135%
18.	IDLC Finance Limited	444,442	31,999,824.00	0.135%
19.	National Finance Limited	444,443	31,999,896.00	0.135%
20.	Pragati Insurance Limited	202,019	14,545,368.00	0.061%
21.	Pragati Life Insurance Limited	202,020	14,545,440.00	0.061%
22.	Green Delta Insurance Company Limited	336,698	24,242,256.00	0.102%
23.	National Life Insurance Company Limited	444,442	31,999,824.00	0.135%
24.	Howlader Equity Services Limited	4,041	290,952.00	0.001%
25.	EBL Securities Limited (Former LRK Securities Ltd.)	33,669	2,424,168.00	0.010%
26.	Shyamol Equity Management Limited	67,339	4,848,408.00	0.020%
27.	B & B Enterprise	67,339	4,848,408.00	0.020%
28.	AB & Co. Limited	89,763	6,462,936.00	0.027%
29.	Far East Shares & Securities Limited	148,148	10,666,656.00	0.045%
30.	Rasti Securities Consultant Limited	404,038	29,090,736.00	0.122%
31.	Rashid Investment Services Limited	416,159	29,963,448.00	0.126%
32.	Jamal Ahmed Securities Limited	432,322	31,127,184.00	0.131%
33.	Kazi Equities Limited	435,014	31,321,008.00	0.132%
34.	Multi Securities & Services Limited	437,708	31,514,976.00	0.133%
35.	LankaBangla Securities Limited	444,443	31,999,896.00	0.135%
36.	BRAC EPL Stock Brokerage Limited	444,442	31,999,824.00	0.135%
37.	Hallmark Securities Limited	444,443	31,999,896.00	0.135%
38.	Investment Promotion Services Limited	444,442	31,999,824.00	0.135%
39.	Moharam Securities Limited	444,442	31,999,824.00	0.135%
40.	Eastern Shares & Securities Limited	444,443	31,999,896.00	0.135%
41.	Chittagong Capital Limited	444,443	31,999,896.00	0.135%
42.	IDLC Securities Limited	444,442	31,999,824.00	0.135%
43.	Chittagong Shares & Securities Limited	444,442	31,999,824.00	0.135%
44.	BDBL Securities Limited	444,443	31,999,896.00	0.135%
Total		13,200,000	950,400,000.00	

REFUND OF SUBSCRIPTION MONEY

As per BSEC Notification Dated February 09, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

- A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".
- The value of securities applied for by such person may be paid in Taka or US dollar or UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.
- Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, bank's name and branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

AVAILABILITY OF SECURITIES

- Securities:

Sl. No.	Particulars	Number of Shares	Amount in BDT
A.	40% of IPO of Ordinary Shares shall be reserved for Eligible Institutional Investors (EIs)	13,200,000	950,400,000.00
B.	10% of IPO of Ordinary Shares shall be reserved for Non-Resident Bangladeshis (NRB)	3,300,000	237,600,000.00
C.	15% of IPO of Ordinary Shares shall be reserved for Mutual Funds	4,950,000	356,400,000.00
D.	20% of IPO of Ordinary Shares are reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	6,600,000	475,200,000.00
E.	Remaining 15% of IPO of Ordinary Shares shall be opened for subscription by the General Public	4,950,000	356,400,000.00
Total (A+B+C+D+E)		33,000,000	2,376,000,000.00

- All securities as stated in 1(A), 1(B), 1(C), 1(D) and 1(E) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time by the Bangladesh Securities and Exchange Commission.

3. Under the 1(A), the institutional investors will be allotted security on pro-rata basis at the weighted average price of the bids that would clear the total number of securities being issued to them.
4. The securities offered to the investors under clause 1(B), 1(C), 1(D) and 1(E) will be at the cut-off price determined during the Book-building process.
5. In case of over-subscription under any of the categories mentioned in the clause 1(B), 1(C), 1(D) and 1(E) the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.
6. In case of under-subscription under any of the 10%, 15% and 20% category as mentioned in 1(B), 1(C) and 1(D) the unsubscribed portion shall be added to the general public category, and, if after such addition there is oversubscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
7. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
8. The lottery as stated in clause (5) and (6) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

APPLICATION FOR SUBSCRIPTION

1. Application for shares may be made for a minimum lot for **100** Ordinary shares to the value of **Tk. 7,200/- (Taka Seven Thousand Two Hundred Only)** and should be made on the Company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the forms. Applications must not be for less than **100** shares. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two persons will not be accepted. In the case of joint application, each party must sign the application form.
3. Application 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. Applications from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.
4. **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 makes 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.**
5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
6. **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 too.**
7. **An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by BSEC.**
8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares.



9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked **“United Power Generation & Distribution Company Limited”** and shall bear the crossing **“Account Payee Only”** and must be drawn on a bank in the same town of the bank to which application form is deposited.
10. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

The value of securities applied for may be paid in Taka, US Dollar or UK Pound Sterling or EURO at the spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share application form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the issuer, issue manager, DSE, CSE and the BSEC.

11. All completed application forms together with remittances for the full amount payable on application shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
12. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO) by the bankers to the issue will be remitted to the **“United Power Generation & Distribution Company Limited” Interest Bearing Account No. 1501202253314001** with **BRAC Bank Limited, Gulshan Branch, Dhaka, Bangladesh** for this purpose.
13. The application money collected from Eligible Institutional Investors by the lead banker to the issue will be remitted to the **“United Power Generation & Distribution Company Limited” Escrow Account No. 1501202253314005** with **BRAC Bank Limited, Gulshan Branch, Dhaka, Bangladesh** for this purpose.
14. The subscription money collected from Non-Resident Bangladeshis 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:

Sl. No.	Name of the FC Accounts	Currency	Account No.	Bank
1.	United Power Generation & Distribution Company Limited	USD	1501202253314002	BRAC Bank Limited
2.	United Power Generation & Distribution Company Limited	EURO	1501202253314003	BRAC Bank Limited
3.	United Power Generation & Distribution Company Limited	GBP	1501202253314004	BRAC Bank Limited

15. In the case of over-subscription of securities to the NRB applicants, refund shall be made by **United Power Generation & Distribution Company Limited** out of the “FC Account for IPO NRB Subscription”. United Power Generation & Distribution Company Limited has already opened the aforesaid FC Accounts and shall close these FC accounts after refund of over-subscription, if any.
16. তালিকাভুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্ত সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICANT FORM ARE LIABLE TO BE REJECTED.

UNDERWRITING OF SHARES

Initial Public offering (IPO) is for 33,000,000 ordinary shares of TK. 10/- each at an issue price of Tk. 72/- each including a premium of Tk. 62/- per share totaling to Tk. 2,376,000,000/- of United Power Generation & Distribution Company Limited. 40% of the said offering i.e. 13,200,000 ordinary shares has been subscribed by Eligible Institutional Investors through Book Building Process. As per guideline of Bangladesh Securities and Exchange Commission, 50% of the remaining 19,800,000 ordinary shares i.e. 9,900,000 ordinary shares at an issue price of Tk. 72/- each totaling to Tk. 712,800,000/- has been underwritten on a firm commitment basis by the following underwriters:

#	Name of Underwriters	No. of Shares Underwritten	Offer Price (Tk.)	Underwritten Amount (Tk.)	% of Total Underwriting
1.	LankaBangla Investments Limited	2,500,000	72	180,000,000.00	25.25%
2.	GSP Investments Limited	2,000,000	72	144,000,000.00	20.20%
3.	One Bank Limited	1,500,000	72	108,000,000.00	15.15%
4.	Rupali Life Insurance Co. Limited	825,000	72	59,400,000.00	8.33%
5.	NBL Capital and Equity Management Ltd.	825,000	72	59,400,000.00	8.33%
6.	UniCap Investments Limited	750,000	72	54,000,000.00	7.58%
7.	IDLC Investments Limited	500,000	72	36,000,000.00	5.05%
8.	ICB Capital Management Limited	500,000	72	36,000,000.00	5.05%
9.	Royal Green Capital Market Limited	500,000	72	36,000,000.00	5.05%
Total		9,900,000		712,800,000.00	

PRINCIPAL TERMS AND CONDITIONS OF UNDERWRITING AGREEMENT

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares in cash in full within 15 (Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. 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 the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. 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 the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In 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 consequence and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law may be imposed on them.



COMMISSION FOR THE UNDERWRITERS

The Company shall pay to the underwriters an underwriting commission at the rate of **0.50%** of 50% of the public offering amount of the issue value of shares underwritten by them out of the public issue.

RIGHT OF UNDERWRITERS ON COMPANY'S BOARD

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

OFFICER OR DIRECTOR OF THE UNDERWRITER(S) ACTING AS DIRECTOR OF THE COMPANY

At present, no Officer or Director of the Underwriter(s) is engaged as the Director of the Company.

ALLOTMENT

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5 (five) weeks from the closing of the subscription list. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5 (five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

MATERIAL CONTRACTS

- a) Underwriting Agreements between the Company and the Underwriters;
- b) Issue Management Services Agreement between the Company with LankaBangla Investments Limited;
- c) Registrar to the Issue Agreement between the Company with ICB Capital Management Limited;
- d) Contract between the Company and the Central Depository Bangladesh Limited (CDBL);
- e) Credit Rating Agreement between the Company and Credit Rating Information and Services Limited (CRISL).

Copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from the Bangladesh Securities and Exchange Commission may be inspected, on any working day during office hours at the Corporate Office of the Company and the Issue Manager.

MANAGER TO THE ISSUE

LankaBangla Investments Limited, Eunoos Trade Center, Level - 21, 52-53, Dilkusha C/A, Dhaka - 1000, is acting as the Manager to the Issue.

The Issue Management Fee for the Issue Manager shall be **0.70%** of the total amount raised through issuance of primary capital by the Issuer through public issue under Book-building Method.

REGISTRAR TO THE ISSUE

ICB Capital Management Limited, BDBL Bhaban (Level # 16), 8, Rajuk Avenue, Dhaka - 1000, is acting as the Registrar to the Issue for the IPO of United Power Generation & Distribution Company Limited.

COMMISSION TO THE BANKERS TO THE ISSUE

Commission at the rate of **0.10%** of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

REGISTERED & CORPORATE OFFICE	:	United Power Generation & Distribution Company Limited United Centre, House # NW(J)-6, Road # 51, Gulshan - 2, Dhaka - 1212, Bangladesh
LOCATION OF POWER PLANTS	:	Dhaka Export Processing Zone (DEPZ) Plot no. 280, Extension Area, Dhaka Export Processing Zone, Ganakbari, Savar, Dhaka Chittagong Export Processing Zone (CEPZ) Plot no. 6 & 7, Sector 2/A, Chittagong Export Processing Zone, South Haliashahar, Chittagong
AUDITOR	:	Hoda Vasi Chowdhury & Co. Chartered Accountants Independent Correspondent Firm to Deloitte Touche Tohmatsu BTMC Bhaban (Level # 7 & 8), Karwan Bazar C/A, Dhaka
MANAGER TO THE ISSUE	:	LankaBangla Investments Limited Eunoos Trade Center, Level - 21, 52-53, Dilkusha C/A, Dhaka - 1000
REGISTRAR TO THE ISSUE	:	ICB Capital Management Limited BDBL Bhaban (Level # 16), 8, Rajuk Avenue, Dhaka - 1000
LEGAL ADVISOR	:	Tanjib-ulAlam and Associates, Barristers, Advocates and Legal Consultants BSEC Bhaban (Level - 11), 102, Kazi Nazrul Islam Avenue, Karwan Bazar, Dhaka - 1215
COMPANY'S COMPANY SECRETARY & COMPLIANCE OFFICER	:	Mr. Md. Mustafizur Rahman Company Secretary
LEAD BANKER FOR IPO	:	BRAC Bank Limited
BANKERS TO THE ISSUE	:	<ul style="list-style-type: none"> ▪ BRAC Bank Limited ▪ Dhaka Bank Limited ▪ Dutch-Bangla Bank Limited ▪ Eastern Bank Limited ▪ Investment Corporation of Bangladesh (ICB) ▪ IFIC Bank Limited ▪ Islami Bank Bangladesh Limited ▪ Mutual Trust Bank Limited ▪ National Bank Limited ▪ One Bank Limited ▪ The Premier Bank Limited ▪ Trust Bank Limited

All investors are hereby informed 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 etc. 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.

REVISED AUDITORS' REPORT TO THE SHAREHOLDERS OF UNITED POWER GENERATION & DISTRIBUTION COMPANY LIMITED

Section: XIV

Introduction

We have audited the accompanying revised financial statements of United Power Generation & Distribution Company Ltd., which comprise the revised statement of financial position as at 31 December 2013, and revised statement of comprehensive income, revised statement of changes in equity and revised statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information i.e. revised notes to the Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these revised financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the revised financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Emphasis of Matter

Our report issued on 15 April 2014 based on the financial statements authorised by the Board of Directors on the same date has been cancelled and subsequently issued our revised report based on the revised financial statements authorised by the Board of Directors on 04 September 2014 as explained in the notes no. 2.8 of the revised financial statements. This is not a qualified opinion but a matter of emphasis only.



We also report that:

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

Dated: Dhaka
04 September 2014

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants



United Power Generation & Distribution Company Limited

Revised Statement of Financial Position

As at 31 December 2013

	Note(s)	2013 Taka	2012 Taka
ASSETS			
Non-current assets			
Property, plant and equipment, net	4	9,479,476,556	3,507,982,218
Capital work in progress	5	-	368,104,364
		9,479,476,556	3,876,086,582
Current assets			
Inventories	6	250,939,632	191,982,411
Trade receivables	7	670,397,657	840,633,875
Inter-company balances	8	1,128,541,871	2,821,114,070
Advance, deposits and prepayments	9	73,036,908	48,964,387
Cash and bank balances	10	75,613,642	6,085,258
		2,198,529,710	3,908,780,000
TOTAL ASSETS		11,678,006,266	7,784,866,582
EQUITY & LIABILITIES			
Shareholders' equity			
Share capital	11	2,969,497,260	1,979,664,840
Retained earnings	12	4,051,308,485	3,266,713,247
		7,020,805,745	5,246,378,087
LIABILITIES			
Non-current liabilities			
Redeemable Preference Share capital	13	2,000,000,000	-
Long term loan	14	1,744,273,042	1,934,715,782
		3,744,273,042	1,934,715,782
Current liabilities			
Trade payables	15	80,113,687	55,608,568
Other payables and accrual	16	24,239,960	5,411,169
Long term loan (Current portion)	14.01	796,479,149	218,083,337
Short term loan	17	-	324,585,139
Provision for taxation	18	12,094,683	84,500
		912,927,479	603,772,713
TOTAL EQUITY & LIABILITIES		11,678,006,266	7,784,866,582
Net Asset Value (NAV) per share	36	23.64	17.67

These financial statements should be read in conjunction with the annexed notes.

Sd/-
Md. Mustafizur Rahman
Company Secretary

Sd/-
Abul Kalam Azad
Director

Sd/-
Moinuddin Hasan Rashid
Managing Director

Dated: Dhaka
04 September 2014

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants



United Power Generation & Distribution Company Limited

Revised Statement of Comprehensive Income

For the Year ended 31 December 2013

	Note(s)	2013 Taka	2012 Taka
Revenue	21	3,396,097,108	3,273,488,057
Operating expenses	22	(1,038,613,966)	(884,552,090)
Gross profit		2,357,483,141	2,388,935,967
Administrative expenses	23	(242,519,472)	(57,396,889)
Operating profit		2,114,963,670	2,331,539,078
Other operating income	24	32,252,489	225,333
Financial expenses	25	(360,693,817)	(311,201,631)
Net profit before tax		1,786,522,342	2,020,562,780
Provision for taxation	18	(12,094,683)	(84,500)
Net profit after tax		1,774,427,658	2,020,478,280
Earning per share (EPS)	26	5.98	10.21
Earning per Share (Adjusted EPS)	26	-	6.81

These financial statements should be read in conjunction with the annexed notes.

Sd/-
Md. Mustafizur Rahman
Company Secretary

Sd/-
Abul Kalam Azad
Director

Sd/-
Moinuddin Hasan Rashid
Managing Director

Dated: Dhaka
04 September 2014

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants



United Power Generation & Distribution Company Limited

Revised Statement of Cash Flows

For the Period from 01 January 2013 to 31 December 2013

	Note(s)	2013 Taka	2012 Taka
A Cash flows from operating activities			
Cash received from customers	27	3,566,333,325	2,828,910,236
Cash received from other operating income	24	32,252,489	225,333
Cash paid to suppliers and contractors	28	(784,202,235)	(620,621,685)
Cash paid for other operating expenses	29	(406,705,359)	(193,432,716)
Payment of financial expenses	30	(360,693,817)	(329,023,446)
Income tax payment		(84,500)	(924,038)
Net cash flow from operating activities		2,046,899,903	1,685,133,685
B Cash flows from investing activities			
Payment for acquisition of property, plant and equipment	31	(5,734,011,651)	(386,263,610)
Cash received / (paid) for inter-company loan	32	1,692,572,199	(1,403,111,944)
Net cash used in investing activities		(4,041,439,452)	(1,789,375,553)
C Cash flows from financing activities			
Long term loan received/(paid)	33	387,953,072	(211,331,135)
Short term loan received / (paid)	34	(324,585,139)	285,038,617
Cash received / (paid) for lease finance	35	-	(674,762)
Redeemable preference share	13	2,000,000,000	
Security money received / (paid)	16.2	700,000	
Net cash flow from financing activities		2,064,067,933	73,032,720
D Net changes in cash and cash equivalents (A+B+C)		69,528,384	(31,209,149)
E Opening balance		6,085,258	37,294,406
Closing balance (D+E) - Note 10		75,613,642	6,085,258

These financial statements should be read in conjunction with the annexed notes.

Sd/-
Md. Mustafizur Rahman
Company Secretary

Sd/-
Abul Kalam Azad
Director

Sd/-
Moinuddin Hasan Rashid
Managing Director

Dated: Dhaka
04 September 2014

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants



United Power Generation & Distribution Company Limited

Revised Statement of Changes in Equity

For the Year ended 31 December 2013

Particulars	Share capital	Retained earnings	Total
	Taka	Taka	Taka
Balance at 1 January 2012	1,979,664,840	1,246,234,967	3,225,899,807
Net profit for the year 2012	-	2,020,478,280	2,020,478,280
Balance at 31 December 2012	1,979,664,840	3,266,713,247	5,246,378,087
Balance at 1 January 2013	1,979,664,840	3,266,713,247	5,246,378,087
Issue of Stock Dividend for the year 2012	989,832,420	(989,832,420)	-
Net profit for the year 2013	-	1,774,427,658	1,774,427,658
Balance at 31 December 2013	2,969,497,260	4,051,308,485	7,020,805,745

These financial statements should be read in conjunction with the annexed notes.

Sd/-
Md. Mustafizur Rahman
 Company Secretary

Sd/-
Abul Kalam Azad
 Director

Sd/-
Moinuddin Hasan Rashid
 Managing Director

Dated: Dhaka
 04 September 2014

Sd/-
Hoda Vasi Chowdhury & Co.
 Chartered Accountants



United Power Generation & Distribution Company Limited

Revised Notes to the Financial Statements

As at and for the Year ended 31 December 2013

1 Reporting entity

1.1 Corporate history of reporting entity

United Power Generation & Distribution Company Ltd. (UPGD) ("the Company") formerly known as Malancha Holdings Ltd. (MHL) was incorporated in Bangladesh on 15th January 2007 as a subsidiary company of United Group in order to produce and supply electricity. The Company changed the existing name and style on 1st October 2009 as a private limited company under the Companies Act 1994 and converted into public limited company by Shares on 22 December 2010.

The Company has developed two power plants. One of them with capacity of 41 MW at Dhaka Export Processing Zone (DEPZ) premises and another with capacity of 44 MW at Chittagong Export Processing Zone (CEPZ) premises, under two agreements with Bangladesh Export Processing Zones Authority (BEPZA) signed on May 6, 2007 and May 16, 2007 respectively. Both plant DEPZ and CEPZ came into commercial operation on 26th December 2008 and 12 August 2009 respectively. The address of the company's registered office is United Center, Road No. 51, and House No. NW (J) 6, Gulshan-2, Dhaka-1212, Bangladesh. The authorized share capital of the Company is Tk. 10,000,000,000 (Taka One Thousand crore) only divided into 1,000,000,000 (One hundred crore) shares of Tk. 10 (Ten) each.

1.2 Capacity increase

The Company increased its capacity from 41 MW to 88 MW at Dhaka Export Processing Zone (DEPZ) and another project at Chittagong Export Processing Zone (CEPZ) increased capacity from 44 MW to 72 MW. The DEPZ project has installed 2 nos of Heat Recovery Boiler to produce 8 ton/h of steam & CEPZ project has installed 3 nos of Heat Recovery Boiler to produce 12 ton/h of steam to sale to other customers.

1.3 Corporate business

The principal activity of the Company is to generate electricity by two gas fired power plants, one at DEPZ with 88 MW capacity and the other at CEPZ with 72 MW capacity and to sell generated electricity to the export processing industries located inside DEPZ and EPZ with the provision of selling surplus power outside the Export Processing Zones (EPZs) after fulfilling their requirement. The Company is supplying electricity to the national grid of Bangladesh through selling the same to Dhaka PBS-1 of Rural Elecification Board (REB), Bangladesh Power Development Board (BPDB), Karnaphuli Export Processing Zone (KEPZ) and other Private Sector Companies e.g. Oli knitting Fabrics Limited, Lilac Fashionwear Limited, Dhaka Thai Limited and Ahad Fashion Limited.

2 Basis of presenting and preparation of financial statements.

2.1 Legal compliance

Financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2 Basis of presentation

Presentation of financial statements have been maintained as per Bangladesh Accounting Standards - 1.

2.3 Basis of measurements

The financial statements have been prepared under historical cost convention.

2.4 Going concern assumption

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

2.5 Functional and presentational currency and level of precision

These financial statements are presented in Bangladesh Taka (Taka/Tk/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 Taka.

2.6 Critical accounting estimates, assumptions and judgment

The preparation of the financial statements in conformity with BFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected as per BAS-8.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

Note 4	Depreciation- Property, plant & equipment
Note 6	Inventory
Note 15	Trade payable

2.7 Reporting Period

These financial statements cover the period from 1 January 2013 to 31 December 2013.

2.8 Authorization for issue

The financial statements have been authorised for issue by the Board of Directors on 15 April 2014, has been cancelled and withdrawn and subsequently revised financial statements have been authorised for issue by the board of Directors on 04 September 2014 .

3 Summary of significant accounting policies

3.1 Property, plant and equipment

a) Recognition and Measurement

Property, plant and equipment (PPE) are stated according to BAS 16 (Property, Plant and Equipment) at historical cost or revaluation less cumulative depreciation. The cost of asset includes expenses directly attributable to bringing the asset to the location and condition necessary for use.

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

b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

c) Depreciation

Depreciation on the assets is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives. In respect of addition of fixed assets, depreciation is not charged in the year of addition. Full year's depreciation is charged in the year of disposal. Residual value is estimated to be zero for all assets.

Category of assets	Rate of depreciation
Plant and machinery	3.33%
Gas line (50 years)	2%
Equipment	15%
Furniture and fixtures	10%
Transport and vehicles	10%

Depreciation is charged at the rate of 2% on gas pipeline because although the gas pipeline suppose to be built by BEPZA but as per their letter dated 24 September 2007 vide reference BEPZA/GM (M)/ DEPZ /E/416/299, they have requested the company to build Gas pipe line at its own cost and accordingly the Company has constructed the Gas pipe line and charged depreciation on gas pipe line to amortize the cost over the years. The company made the gas pipeline and considered as assets of the company as per the recognition criteria of para-8 of BAS-16.

3.2 Inventories

Inventories consisting of spare parts, fuel and lubricant are valued in accordance with BAS 2 (Inventories) at the lower of cost or net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Inventories are measured at cost. The cost of inventories is based on the first in first out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. When inventories are used, the carrying amount of those inventories is recognized in the period in which the related revenue is recognized.

3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Accounting policies relating to different types of financial instruments are described below.

3.3.1 Financial assets

a) Trade receivables

Trade receivable are carried at original invoice amount.

b) Inter-company balances

These asset include inter-company (loan) receivables which are stated at cost. The Board of Directors and shareholders of related companies are same as United Power Generation & Distribution Company Ltd.

c) Cash and cash equivalent

Cash and cash equivalent comprise cash in hand, bank deposits and other short term highly liquid investments with original maturities of three months or less which were held and available for use by the Company without any restriction.

3.3.2 Financial liabilities

It includes borrowings & trade and other payables.

a) Borrowings

Borrowings are classified into both current and non-current liabilities. Moreover in compliance with the requirements of BAS 23 (Borrowing Costs), interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as an expense in the period in which they are incurred.

b) Trade and other payables

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

3.4 Provisions

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be repaid to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions for employee benefits and similar other liabilities are determined in accordance with BAS 19. All remaining provisions are recognized by making the best estimate of the amounts in accordance with BAS 37 (Provisions, Contingent Liabilities and Contingent assets).

3.5 Impairment

3.5.1 Financial assets

Trade receivable is assessed at each date of statement of financial position to determine whether there is objective evidence that it is impaired. Trade receivable is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

3.5.2 Non-financial assets

At each reporting date, indicators of impairment are reviewed. For this review, the Company is considered as a single cash generating unit and both tangible and intangible assets are reviewed. If any indication exists, the assets' recoverable amount will need to be estimated. As at 31 December 2013, the assessment of indicators of impairment reveals that impairment testing is not required for the Company.

3.6 Revenue recognition

United Power Generation and Distribution Company is a power generation company operating its owned electric generating plants. It produces gas generated electricity for sale to DEPZ, CEPZ, KEPZ, REB, BPDB and other Private Sector. UPGD has primarily started its power plant in Dhaka EPZ and Chittagong EPZ. The Company's revenues are derived from electric power generation and distribution services and include energy supplied and billed to the customers.

As per BAS-18 Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue measured at the fair value of the consideration received or receivable. The following specific recognition criteria must be met before revenue is recognized:

- 1) Entity has transferred significant risks and rewards of ownership of the electric power to the buyer;
- 2) The amount of revenue can be measured reliably;
- 3) The costs incurred and the costs to complete for the transaction can be measured reliably

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

3.7 Statement of cash flows

Statement of cash flows is prepared principally in accordance with BAS 7 (Cash Flow Statement) shows how the Company's cash and cash equivalents changed during the period through inflows and outflows and the cash flows from operating activities have been presented under direct method.

Net cash inflows from operating activities arrived after adjusting cash received from customers and other income with operating expenses paid and interest paid to suppliers during the period.

Net cash used in investing activities includes cash outflow for purchase of property, plant and equipment, and

Net cash inflow from financing activities mainly due to loan paid to related companies, repayment of bank loan and short term loan received from bank.

3.8 Leases

a) Finance lease

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce periodic rate of interest on the remaining balance of the liability.

b) Operating lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are not recognized in the statement of financial position.

3.9 Foreign currency transaction

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with BAS 21 (The Effects of Changes in Foreign Exchange Rates).

3.10 Employee benefits

The Company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

3.10.1 Defined contribution plan (provident fund)

The Company operates contributory provident fund for all its permanent employees, which is defined contribution plan. The provident fund is funded by contribution from both employees and the Company @ 7.5% of the basic pay. The contributory provident fund for all permanent employees is unrecognized.

3.11 Income tax

Income tax has made for other operating income only and no provision is required for income tax on the company's business profits as the Company has received exemption from all such taxes from the Government of Bangladesh under the private sector power generation policy for a period of 15 years from start of its commercial operation, vide SRO ref: 188-Law/Income Tax/2009—Income Tax ordinance, 1984 (XXXVI of 1984) dated 01 July 2009.

3.12 Deferred tax

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

3.13 Earnings per share

The calculation of the Basic earnings per share is made in accordance with BAS 33 (Earnings Per Share), dividing the profit for the period by weighted average number of ordinary shares outstanding during the period. Moreover, EPS of the period ending 31 December 2013 has been calculated based on the annual income of the year 2013.

Basic earnings per share

This represents earnings for the year attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Diluted earnings per share

As there is no prospective dilutive securities, diluted earning per share has been calculated based on the total existing number of shares as prescribed in the rule 8(B), 20(e) of Securities and Exchange Commission (Public Issue) Rules, 2006.

Weighted average number of shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the period.

3.14 Consolidation

The financial statements comprised consolidated accounts of Dhaka EPZ project & Chittagong EPZ project.

3.15 Contingent liabilities and assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. In accordance with BAS 37, they are disclosed in the notes to the financial statements.

3.16 Application of Bangladesh Accounting Standards (BASs) for preparation of Financial Statement

The Financial statements have been prepared in compliance with requirement of BAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh .The following BASs are applicable for the financial statements for the period under review:

- BAS-1 Preparation of financial statements
- BAS-2 Inventories
- BAS-7 Statement of cash flows
- BAS-8 Accounting Policies Changes in Accounting Estimator and Errors
- BAS-16 Property, plant and equipment.
- BAS-17 Leases
- BAS-18 Revenue
- BAS-23 Borrowing costs
- BAS-24 Related party disclosure
- BAS-32 Financial instruments presentation
- BAS-33 Earnings per share (EPS)
- BAS-37 Provisions, contingent liabilities and contingent assets.

4 Property, plant and equipment, note 3.01

Particulars	Plant and machinery	Gas line	Equipment	Furniture and fixtures	Transport and vehicles	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Cost						
At 01 January 2012	3,773,712,445	148,705,152	4,078,954	545,683	5,236,836	3,932,279,070
Addition during the period	16,485,236	-	1,529,900	144,110	-	18,159,246
Disposal during the period	-	-	-	-	-	-
31 December 2012	3,790,197,681	148,705,152	5,608,854	689,793	5,236,836	3,950,438,316
Depreciation						
01 January 2012	295,588,794	15,530,826	533,479	52,859	921,318	312,627,276
Depreciation charged during the period, note 4.03	125,664,624	2,974,103	611,843	54,568	523,684	129,828,822
Depreciation adjusted during the period	-	-	-	-	-	-
31 December 2012	421,253,418	18,504,929	1,145,322	107,427	1,445,002	442,456,098
Net book value at 31 December 2012	3,368,944,263	130,200,223	4,463,532	582,366	3,791,834	3,507,982,218
Cost						
At 01 January 2013	3,790,197,681	148,705,152	5,608,854	689,793	5,236,836	3,950,438,316
Addition during the period	6,039,070,907	56,876,815	3,758,258	480,035	1,930,000	6,102,116,015
Disposal during the period	-	-	-	-	-	-
31 December 2013	9,829,268,588	205,581,967	9,367,112	1,169,828	7,166,836	10,052,554,331
Depreciation						
01 January 2013	421,253,418	18,504,929	1,145,322	107,427	1,445,002	442,456,098
Depreciation charged during the period, note 4.03	126,213,583	2,974,103	841,328	68,979	523,684	130,621,677
Depreciation adjusted during the period	-	-	-	-	-	-
31 December 2013	547,467,001	21,479,032	1,986,650	176,406	1,968,685	573,077,775
Net book value at 31 December 2013	9,281,801,587	184,102,935	7,380,462	993,422	5,198,151	9,479,476,556
Rate of Depreciation	3.33%	2%	15%	10%	10%	



4.01 Power plant

a) Plant description

The natural gas fired power plants of UPGD consist of Wärtsilä, Rolls Royce and MTU engine generators with 30 years expected useful life, which form the major part of the power generation companies. This gas fired generating set consists of auxiliaries, exhaust gas silencer and electrical, mechanical & civil construction and erection. Each power plant has fourteen (14) integrated systems named fuel, lubrication oil, compressed air, cooling, charge air, exhaust, water treatment, fire protection, emission control, automation, electrical, station service, DC and high voltage systems. At DEPZ there are four (4) gas fired engines with the capacity of 8.73 MW each, five (5) gas fired engines with capacity of 9.34 MW each and three (3) gas fired engines with the capacity of 2 MW each for the generation of electricity. At CEPZ there are five (5) gas fired engines with the capacity of 8.73 MW each and three (3) gas fired engines of capacity 9.34 MW. The total output of these stationary power plants at DEPZ and CEPZ is 88 MW & 72 MW respectively.

b) Environmental impact

The environmental impact of a gas power plant is low; it is both efficient and environmentally sound. These gas power plants have the highest simple-cycle efficiency in the market. Natural gas has the lowest CO₂ emissions compared to other fossil fuels. The SO₂ and PM emissions are relatively low for power plants running on natural gas. The NO_x emissions are also lower than with fuel oil-fired diesel/HFU engines. The engine cooling arrangement using closed-circuit radiator cooling reduces plant process water consumption to almost zero, minimizing the effect on local water resources. Effective sound-proofing allows the plant to be operated even in densely populated areas.

4.02 Gas Line

According to Power Supply Agreement, dated 6th and 16th May 2007 with Bangladesh Export Processing Zone Authority (BEPZA); BEPZA, at their own cost, shall provide necessary gas connection of required quantity and specification from the nearest District Regulatory Station (DRS) of Titas Gas Transmission and Distribution Company Limited and Bakhrabad Gas system Limited, the former name of Karnaphuli Gas Distribution Company Ltd. BEPZA shall maintain such gas connection until the expire of a period of thirty (30) years unless extended or earlier termination. Although both parties agreed upon this condition but due to lack of initiative by concerned authority (BEPZA), UPGD has established this gas line back on 17 November 2008 at its own cost. For DEPZ plant the initial contract was for 6.91 (Million Cubic Feet Per Day) MMCFD. Subsequently additional allocation 9 MMCFD gas given by Titas Gas Transmission & Distribution Company Ltd. for further capacity enhance. Thus total contract load 15.91MMCFD. For CEPZ plant the initial contract was for 10.68 MMCFD. An additional allocation was given for another 4 MMCFD by Karnaphuli Gas Distribution Company Ltd. for further capacity enhance. Thus total contract load 14.68 MMCFD.

Gas line is valued at construction cost less depreciation and impairment loss. Cost includes Electric Resistance Welded (ERW) carbon steel pipe, tape for gas line, Regulating & Metering System (RMS), Town Border Station (TBS), line accessories, and construction and commissioning expenditures. Cost are only included in the asset's carrying amount when it is probable that economic benefits associated with this item will flow to the company and the cost can be measured reliably. All other repair and maintenance expenses are charged to the income statement during the period in which they are incurred.

4.03 Allocation of depreciation expenses, note 4

Operating expenses
Administrative expenses

	2013 <u>Taka</u>	2012 <u>Taka</u>
	129,315,460	128,530,534
	1,306,217	1,298,288
	<u>130,621,677</u>	<u>129,828,822</u>

5 Capital work in progress, note 1.2

	Balance as at 01 January	Addition during the year	Transfer to PPE during this year	Closing balance
	Taka	Taka	Taka	Taka
As at 31 December 2012				
Plant and machinery	-	368,104,364	-	368,104,364
	-	368,104,364	-	368,104,364
As at 31 December 2013				
Plant and Machinery (note 5.1)	368,104,364	5,663,351,284	6,031,455,648	-
Gas Line (note 5.1)	-	56,876,815	56,876,815	-
	368,104,364	5,720,228,099	6,088,332,463	-

5.1 Plant and Machinery (note 5)

	2013 Taka	2012 Taka
Power Plant	6,031,455,648	368,104,364
Gas Line	56,876,815	-

Cost of power plant and machineries includes main engine, auxiliaries, sub-station equipments, 11 Kv Switch gear, Steel Structure, Transformer, Boiler, ventilation fan, control pannel, 33 kv disconnecter, Nutral grounding register, LT switch gear, pennels, cable, overhead crane, gratings, pipe module, water reserver, exhust gas silenser, 11kv line, valve, feder, steam line and Engineering, procurement, construction (EPC) cost.

6.00 Inventories, note 3.2

Spare parts, note 6.01	218,754,767	185,062,362
Fuel and lubricants, note 6.01	32,184,865	6,920,049
	250,939,632	191,982,411

Inventories comprises spare parts and fuel & lubricants which are used for maintenance and operational purpose of power plants machineries.

6.01 Movement of inventories, note 6

	Spare parts	Fuel and lubricants
Balance as at 01 January 2012	205,372,601	5,791,752
Purchase during the year 2012	73,066,269	38,360,130
Issued during the year 2012	(93,376,508)	(37,231,833)
Balance as at 31 December 2012	185,062,362	6,920,049
Balance as at 01 January 2013	185,062,362	6,920,049
Purchase during the year 2012	194,778,278	75,689,049
Issued during the year 2013	(161,085,873)	(50,424,233)
Balance as at 31 December 2013	218,754,767	32,184,865

The inventory was not in accordance with the inventory required by UPGDCL due to its nature of business. The Company has agreements with BEPZA for distribution of quality and uninterrupted power supply. A mere spare part of any kind may have a huge importance for the Company as it may cause casual discontinuity in power supply. Furthermore, inventory items were costly and most of the spare parts were stored with specification to the machineries keeping in mind that the spare parts can be used at time of unavailability. Further, these spare parts have to import from overseas suppliers with a standard lead time.

6.02 Number of inventories (as at 31 December 2013)

	Spare parts				Fuel and lubricants			
	Quantity (Nos)		Amount (Taka)		Quantity (Ltr)		Amount (Taka)	
	2013	2012	2013	2012	2013	2012	2013	2012
DEPZ	1,915	4,927	155,419,826	142,789,621	68,234	11,325	37,617,289	3,347,496
CEPZ	2,186	2,098	39,358,452	42,272,741	86,219	14,060	38,071,760	3,572,553
Total	4,101	7,025	194,778,278	185,062,362	154,453	25,385	75,689,048	6,920,049

7 Trade receivables

	2013 Taka	2012 Taka
Dhaka Export Processing Zone (DEPZ)	83,879,684	103,501,208
Rural Electrification Board (REB)	229,920,504	242,089,340
Oli Knitting Fabrics Ltd.	3,141,996	3,448,200
Chittagong Export Processing Zone (CEPZ)	115,708,676	102,354,624
Bangladesh Power Development Board (BPDB)	208,101,982	378,750,680
Karnaphuli Export Processing Zone (KEPZ)	26,220,218	10,489,824
Lilac Fashion	2,397,231	-
Dhaka Thai Ltd	949,323	-
Ahad Fashion Ltd.	78,042	-
	670,397,657	840,633,875

Trade receivables were stated at their nominal value and considered good but unsecured. Trade receivables were accrued in the ordinary course of business.

7.01 Ageing of trade receivables

The ageing of gross trade receivables as at 31 December was:

	2013 Taka	2012 Taka
Invoiced 0-30 days	361,506,623	281,351,573
Invoiced 31-60 days	1,339,408	50,808,608
Invoiced 61-90 days	850,601	65,972,401
Invoiced 91-180 days	614,463	112,499,275
Invoiced 181-365 days	3,171,626	197,039,467
Invoiced over 365 days	302,914,935	132,962,551
	670,397,656	840,633,875

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

8 Inter-company balances, note 3.3.1.b

	2013 Taka	2012 Taka
United Enterprises & Co. Ltd.	1,128,541,871	2,569,378,523
United Ashuganj Power Ltd.	-	49,138,000
Neptune Commercial Ltd.	-	4,719,107
Neptune Properties	-	100,000,000
United Engineering & Power Services Ltd.	-	1,785,175
United Hospital Ltd.	-	4,493,265
Neptune Land Development Ltd.	-	20,000,000
Shahjanullah Power Company Ltd.	-	71,600,000
	1,128,541,871	2,821,114,070

As decided in the meeting of the Board of Directors dated 01 January 2010, the company may provide interest free loan not exceeding Taka 300 crore to its parent company and its sister concern and any amount exceeding that limit will be interest bearing at 180 days treasury bill rate. Moreover out of Tk. 2,821,114,070, approximately 90% will be realized from the inter companies/ sister concerns by June 2013, to comply with the section 103 of the Companies Act, 1994; and interest will be charged on the remaining balances of the inter company accounts from July 2013. Accordingly the company realized an amount of Tk. 278,99,50,425.00 up to 30 June 2013.

As per decision in the meeting of the Board of Directors, dated, 1 January 2010, interest has been charged on the remaining balance of inter company loan from 1 July 2013 as stated in note-24.

8.01 Ageing of Inter-Company balances

The ageing of inter- company balances as at 31 December was:

	2013 Taka	2012 Taka
Invoiced 0-30 days	329,380,881	141,733,197
Invoiced 31-60 days	130,733,700	79,944,174
Invoiced 61-90 days	130,000,000	119,942,195
Invoiced 91-180 days	193,900,000	611,088,631
Invoiced 181-365 days	122,349,964	451,100,710
Invoiced over 365 days	222,177,326	1,417,305,163
	1,128,541,871	2,821,114,070

Management of the Company believes that all the amount due to inter company/sister concerns are good as the shareholder of all the sister concerns & the parent company are same and will be recovered very soon.

9 Advance, deposits and prepayments

Advance paid to suppliers, employees and others (Note 9.1)
Security and other deposits (Note 9.2)
Prepaid expenses (Note 9.3)

	2013 Taka	2012 Taka
Advance paid to suppliers, employees and others (Note 9.1)	34,768,125	25,995,875
Security and other deposits (Note 9.2)	32,319,116	18,400,179
Prepaid expenses (Note 9.3)	5,949,667	4,568,333
	73,036,908	48,964,387

9.1 The break-up of advances against supplier, employees and others are as follows, note 9

Sl	Particulars	Purpose of Advances	31.12.13	31.12.12
1	Mr. Garib Newaz Khan	Advance against Expense	54,846	347,950
2	Mr. Joinal Abedin	Advance against Expense	-	135,919
3	Md. Abdus Salim	Advance against Expense	13,810	16,150
4	Mr. Anisur Rahan	Advance against Expense	22,975	2,896
5	Adv. To Driver For Fuel	Advance against Expense	20,500	18,500
6	CEPZ Petty Cash	Advance against Petty cash	70,368	70,368
7	Mr. Nehal	Advance against Expense	545,000	45,000
8	Mr. Mirza Sajedul Rabbi	Advance against Expense	-	369,159
9	Ruhani Internation Ltd	Advance against Expense	-	2,500,000
10	Depz Petty Cash	Advance against Petty cash	32,859	31,894
11	Mr. Anisuzzaman Forzi	Advance against Expense	25,071	25,375
12	House rent DEPZ	Advance against House rent	4,090	54,072
13	Zamzam Engineering Ltd.	Advance against Expense	1,551,420	1,551,420
14	Mr. Sharful Anam	Advance against Expense	5,621	5,621
15	Mr. Rahmat ali	Advance against Expense	-	435,131
16	Mr. Tarekul Islam	Advance against Expense	-	60,000
17	Mr. Ziaur Rahman	Advance against Expense	100	100
18	Maayas Secutronics Ltd.	Advance against Expense	-	80,000
19	M/S .S.S. Supplies Ltd.	Advance against Expense	4,800,000	440,000
20	Mr. Ahsanul Haque	Advance against Expense	26,000	56,000
21	Usha Engineering Ltd.	Advance against Expense	-	500,000
22	Mr. Shamim Mia	Advance against Expense	67,820	72,000
23	Mr. Rafique-ul Islam	Advance against Expense	30,000	30,000
24	Weber Power Solution	Advance against Expense	65,000	65,000
25	Mr. Engineer Anower Hossain	Advance against Expense	16,000	10,000
26	Apon Enterprise Ltd.	Advance against Expense	-	2,250,000
27	MKH Traders	Advance against Expense	-	1,000,000
28	Equity Ready mix Concrete Ltd.	Advance against Expense	-	2,913,250
29	Mayer Doa Enterprise Ltd.	Advance against Expense	-	1,500,000
30	EMEC Engergy Ltd.	Advance against Expense	-	1,000,000

31	Mr. Masum ali	Advance against Expense	20,000	20,000
32	AEG Engineer Ltd.	Advance against Expense	-	1,000,000
33	Mr. Shamim Hossain	Advance against Expense	125,260	695,000
34	Mr. Salauddin	Advance against Expense	-	2,470,000
35	MS. Masuda Rowshown	Advance against Expense	-	20,000
36	M/S Sufia Metal Works Ltd.	Advance against Expense	500,000	500,000
37	M/S Adex Corporation Ltd.	Advance against Expense	-	766,479
38	M/S Technology	Advance against Expense	4,000,000	1,500,000
39	Mr. Farhadur Rahman	Advance against Expense	30,000	20,000
40	Siddiquia Motors Ltd.	Advance against Expense	-	300,000
41	Arif Enterprise	Advance against Expense	9,000	9,000
42	Steel Building Ltd.	Advance against Expense	1,150,000	740,000
43	Energypac Power Generation	Advance against Expense	944,567	-
44	M/S Haroon Engenring Ltd	Advance against Expense	101,300	-
45	House rent CEPZ	Advance against Expense	9,433	-
46	M/S Hoque Techno Associates	Advance against Expense	6,000,000	-
47	M/S Saimon Transport	Advance against Expense	520,800	-
48	Mr Utpal Bhattachajee	Advance against Expense	120,000	-
49	M/S Bilal Contractor	Advance against Expense	1,772,100	-
50	Mr Mizan	Advance against Expense	11,000	-
51	Mr Adib	Advance against Expense	273,670	-
52	M/S Grasshopper Corp	Advance against Expense	92,500	-
53	ICB Capital Management Ltd	Advance against Expense	575,000	-
54	Mr Abdul Barek	Advance against Expense	169,700	-
55	M/S Ask Consultants	Advance against Expense	450,000	-
56	M/S Green Development Consulti	Advance against Expense	350,000	-
57	Mr. Mohosin	Advance against Expense	34,900	-
58	M/S Real Tech Engineering	Advance against Expense	500,000	-
59	Mr. Iftekharul Haque	Advance against Expense	73,200	-
60	M/S ABB Ltd	Advance against Expense	456,885	-
61	Mr Tissa	Advance against Expense	937,011	-
62	M/S Transpool International	Advance against Expense	2,130,000	-
63	Mr Prosanto	Advance against Expense	1,500	-
64	M/S Lanka Bangla	Advance against Expense	3,450,000	-
65	M/S IXON Engineering	Advance against Expense	100,000	-
	Sub-total		32,259,306	23,626,284
66	Land Lease Rent	Advance against Land lease rent	1,112,519	903,291
67	Against Salary		1,396,300	1466300
	Sub-total		2,508,819	2,369,591
	Grand Total		34,768,125	25,995,875

9.01.1 Ageing of advances against supplier, employees and others

2013

2012

Taka

Taka

The ageing of supplier, employees and others balances as at 31 December was:

Invoiced 0-30 days	-	14,655,719
Invoiced 31-60 days	103,208	5,702,420
Invoiced 61-90 days	28,715,364	1,804,000
Invoiced 91-180 days	2,952,720	433,846
Invoiced 181-365 days	676,741	862,869
Invoiced over 365 days (note-9.01.1.1)	2,320,091	2,537,021
	34,768,124	25,995,875

9.01.1.1 Records revealed that the company has paid advance to its various stakeholders/parties as part its normal business process: The breakup is as follows:

Particulars	Balance as at 31.12.13	Purpose
Land Lease Rent	903,291	Land lease rent has been paid as initial deposit which will remain until the project life.
Advance against salary	1,396,300	Personal loan given to employees against salary.
Advance against expenses	20,500	For fuel purchase
Total	<u>2,320,091</u>	

9.02 Security and other deposits, note 9

LC Margin	26,469,116	4,671,139
Bank guarantee margin	5,850,000	13,729,040
	<u>32,319,116</u>	<u>18,400,179</u>

9.03 Prepaid expenses, note 9

Insurance premium	4,974,667	3,943,333
BERC license fees	975,000	625,000
	<u>5,949,667</u>	<u>4,568,333</u>

Prepaid expenses represents advance payments against insurance premium to Green Delta Insurance Company Ltd for CEPZ and Pragati Insurance Ltd for DEPZ and Bangladesh Energy Regulatory Commission (BERC) for license fees.

The Company is required to renew BERC license every year before expiry. BERC license have been renewed for DEPZ and CEPZ w.e.f. from 23 October 2013 to 22 October 2014 and 29 June 2013 to 28 June 2014 respectively with a fee of BDT 10,00,000.00 each. Considering the periodicity, the license renewal fees allocated over the years i.e. 9 months for DEPZ and 6 months for CEPZ as prepaid against BERC License fee.

10 Cash and bank balances, note 3.3.1 (c)

Cash in hand

Cash at bank on current account with:

Dhaka Bank Ltd. - Local Office (A/C # 201-100-17838)
Dhaka Bank Ltd. - F EX. Branch (A/C # 203-100-9944)
Dhaka Bank- F EX.Br (A/C # 203-175-472)
Standard Chartered Bank (A/C # 01-3768643-01)
One Bank Limited (A/C # 18160931019)
Mercantile Bank Limited (A/C # 12911100001164)
Dutch-Bangla Bank Ltd.-Gulshan Branch (A/C # 116-110-5711)
AB Bank Ltd.- Gulshan Branch (A/C # 4019-758319-000)
Standard Bank Ltd. - Principal Branch (A/C # 10233011202)
Bank -Al - Falah (A/C # 0702-03700096)
The City Bank Ltd. - Gulshan Branch (A/C # 1305510011036610)
Prime Bank Limited - Banani Branch (A/C # 13211050007791)
Dutch Bangla Bank Ltd. -Banani Branch (A/C # 103-110-15683)
Shahjalal Islami Bank Ltd. - Main Branch (A/C #11100012562)
National Bank Ltd. - Gulshan Branch (A/C # 006733009033)
Eastern Bank Ltd. - Gulshan branch (A/C # 104-106-13236)
Shahjalal Islami Bank Ltd. - Gulshan Branch (A/C # 11100008208)
Brac Bank-GB (A/C # 1526202342122001)
Jamuna Bank - Gulshan Branch (A/C # 00100210015079)
Trust Bank Ltd-Karwan bazar branch (A/C # 0030-0210004176)
Eastern Bank Ltd.-Escrow (A/C # 104-122-0202799)

	2013 Taka	2012 Taka
Cash in hand	217,215	207,572
Dhaka Bank Ltd. - Local Office (A/C # 201-100-17838)	290,095	-
Dhaka Bank Ltd. - F EX. Branch (A/C # 203-100-9944)	382,570	500,053
Dhaka Bank- F EX.Br (A/C # 203-175-472)	68,388,432	-
Standard Chartered Bank (A/C # 01-3768643-01)	94,855	104,855
One Bank Limited (A/C # 18160931019)	19,445	20,910
Mercantile Bank Limited (A/C # 12911100001164)	47,941	47,941
Dutch-Bangla Bank Ltd.-Gulshan Branch (A/C # 116-110-5711)	2,711	3,286
AB Bank Ltd.- Gulshan Branch (A/C # 4019-758319-000)	5,642	6,792
Standard Bank Ltd. - Principal Branch (A/C # 10233011202)	15,559	15,559
Bank -Al - Falah (A/C # 0702-03700096)	18,744	18,744
The City Bank Ltd. - Gulshan Branch (A/C # 1305510011036610)	22,135	22,135
Prime Bank Limited - Banani Branch (A/C # 13211050007791)	1,477	1,477
Dutch Bangla Bank Ltd. -Banani Branch (A/C # 103-110-15683)	3,644,987	4,660,724
Shahjalal Islami Bank Ltd. - Main Branch (A/C #11100012562)	19,355	19,355
National Bank Ltd. - Gulshan Branch (A/C # 006733009033)	6,260	6,260
Eastern Bank Ltd. - Gulshan branch (A/C # 104-106-13236)	48,842	40,527
Shahjalal Islami Bank Ltd. - Gulshan Branch (A/C # 11100008208)	126,687	85,747
Brac Bank-GB (A/C # 1526202342122001)	140,479	148,088
Jamuna Bank - Gulshan Branch (A/C # 00100210015079)	234,060	170,234
Trust Bank Ltd-Karwan bazar branch (A/C # 0030-0210004176)	420,749	5,000
Eastern Bank Ltd.-Escrow (A/C # 104-122-0202799)	1,465,402	-
	<u>75,396,427</u>	<u>5,877,686</u>
	<u>75,613,642</u>	<u>6,085,258</u>



11 Share capital

As per the disclosure requirements laid down in schedule under the rule 12(2) of the Securities and Exchange Rules 1987, the followings are the part and parcel of share capital:

	2013 Taka	2012 Taka
11.01 Authorized share capital		
1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000
	10,000,000,000	10,000,000,000
11.02 Issued, subscribed and paid-up capital (note 11.03)		
296,949,726 ordinary shares of Tk. 10 each	2,969,497,260	1,979,664,840
	2,969,497,260	1,979,664,840
11.03 Movement of share capital		
Balance as at 01 January	1,979,664,840	1,979,664,840
(Face value of each share is Tk.10 each)		
Issuance of stock dividend during the year	-	-
Balance as at 31 December	1,979,664,840	1,979,664,840
Issuance of stock dividend during the year in the ratio of 01 bonus share for every 02 ordinary shares (Face value of each share is Tk.10 each)	989,832,420	-
Balance as at 31 December	2,969,497,260	1,979,664,840

11.04 Position of shareholding

	Percentage of holding		Value of shares (Tk.)	
	2013	2012	2013	2012
Name of Shareholders:				
Hasan Mahmood Raja	8.58%	8.61%	254,899,290	169,932,860
Ahmed Ismail Hossain	8.58%	8.61%	254,899,290	169,932,860
Akhter Mahmud Rana	8.58%	8.61%	254,899,290	169,932,860
Khandaker Moinul Ahsan Shamim	8.58%	8.61%	254,899,290	169,932,860
Faridur Rahman Khan	2.38%	2.39%	70,805,230	47,203,490
Abul Kalam Azad	2.38%	2.39%	70,805,230	47,203,490
Moinuddin Hasan Rashid	8.58%	8.61%	254,899,290	169,932,860
United Enterprises & Co. Ltd	52.31%	52.31%	1,553,390,350	1,035,593,560
	100%	100%	2,969,497,260	1,979,664,840

11.05 Classification of shareholders' by holding

	No of shareholders		No of shares	
	2013	2012	2013	2012
5,001 to 20,000 shares	-	-	-	-
20,001 to 50,000 shares	-	-	-	-
50,001 to 1,000,000 shares	-	-	-	-
1,000,001 to 10,000,000 shares	2	2	14,161,046	9,440,698
over 10,000,000 shares	6	6	282,788,680	188,525,786
	8	8	296,949,726	197,966,484



11.06 Option on un-issued shares

There is no option of un-issued share capital

	2013	2012
	Taka	Taka
12 Retained earnings		
Opening balance	3,266,713,247	1,246,234,967
Net profit for the year	1,774,427,658	2,020,478,280
	5,041,140,905	3,266,713,247
Less: Stock Dividend paid for the year 2012 (note 11.03)	989,832,420	-
Accumulated profit transferred to Statement of Financial Position	4,051,308,485	3,266,713,247

13 Redeemable Preference Share capital

Authorized, Issued, subscribed and paid-up capital

200,000,000 Redeemable Preference Shares of Tk. 10 each issued and fully paid up

2,000,000,000	-
----------------------	---

The composition of Preference Share capital is as follow:

Name of the shareholders	2013		2012	
	No. of Shares	Face Value	No. of Shares	Face Value
Eastern Bank Ltd.	51,000,000	510,000,000	-	-
Pubali bank Ltd.	50,000,000	500,000,000	-	-
Delta Brac Housing Finance Ltd.	9,000,000	90,000,000	-	-
Trust Bank Ltd.	20,000,000	200,000,000	-	-
The City Bank Ltd.	30,000,000	300,000,000	-	-
Jamuna Bank Ltd.	20,000,000	200,000,000	-	-
Standard bank Ltd.	20,000,000	200,000,000	-	-
	200,000,000	2,000,000,000	-	-

Name of the Instrument is Redeemable cumulative preference share and other features of the instruments are as follows :

- Number of shares to be issued 200,000,000.00
- Issue size in currency is BDT 2,000,000,000.00
- Face value is BDT 10.00
- Issue price is BDT 10.00
- Purpose of issue is to expansion of power plants in DEPZ & CEPZ
- Security of the instrument is put option on expansion assets.
- Tenure is 5 years.
- Divident rate is 11.00% p.a
- Frequency of dividend payment is quterly payable in arrears commencing from 1st quarter of 1st year
- Frequency of Capital Redemption is yearly payable in arrears in equal installments commencing from 4 th quarter of 1st year
- Participation fee is 0.80% (upfront).

	2013	2012
	Taka	Taka
14 Long term loan		
Dhaka Bank Limited	775,016,167	895,494,452
Dutch-Bangla Bank Ltd.	919,403,833	1,039,221,330
Trust Bank Ltd	49,853,042	-
	1,744,273,042	1,934,715,782



14.01 Long term loan (Current portion)

Dhaka Bank Limited
Dutch-Bangla Bank Ltd.
Trust Bank Ltd.

121,495,845	105,895,871
122,726,155	112,187,466
552,257,149	-
796,479,149	218,083,337

a) Dhaka Bank Limited

This is a syndicated loan arranged by Dhaka Bank Ltd. Total facility amount is Taka 115.00 crore, out of which Investment Promotion and Financing Facility (IPFF) fund was Taka 92.00 crore and the remaining Taka 23.00 crore was syndicated non IPFF term loan.

- a) Interest rate:
For IPFF loan: 364 days Bangladesh Bank Treasury bill rate plus 0.50%(IPFF margin) plus 2.50%(PFI's margin).
For Non-IPFF Syndicated Loan: 15.50% p.a.
- b) Tenor: For IPFF Door -to-Door 120 months (10 years) from the date of disbursement.
- c) Repayment: For IPFF- 34 equal quarterly installments and for non-IPFF- 21 equal installments.
- d) Purpose: To pay off the Syndicated Term Loan arranged by SCB and IDLC.
- e) Security:
Hypothecation of all fixed and floating assets including but not limited to machinery, book debts, furniture and equipment on first ranking pari passu basis creating present and future charge with the RJSC.

b) Dutch-Bangla Bank Ltd.

This is arranged by Dutch-Bangla Bank Ltd. Total facility amount is Taka 135.00 crore, out of which Investment Promotion and Financing Facility (IPFF) fund was Taka 108.00 crore and the remaining Taka 27.00 crore was non IPFF term loan.

- a) Interest rate:
For IPFF loan: 360 days Bangladesh Bank Treasury bill rate plus 0.50% (IPFF margin) plus 2.10% (PFI's margin).
For Non-IPFF Syndicated Loan: 15.50% p.a.
- b) Tenor: For IPFF Door - to - Door 120 months (10 years) from the date of 1st disbursement.
- c) Repayment: 28 equal quarterly installments.
- d) Purpose: To implement the CEPZ power project.
- e) Security:
Hypothecation of all fixed and floating assets including but not limited to machinery, book debts, furniture, fixture and equipment on first ranking pari passu basis creating present and future charge with the RJSC.

c) Trust Bank Ltd

This a term loan amounting BDT 700 million for Erection,Procurement & Construction (EPC) against capacity expansion power plant of DEPZ and CEPZ.

- a) Interest rate:
Interest to be charged at quarterly rests @ 15 % p.a.
- b) Tenor: 2 years from the date of first disbursement.
- c) Repayment : 16 numbers of equal installments starting from the following month of completion of moratorium.
- d) Purpose : For Erection,Procurement & Construction (EPC) against capacity expansion power plant of DEPZ and CEPZ.
- e) Security
The company will provide corporate guarantee of United Erterprise & Company Ltd / United Ashugonj Power Company Ltd supported by its board resolution in conformity with memorandum and articles of association and alos undated/post dated cheque covering the credit facilities.



	2013	2012
	Taka	Taka
15 Trade payables		
Trade payables, note 15.01	80,113,687	55,608,568
	80,113,687	55,608,568

Trade payables consists of gas bills payable to Titas Gas Transmission & Distribution Company Limited for DEPZ power plant and Bakhraabad Gas Systems Limited, the former name of Karnaphuli Gas System Ltd. for CEPZ power plant.

15.01 Trade payables, note 15

Gas bill - Titas Gas Transmission & Distribution Company Ltd.	22,596,914	17,191,155
Gas bill - Karnaphuli Gas Distribution Company Ltd.	57,516,773	38,417,413
	80,113,687	55,608,568

16 Other payables and accrual

Other payables (note 16.01)	23,539,960	5,411,169
Security money received (note 16.02)	700,000	-
	24,239,960	5,411,169

16.01 Other payables (note 16)

Mobile bill	15,000	14,163
Salary and allowances	490,625	-
Utility bill	30,528	31,105
Security expenses	253,439	-
Service charge on gas bill	5,751,677	3,841,741
Medical expenses	13,720	14,175
Audit fees	276,000	253,000
TDS payable	41,000	199,000
Internet expenses	-	24,000
Welfare fund	15,553	-
Operation & Maintenance expense	6,273,123	-
Payable to REB	9,115,215	-
VAT deduction at source payable	1,170,710	557,939
Payable to provident fund	93,370	476,046
	23,539,960	5,411,169

United Power Generation & Distribution Company Limited has entered into a management agreement with United Engineering & Power Services Ltd. (UEPSL) for providing technical and operational support. Therefore, the no. of employees of UPGDCL has been reduced for the event as mentioned in Note # 38 Under Note # 16.01. In 2013 balance payable to provident fund reduced due to resignation of permanent employee (note-40.02).

	2013	2012
	Taka	Taka
16.02 Security Money Received (note 16)		
Lilac Fashionwear Ltd.	700,000	-
	700,000	-

This amount received as security deposit received from Lilac Fashion Wear Ltd. in an amount equal to 2 months MMC (Monthly Minimum Charge).

	2013	2012
	Taka	Taka
17 Short term loan		
Bank overdraft-Dhaka Bank Ltd.	-	74,585,139
Eastern Bank Ltd	-	250,000,000
	-	324,585,139

a) Dhaka Bank Limited

Overdraft facilities was provided to the Company to meet up working capital requirement for the Business of Power Generation and other construction and trading.

Limit: Taka 300 Million
Interest rate: 15.50% p.a.
Security: Personal guarantee of all the Directors of the company

b) Eastern Bank Limited

The Company has received one time credit facility in the form of Demand Loan to finance the EPC (Erection Procurement and Commissioning) cost against expansion of both DEPZ & CEPZ projects.

Limit: Taka 250 Million
Interest rate: 15.50% p.a.
Tenor: 270 days from the date of creation (including moratorium period of 180 days)

Security: i. An undated cheque;
ii. Personal guarantee of all the Directors of the company;
iii. Corporate guarantee of United Enterprise & Co. Limited and Neptune Land Development Limited;
iv. Standard charge document, as per Bank's format

	2013	2012
	Taka	Taka
18 Provision for taxation (3.11)	12,094,683	84,500
	12,094,683	84,500

19 Contingent assets

The company has raised a claim to BEPZA amounting to Taka 388,521,161 due to losses caused to it by the claimant's obligation to provide vacant possession of land and gas connection which resulted in delayed commercial operation date. Break up of the figures are as follows :

Particulars	2013	2012
Loss of profit	200,288,084	200,288,084
Loss of interest and charges	156,473,346	156,473,346
Loss of overhead expenses	14,335,221	14,335,221
Loss of warranty	17,424,510	17,424,510
	388,521,161	388,521,161

	2013	2012
	Taka	Taka

20 Contingent liabilities and commitments

i) Contingent liabilities

Bank Guarantees issued by Shahjalal Islami Bank Ltd. with 5% margin in favor of Bangladesh Export Processing Zone (BEPZA).

Bank Guarantees issued by One Bank Ltd. with 10% margin in favor of TITAS Gas Transmission and Distribution Company Limited.

Bank Guarantees issued by Trust Bank Ltd. with Nil margin in favor of TITAS Gas Transmission and Distribution Company Limited.

ii) Financial Commitments

Confirmed irrevocable letters of credit

	117,000,000	117,000,000
	-	78,790,400
	78,790,400	-
	220,438,107	87,815,200
	416,228,507	283,605,600



21 Revenue, note 3.6

Sale of electricity (note 21.1)

2013 Taka	2012 Taka
3,396,097,108	3,273,488,057
<u>3,396,097,108</u>	<u>3,273,488,057</u>

21.1 Sale of electricity (note 21)

Name of the customers

Dhaka Export Processing Zone (DEPZ)
Rural Electrification Board (REB)
Oli Knitting Fabrics Ltd.
Chittagong Export Processing Zone (CEPZ)
Bangladesh Power Development Board (BPDB)
Karnaphuli Export Processing Zone (KEPZ)
Dhaka Thai Ltd
Lilac Fashion
Ahad Fashion

1,261,237,385	1,100,824,551
295,898,351	452,632,775
25,547,750	18,398,990
1,276,876,346	1,062,951,049
358,203,255	578,378,919
162,126,359	60,301,773
10,540,559	-
5,527,146	-
139,957	-
<u>3,396,097,108</u>	<u>3,273,488,057</u>

In 2013 electricity sale of the company increased by tk. 122,609,051/- as compared to the period 2012 due to the increasing production. Net sales increased by 3.75% during the period under review. During the year the Company produced electricity totally 624,317,017 kwh (DEPZ project produced 278,093,102 kwh & CEPZ project produced 346,223,915 kwh).

22 Operating expenses

Personnel costs

Salary, wages and bonus (note 38.1)
Welfare and other benefits (note 38.1)

2013 Taka	2012 Taka
-	-
-	-
-	-
538,240,027	498,213,666
273,125,771	182,275,859
129,315,460	128,530,534
82,929,653	60,947,201
1,311,481	270,010
1,050,388	2,907,626
319,750	623,698
909,935	1,401,391
158,343	661,910
125,743	238,767
14,193	53,020
110,190	226,056
412,266	703,924
184,736	158,681
7,600,666	4,372,334
5,820	134,500
136,816	428,811
-	6,915
1,272,000	1,027,500
169,000	305,000
174,414	641,884
1,047,314	422,803
<u>1,038,613,966</u>	<u>884,552,090</u>



	2013	2012
	Taka	Taka
22.1 Operation and maintenance expenses		
Operational expenses (note 38.1)	39,494,390	19,348,152
Stores and spares consumed	211,510,106	130,608,341
Repair and maintenance	22,121,275	32,319,366
	273,125,771	182,275,859

22.2 Minimum load charge: Minimum bill has to pay whether the Company consumed Electricity or not. The Company has kept 20 MW load from Dhaka PBS-1 as standby to serve BEPZA in case of any shortfall.

22.3 Liquidated damage charge: The Company is liable to pay liquidity damage for failure to supply electricity for more than one hour at the rate the company sells electricity to BEPZA.

22.4 Environmental expenses: In order to comply with the regulations of Department of Environment (DoE), the Company needs to-

- 1) Test and monitor air emissions & sound level and submit report to DoE quarterly.
- 2) Every year the company need to obtained environment clearance certificate from DoE.

23 Administrative expenses

Personnel costs

Salary, wages and bonus	11,165,013	7,375,994
Welfare and benefits	904,497	1,068,468
	12,069,510	8,444,462
Depreciation expense, note 4.03	1,306,217	1,298,288
Amortization of pre-operational expenses	-	17,380,575
Directors' remuneration (note 40.1)	8,698,839	4,320,000
Rent, rates and taxes	-	152,495
Traveling and conveyance	2,937,956	2,101,053
Postage, telephone and telex	79,277	318,235
Entertainment	1,449,407	616,987
Printing and stationery	1,304,033	1,197,758
Newspaper bill	7,656	20,942
Computer maintenance	-	15,100
Audit fee	448,500	253,000
Advertisement	1,264,423	10,000
Medical expenses	-	2,177,654
Vehicle running expenses	778,258	1,209,374
Office rent	13,080,000	12,720,000
Office expenses	80,914	79,963
Consultancy fees (note-23.1)	18,595,500	4,530,038
Capital Increasing Fees	682,966	-
Overseas Travelling	373,410	-
Other administrative expenses	93,957	550,965
Write off of Accounts receivable(note-23.2)	179,268,649	-
	242,519,472	57,396,889

23.1 Consultancy fees includes issuance of redeemable preference share raising fees to NDB capital Ltd. (note-13)

23.2 The Directors in its Board meeting dated 26 December 2013 decided to write off of accounts receivables amounting to Tk. 17,92,68,649 against energy bill.



	2013 Taka	2012 Taka
24 Other operating income		
Burn lube oil/use drum sales	3,531,880	225,333
Scrap Sale	756,157	-
Interest income	452,619	-
Interest on Inter Company Loan	27,511,833	-
	32,252,489	225,333

Other operating income derived from interest on inter company loan, interest income from bank, sale of scrap, used drums and burned lube oil which is directly related with the normal course of business activities. Interest on inter company loan has been charged as per 180 days T-bill rate as on 31 december 2013 which is 7.98% (note-8)

25 Financial expenses		
Interest on lease finance:		
United Leasing Company Limited	-	23,819
National Bank Limited	-	12,789
Syndication loan agency fees	2,196,250	-
Interest on long term loan:		
Dhaka Bank Limited	140,538,206	147,340,766
Dutch Bangla Bank Limited	157,148,632	157,191,198
Trust Bank Ltd.	23,389,533	-
Interest on overdraft:		
Dhaka Bank Limited	11,672,099	6,213,538
Preference share arrangement fees	20,931,380	-
Bank charge and commission	4,817,717	419,521
	360,693,817	311,201,631

26 Earnings per share (Basic earnings per share - BAS 33)

Basic EPS

Net profit from core business	1,754,269,853	2,020,788,113
Weighted average number of shares outstanding during the period	296,949,726	197,966,484
Basic EPS on Core business	5.91	10.21

Extra ordinary income (Other operating income)	20,157,806	140,833
Weighted average number of shares outstanding during the period	296,949,726	197,966,484
Basic EPS on extra ordinary business	0.068	0.0007

Earning per Share (EPS)	5.98	10.21
--------------------------------	-------------	--------------

Earning Per Share (Adjusted EPS)	-	6.81
---	----------	-------------

*Since the stock/bonus issue is an issue without consideration, the issue has been treated as if it occurred at the beginning of 2013, the earliest period reported for the purposes of EPS calculation.

26.1 Diluted earning per share

No diluted earnings per share is required to be calculated for the years presented as there was no scope for dilution during these years.

27 Cash received from customers

Gross cash received from customers arrived after adjusting trade receivables with revenue for the period.

	2013 Taka	2012 Taka
Net Sales	3,396,097,108	3,273,488,057
Add: Opening balance of trade receivables	840,633,875	396,056,054
Less: Closing balance of trade receivables	(670,397,657)	(840,633,875)
	3,566,333,325	2,828,910,236

28 Cash paid to suppliers & contractors

Cash paid to various suppliers arrived after adjusting cost of gas consumption and cost of spare parts consumed with trade payable.

	2013	2012
	Taka	Taka
Cost of purchase (spare parts and gas bill)	749,750,133	628,822,007
Changes in inventories	58,957,221	(19,181,942)
Add: Opening balance of trade payables	55,608,568	66,590,189
Less: Closing balance of trade payables	(80,113,687)	(55,608,568)
	784,202,235	620,621,685

29 Cash paid for other operating expenses

Cash paid for other operating expenses arrived after adjusting non-cash items and other payables for revenue expenses.

	2013	2012
	Taka	Taka
Total expense	1,281,133,438	941,796,484
Fuel and energy	(538,240,027)	(498,213,666)
Stores and spares consumed	(211,510,106)	(130,608,341)
	531,383,305	312,974,477
Changes in advance deposits and prepayments	24,072,521	10,758,018
Depreciation	(130,621,677)	(129,828,822)
Amortization of pre-operational expenses	-	(17,380,575)
Add: Opening balance of other payables	5,411,169	22,320,787
Less: Closing balance of other payables	(23,539,960)	(5,411,169)
	406,705,359	193,432,716

Cash paid for other operating expenses has been rearranged due to income tax provision which was previously adjusted with 'Income tax payment' under 'Cash flows from operating activities' in statement of cash flows.

30 Payment of financial expenses

The interest paid has been shown separately in accordance with BAS 7 (Cash Flow Statements). This amount is calculated by adjusting the interest expenses for accruals and deferrals from the balance sheet.

	2013	2012
	Taka	Taka
Interest expense	360,693,817	311,201,631
Add: Opening balance of interest payable (other payable)	-	17,821,815
Less: Closing balance of interest payable (other payable)	-	-
	360,693,817	329,023,446

31 Payment for acquisition of property, plant and equipment.

Investment related to outflows of cash and cash equivalents for tangible fixed assets.

	2013	2012
	Taka	Taka
Total addition of property, plant and equipment	6,102,116,015	18,159,246
Less: Disposal of property, plant and equipment	-	-
Add: Work in progress	(368,104,364)	368,104,364
Add: Opening balance of capex liability	-	-
	5,734,011,651	386,263,610

32 Cash received / (paid) for inter-company loan

During the period under review the Company has received Inter-company loan amounting to Taka 1,692,188,108/- (2012: the Company has given Inter-company loan amounting to Taka 1,403,111,944/-).

	2013 Taka	2012 Taka
Opening balance of Inter-company balances	2,821,114,070	1,418,002,126
Less: Closing Balance of Inter-company balances	(1,128,541,871)	(2,821,114,070)
	1,692,572,199	(1,403,111,944)

33 Long term loan received

During the period under review the Company received long term loan amounting to Taka 388,949,309/-(2012: the Company paid long term loan amounting to Taka 211,331,135/-).

	2013 Taka	2012 Taka
Opening balance of long term loan	2,152,799,119	2,364,130,254
Less: Closing balance of long term loan	(2,540,752,191)	(2,152,799,119)
	(387,953,072)	211,331,135

	2013 Taka	2012 Taka

34 Short term loan paid

During the period under review the Company paid short term loan amounting to Taka 324,585,139/- (2012: the Company received short term loan amounting to Taka 285,038,617/-).

Opening balance of short term loan	324,585,139	39,546,522
Less: Closing balance of short term loan	-	(324,585,139)
	324,585,139	(285,038,617)

35 Cash paid for lease finance

In the year 2012: the Company paid lease finance amounting to Taka 674,762/-

	2013 Taka	2012 Taka
Opening balance of lease finance	-	674,762
Less: Closing balance of lease finance	-	-
	-	674,762

36 Net Asset Value (NAV) per share

	2013 Taka	2012 Taka
Total Shareholders' equity	7,020,805,745	5,246,378,087
Total No. of shares outstanding	296,949,726	296,949,726
	23.64	17.67

37 Bank facilities

The Company has got the following loan facilities from the followings financial institutions:

<u>Name of the bank (s)</u>	Term loan - Limit (million)	Short Term Loan Limit (million)	Letter of credit-limit (million)	LTR - limit (million)	Overdraft Limit (million)	Bank Guarantee Facilities - limit (million)
Dutch-Bangla Bank Ltd.	1,350	-	50	30	-	80
Dhaka Bank Ltd.	1,150	-	350	300	300	50
Trust bank Ltd.	700	-	250	237	-	79
Jamuna Bank Ltd.			250	200	50	300
Total	3,200	-	900	767	350	209

38 Number of employees

<u>Salary Range</u>	2013				2012
	Officers & staffs		Worker	Total employees	Total employees
	Head office	factory			
Below Tk. 3,000	-	-	-	-	-
Above Tk. 3,000	9	-	-	9	7
Total	9	-	-	9	7

Employee remuneration includes all types of benefits paid and provided both in cash and in kind other than the reimbursement of expenses incurred for the Company's business.

- 38.1 The Company has entered into an management agreement with United Engineering & Power Services Ltd. (UEPSL) for providing technical and operational support.

39 Expenditure in equivalent foreign currency

Foreign travel for Company's business purpose

2013
Taka

2012
Taka

373,410	1,018,017
373,410	1,018,017



40 Disclosure of managerial remuneration

40.01 The total amount of remuneration paid to the director of the Company in the accounting year is as follows:

<u>Name</u>	<u>Designation</u>	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
General Md Abdul Mubeen (Retd.)	Chairman	2,250,000	-
Moinuddin Hasan Rashid	Managing Director	6,448,839	4,320,000
		8,698,839	4,320,000

40.02 The total amount of remuneration paid to the top five executives of the Company in the accounting year is as follows:

<u>Name</u>	<u>Designation</u>	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
General Md Abdul Mubeen (Retd.)	Chairman	2,250,000	-
Moinuddin Hasan Rashid	Managing Director	6,448,839	4,320,000
Syed Abdul Mayeed	Adviser	2,658,065	2,625,000
Rear Admiral Bazlur Rahman	Chief Operating Officer	1,800,000	
Sheikh Asraf Hossain	Chief Operating Officer	-	1,200,000
Md. Amir Khasru	Project Director	1,960,000	1,680,000
Md. Mojibul Islam Patoary	Manager (Finance and Accounts)	-	540,000
		15,116,904	10,365,000

40.03 Aggregate amount of remuneration paid to all Directors and Officers during the accounting year is as follows:

<u>Particulars</u>	<u>Nature of payment</u>	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
1. Directors	Board meeting fees	-	-
2. Directors	Remuneration	8,698,839	4,320,000
3. Officers & executives	Salary, bonus & other allowances	10,440,437	10,686,383
		19,139,276	15,006,383

41 Financial risk management:

The Company has exposure to the following risks from its use of financial instruments

- * Credit risk
- * Liquidity risk
- * Market risk

41.01 Risk management framework

Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.



41.02 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers. The company's sales is made to Dhaka Export Processing Zone Authority (DEPZ), Chittagong Export Processing Zone Authority (CEPZ), Rural Electrification Board (REB), Bangladesh Power Development Board (BPDB), Karnaphuli Export Processing Zone (KEPZ), and other private sector under the conditions of the long term Power Purchase Agreement (PPA).

The Company held cash and cash equivalents of Taka at 31 December 2013 is 75,613,642 (2012: Taka 6,085,258), which represents its maximum credit exposure on these assets.

The Company's Inter-company balances is compose of loan to its parent and sister concern, where majority is avail by its parent company;

Moreover, the shareholder of all the sister concerns & the parent company are same. Thus management believes that there is no major credit risk associated with it.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

	2013	2012
	<u>Taka</u>	<u>Taka</u>
Exposure to credit risk		
The carrying amount of financial assets represents the maximum exposure to credit risk at the reporting date was:		
Trade receivables	670,397,657	840,633,875
Security & other deposits	32,319,116	18,400,179
Cash and bank balances	75,613,642	6,085,258
Inter-company balances	1,128,541,871	2,821,114,070
	<u>1,906,872,286</u>	<u>3,686,233,381</u>

41.03 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial bank (Note:17) to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with bank is negotiated accordingly.

41.04 Market risk

Market risk is the risk that any change in market conditions, such as interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

41.05 Interest rate risk

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



41.06 Capital management

Capital management refers to implement policies and measures to maintain sufficient capital, assessing Company's internal capital adequacy to ensure Company's operation as a going concern. Capital consists of share capital and retained earnings. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The Board of Directors monitors the level of dividends to ordinary shareholders.

41.07 Operational risk:

Operational risk constitutes the ability of the Company's power projects to generate and distribute stipulated electricity to its off-takers. Technology used, fuel supply arrangement, operational and maintenance (O&M) arrangement, political or force majeure in the form of natural disaster like floods, cyclone, tsunami and earthquake may hamper normal performance of power generation.

The routine & proper maintenance of the distribution networks undertaken by BEPZA reduces the chance of major disruptions. However, severe natural calamities which are unpredictable and unforeseen have the potential to disrupt normal operations of UPGD. Management believes that prudent rehabilitation schemes and quality maintenance will lessen the damages caused by such natural disasters. Most importantly, all the above risks are covered under the insurance agreement with Green Delta Insurance Company Ltd., to compensate for all the potential damages caused in such situations.

41.08 Risk associated with supply of raw material (Natural gas):

The main raw material used for generating electricity is natural gas. Any interruption of supplies of the gas to the power plants will hamper the generation of electricity, the only product of the Company.

The Company has a Gas Supply Agreement with Bakhrabad Gas Systems Limited and Titas Gas Transmission & Distribution Company Limited for 15 years which is renewable every 5 years thereafter. So there is no threat of interruption of supplies of the gas to the power plants that may hamper the generation of electricity, the only product of the company. Furthermore, new gas are being explored and discovered in many areas of the country such as Narayanganj, Narshindi, and Bay of Bengal. The Government of Bangladesh plans to add these discoveries to the national grid. Therefore, management does not expect gas supply interruption in the future.

42 Related party transactions

During the period under review the company carried out a number of transactions with related parties in the normal courses of business and on an arms' length basis. The name of the related parties and the nature of relationship have been set out in accordance with the provision of BSA 24: *Related Party Disclosers*

42.1 Transactions with key management personnel

	2013	2012
	Taka	Taka
Employee benefits (Short term)	15,116,904	10,365,000
Employee benefits (Provident fund)	60,231	270,468
	15,177,135	10,635,468

Key management personnel includes managing director, directors, managers.

42.2 Other related party transactions

As at and for the year ended 31 December 2013:

SL No	Name of the related parties	Relationship	Nature of transaction	Opening Balance as on 01 January 2013	Transaction during the year		Closing Balance as on 31 December 2013
					Addition	Adjustment	
1	United Enterprises & Co Ltd.	Parent Company	Loan	2,569,378,523	1,799,533,577	3,240,370,229	1,128,541,871
2	United Ashuganj Power Ltd.	Sister concern	Loan	49,138,000	-	49,138,000	-
3	United Hospital Ltd.	Sister concern	Loan	4,493,256		4,493,256	-
4	United Engineering & Power Services Ltd.	Sister concern	O & M, EPC	1,785,175	2,926,737,639	2,928,522,814	-
5	Shahjanullah power Company Ltd.	Sister concern	Loan	71,600,000	-	71,600,000	-
6	Neptune Properties	Sister concern	Loan	100,000,000	-	100,000,000	-
7	Neptune Land Development Ltd.	Sister concern	Loan	20,000,000	-	20,000,000	-
8	Neptune Commercial Ltd.	Sister concern	Loan	4,719,107		4,719,107	-
9	Gulshan Properties Ltd	Sister concern	Office Rent	-	13,080,000	13,080,000	-

As at and for the year ended 31 December 2012:

SL No	Name of the related parties	Relationship	Nature of transaction	Opening Balance as on 01 January 2012	Transaction during the year		Closing Balance as on 31 December 2012
					Addition	Adjustment	
1	United Enterprises & Co Ltd.	Parent Company	Loan	1,378,954,791	1,587,000,710	396,576,978	2,569,378,523
2	United Ashuganj Power Ltd.	Sister concern	Loan	29,138,000	50,000,000	30,000,000	49,138,000
3	United Hospital Ltd.	Sister concern	Loan	4,493,256	-	-	4,493,256
4	United Engineering & Power Services Ltd.	Sister concern	Loan	696,963	19,936,183	18,847,971	1,785,175
5	United Engineering & Power Services Ltd.	Sister concern	Operating & Maintenance	-	19,328,252	19,328,252	-
6	Shahjanullah power Company Ltd.	Sister concern	Loan	-	71,600,000	-	71,600,000
7	Neptune Properties	Sister concern	Loan	-	100,000,000	-	100,000,000
8	Neptune Land Development Ltd.	Sister concern	Loan	-	50,000,000	30,000,000	20,000,000
9	Neptune Commercial Ltd.	Sister concern	Loan	4,719,107	-	-	4,719,107
10	Gulshan Properties Ltd	Sister concern	Office Rent	-	12,720,000	12,720,000	-

43 Capacity and Production

43.01 Own Manufacture

Name of Plant	Installed capacity (kwh)	Actual Production (kwh)		Capacity utilization (%)	
		2013	2012	2013	2012
DEPZ	359,333,333	278,093,102	276,463,636	77%	84%
CEPZ	426,720,000	346,223,915	321,555,370	81%	91%
Total	786,053,333	624,317,017	598,019,006	79%	88%

Capacity of production during the year is as under:

The production capacity of the company increased in the last of the year which was gone for operation from 1 December 2013 for DEPZ power plant and the middle of the year which was gone for operation from 1 July 2013 for CEPZ power plant.

The weighted average production is 79% of the installed capacity as details below:

	DEPZ (kwh)	CEPZ (kwh)
1) Capacity 41 MW from January 13 to December 13 for 12 months(existing plant)	328,000,000	-
Capacity 47 MW from December 13 to December 13 for 1 month(expansion plant)	31,333,333	-
2) Capacity 44 MW from January 13 to December 13 for 12 months (existing plant)	-	352,000,000
Capacity 18.68 MW from July 13 to December 13 for 6 month (expansion plant)	-	74,720,000
	359,333,333	426,720,000

43.02 Licensed capacity is no more applicable and the regulatory authority does not exercise any direct control over the procurement, production or sale.

44 General

44.01 Previous year's phrases and figures have been re-arranged, wherever necessary to conform to the presentation of financial statements for the period under audit.

44.02 Figures appearing in these financial statements have been rounded-off to the nearest Taka.

Sd/-
Md. Mustafizur Rahman
Company Secretary

Sd/-
Abul Kalam Azad
Director

Sd/-
Moinuddin Hasan Rashid
Managing Director

United Power Generation & Distribution Company Limited

Auditors' Additional Disclosures relating to the Financial Statements for the year ended 31 December 2013

With reference to letter # SEC/CI/BB-01/2013/482 of Bangladesh Securities and Exchange Commission dated 08 July 2014, we are pleased to provide hereunder the additional disclosures relating to the financial statements of United Power Generation & Distribution Company Limited (UPGDCL) for the year ended 31 December 2013:

Query No. 1:

It is not clear how positive figure of Tk. 12,010,183 has been shown in the statement of Cash Flows for the year ended December 31, 2013 against 'Income tax payment', explanation required;

Auditors' Disclosure:

The make-up of Taka 12,010,183 is as follows:

	<u>2013</u>
Provision for taxation during the year	12,094,683
Less: Paid during the year	<u>(84,500)</u>
Changing balance for taxation	<u>12,010,183</u>

The amount of Tk. 12,094,683, current year's income tax liability, shown as a separate component of cash flow under the head 'operating activities' without adjusting with cash paid for other operating expenses'. Had these been reclassified, the revised Cash flow statement for net cash flow from operating activities read as follows:

		2013	2012
	Note(s)	Taka	Taka
A Cash flows from operating activities			
Cash received from customers	27	3,566,333,325	2,828,910,236
Cash received from other operating income	24	32,252,489	225,333
Cash paid to suppliers and contractors	28	(784,202,235)	(620,621,685)
Cash paid for other operating expenses	29	(406,705,359)	(193,432,716)
Payment of financial expenses	30	(360,693,817)	(329,023,446)
Income tax payment		(84,500)	(924,038)
Net cash flow from operating activities		2,046,899,903	1,685,133,685

*The revised note 29 for the financial statements should be read as follows:

	2013	2012
	Taka	Taka
Cash Paid for other operating expenses		
Total Expense	1,281,133,438	941,796,484
Less: Fuel and energy	(538,240,027)	(498,213,666)
Less: Stores and spares consumed	(211,510,106)	(130,608,341)
	531,383,305	312,974,477
Changes in advance deposits and prepayments	24,072,521	10,758,018
Depreciation	(130,621,677)	(129,828,822)
Amortization of pre-operating and preliminary expenses	-	(17,380,575)
Add: Opening balance of accrued exp.	5,411,169	22,320,787
Less: Closing balance of accrued exp.	(23,539,960)	(5,411,169)
	406,705,359	193,432,716

Query No. 2:

Compliance status of condition number 5 of Commission's consent letter for raising paid-up capital dated August 07, 2013;

Auditors' Disclosure:

As per condition number 5 of Commission's consent letter for raising paid-up capital dated August 07, 2013; all transactions excluding petty cash expenditures effected through the company's bank accounts.

Query No. 3:

Mention name wise schedule of long-term loan received amounting TK. 387,953,072 and payment of short term loan of TK. 324,585,139 under note 33 and 34. Confirm the figure after verifying the respective bank statement;

Auditors' Disclosure:

Name wise schedule of long-term loan received under note 33:

Particulars	Dhaka Bank Ltd.	Dutch-Bangla Bank Ltd	Trust Bank Ltd.	Total
Long-term loan received	-	-	700,000,000	700,000,000
Less: Long term loan payment	104,878,311	109,278,808	97,889,809	312,046,928
Long term loan received/(Payment)	(104,878,311)	(109,278,808)	602,110,191	387,953,072

Name wise schedule of Short-term loan payment under note 34:

Particulars	Dhaka Bank Ltd. OD	Eastern Bank Ltd.	Total
Short term loan received.	-	-	-
Less: Short term loan payment	74,585,139	250,000,000	324,585,139
Short term loan (payment)/Received	(74,585,139)	(250,000,000)	(324,585,139)

The figures have been confirmed after due verification of the respective bank statements.

Query No. 4:

Mention total number and names of permanent employees of the Company;

Auditors' Disclosure:

The total numbers of employees are 9. The name of permanent employees is given below:

Sl. No.	Employees Name	Designation
1.	General Md. Abdul Mubeen (Retd.)	Chairman
2.	Moinuddin Hasan Rashid	Managing Director
3.	Rear Admiral Baziur Rahman	CEO
4.	Syed Abdul Mayeed	Advisor
5.	Md. Amir Khasru	Project Director
6.	Md. Mojibul Islam Patory	Manager (Finance & Accounts)
7.	Shamil Sadek Chowdhury	Manager (Business Development)
8.	Md. Faridur Rahaman Mazumder	Executive
9.	Md. Ekhalas Khan	PS to Chairman

Query No. 5:

Specify whether you received balance confirmation certificate from Lilac Fashion Ltd., Dhaka Thai Ltd. and Ahad Fashion Ltd. under ‘Trade receivable’;

Auditors’ Disclosure:

The balance confirmation certificates were received from Lilac Fashion Ltd., Dhaka Thai Ltd. and Ahad Fashion Ltd. under ‘Trade receivable’.

Query No. 6:

Explain the reason for increasing land lease rent under note 9.01;

Auditors’ Disclosure:

United Power Generation & Distribution Company Limited (UPGDCL) extended plant capacity from 41 MW to 88 MW for its Dhaka EPZ power plant. The Company Allotted from Bangladesh Export Processing Zone Authority (BEPZA) a piece of land measuring 300m X 1m = 300 square meters situated DEPZ Extension area and deposit with BEPZA equivalent to one year rental of the land as a security deposit. For that reason, land lease rent is increased under note 9.01.

Query No. 7:

Provide subsequent status of advances against suppliers to Zamzam Engineering Ltd., M/S S.S. Suppliers Ltd., M/S Sufia Metal Works Ltd. as show the statement in note 9.1;

Auditors’ Disclosure:

The subsequent status of advances against suppliers to Zamzam Engineering Ltd., M/S S.S. Suppliers Ltd., M/S Sufia Metal Works Ltd. as show the statement in note 9.1 are given below:

Sl. No.	Particulars	Balance as at 31 December 2013	Subsequent balance on 15 July 2014
1.	Zamzam Engineering Ltd.	1,551,420	Nil
2.	M/S S.S. Suppliers Ltd.	4,800,000	Nil
3.	Sufia Metal Works Ltd.	5,00,000	Nil

Query No. 8:

Provide name wise schedule of advances against salary with subsequent status as shown in note 9.1;

Auditors’ Disclosure:

The breakdowns of advances against salary with subsequent status are as follows:

Sl. No.	Particulars	Balance as at 31 December 2013	Subsequent balance on 15 July 2014
1.	Mr. Mojibul Islam Patoary	2,51,300	Nil
2.	Mr. Amir Khasru	4,45,000	Nil
3.	Mr. Syeed Abdul Mueyed	2,00,000	Nil
4.	Mr. Shafiqur Rahman	5,00,000	5,00,000

Query No. 9:

Provide subsequent status of trade payables as shown in note 15;

Auditors' Disclosure:

The subsequent status of trade payables as shown in note 15:

Sl. No.	Particulars	Balance as at 31 December 2013	Subsequent balance on 15 July 2014
1.	Gas bill – for the month of December 2013 of Titas Gas Transmission & Distribution Co. Ltd.	22,596,914	Nil
2.	Gas bill – for the month of November 2013 & December 2013 of Karnaphuli Gas Distribution Company Ltd.	57,516,773	Nil
	Total	80,113,687	

Query No. 10:

Provide subsequent status of service charge on gas bill , payable to REB and VAT deduction at source payable as shown in note 16.01;

Auditors' Disclosure:

The subsequent status of service charge on gas bill, payable to REB and VAT deduction at source payable as shown in note 16.01 are given below:

Sl. No.	Particulars	Balance as at 31 December 2013	Subsequent balance on 15 July 2014
1.	Service charge on gas bill	5,751,677	Nil
2.	Payable to REB	9,115,215	Nil
3.	VAT deduction at source payable	1,170,710	Nil

Query No. 11:

Mention date of final settlement of short-term loan as shown in note 17;

Auditors' Disclosure:

The final settlement date of short-term loan taken from Eastern Bank Limited was on 8 April 2013 and the final settlement date of overdraft taken from Dhaka Bank was on 13 January 2013 as shown in note 17.

Query No. 12:

Provide breakup of fuel and energy costs as shown in note 22;

Auditors' Disclosure:

The breakup of fuel and energy cost as shown in note 22 are given below:

Sl. No.	Particulars	Amount
1.	Gas bill for Dhaka EPZ power plant.	221,266,757/-
2.	Gas bill for Chittagong EPZ power plant	288,157,519/-
3.	Service Charge on Gas bill	28,815,751/-
	Total	538,240,027/-



Query No. 13:

Provide a detail explanation regarding write off of accounts receivable amounting to Tk. 179,268,649 as shown in note 23.2;

Auditors' Disclosure:

UPGDCL is the only Commercial Independent Power Producer (CIPP) and enjoy variable tariff rate declared by the Government/BERC time to time. In absence of a definite guideline from tariff setting authority i.e. Bangladesh Energy Regulatory Commission (BERC), UPGDCL used to bill to distribution utilities at BPDB's bulk rate which is around double of the tariff set later by BERC. BERC set indicative benchmark tariff for UPGDCL of Tk. 2.9901/kwh with effect from 9 May 2012 for REB and BPDB vide BERC order # 2013/01 dated, 17 February 2013. UPGDCL billed on the basis of Government/BERC declared rate from the beginning. But REB and BPDB did not pay according to UPGDCL billed rather paid at less tariff rate as they were not sure of the exact tariff for CIPP. Finally, as the tariff set by BERC at a reduced rate the management decided to write off the difference amount of Tk. 179,268,649/- of REB from 9th May 2012 and BPDB from March 2012 by considering the above fact as shown in note 23.2.

Query No. 14:

In note 26 you have shown separately the basic EPS and restated EPS. State in which paragraph of BAS 33 the term restated EPS is used. If no such term is used in BAS 33 why you have used it. Explain;

Auditors' Disclosure:

In note 26 restated EPS means adjusted EPS (Adjusted for bonus share issued) as per Para 26-28 of Bangladesh Accounting Standards (BAS) 33. We appended below the EPS with the deletion of the word 'restated':

Earnings per share (Basic earnings per share - BAS 33)	2013 Taka	2012 Taka
Net profit from core business	1,754,269,853	2,020,788,113
Weighted average number of shares outstanding during the period	296,949,726	296,949,726
Basic EPS on Core business	5.91	6.81
Extra ordinary income (Other operating income)	20,157,806	140,833
Weighted average number of shares outstanding during the period	296,949,726	296,949,726
Basic EPS on extra ordinary income	0.068	0.0005
Basic Earnings per Share (EPS)	5.98	6.81

Dated: Dhaka
04 August 2014

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Auditors' Certificate regarding Plant and Machinery of United Power Generation & Distribution Company Limited

We have verified all the documents of plant and machinery of **United Power Generation & Distribution Company Limited** and found that all are brand new machineries as on 31 December 2013. The details of machinery are as follows:

Name of the Machinery	Quantity	Total Invoice Value	Country of Origin	Estimated Life Time
GEN-SET	20 Nos	EUR 3,60,99,100.00	Finland, Norway	30 Years
AUXILIARIES	12 Nos	EUR52,63,522.00 USD 41,690.00	France, Finland Singapore.	30 Years
EXHAUST GAS SILENCER	12 Nos	EUR.3,40,758.00	Finland	30 Years
AIR COMPRESSURE	24 Nos	USD 45,394.29	Singapore, Norway	30 Years
CIRCUITE BREAKER	Multiple	EUR90,007.00 USD 27560.00	Singapore, India	30 Years
VENTILATION SYSTEM	72 Nos	EUR 58,400.00 USD 3,36,776.00	India, Italy	30 Years
CABLE	Multiple	USD. 10,32,559.88	Bangladesh	30 Years
PANELS	Multiple	USD. 16,36,429.00	Bangladesh, India, China.	30 Years
SUBSTATION, TRANSFORMERS, OUTDOOR SWITCHGEAR & ACCESSORIES	4 set	USD.29,36,105.23 EUR. 62,228.00	Bangladesh, China, Singapore, Germany	30 Years
RELAY	Multiple	EUR. 1,21,478.00	Singapore	30 Years
STEEL STRUCTURE BUILDING	5 units	USD. 11,72,384.05 EUR 15885.00	Singapore, Saudi Arab	30 Years
WORKSHOP MACHINERY	2 Nos	SGD. 1,57,730.00 EUR. 76,631.00	India	30 Years
GRATINGS	22 Nos	USD 22,904.00	China	30 Years
BOILER	5 Nos	USD 10,50,000.00	Korea	30 Years
NEUTRAL GROUNDING REGISTER	Multiple	USD 60,800.00	Turkish	30 Years
33 KV DISCONNECTOR	Multiple	USD 32,568.00	Turkish	30 Years

Sd/-

Dated: Dhaka
05 August 2014

Hoda Vasi Chowdhury & Co.
Chartered Accountants



United Power Generation & Distribution Company Limited

Auditors' Report under Section-135(1) and Para-24(1) of Part II of Third Schedule of the Companies Act 1994

for the year ended from 31 December 2009 to 31 December 2013

We have examined the financial statements of United Power Generation & Distribution Company Ltd. for the year ended 31 December 2013, 2012, 2011 and 2010 and for the following comparative Balance Sheet (Statements of Assets and Liabilities) and comparative Income statement (Statement of Profit & Loss) for the year ended 31 December 2009 audited by M. Abdus Salam & Co, Chartered Accountants and the figures extracted from the financial statements certified in pursuance of Section 135 (1) under paragraph 24 (1) of part -ii of third schedule of the Companies Act 1994, our report is as under-

A. Comparative Statements of Assets and Liabilities:

Particulars	Amount in Tk. as at 31.12.2013	Amount in Tk. as at 31.12.2012	Amount in Tk. as at 31.12.2011	Amount in Tk. as at 31.12.2010	Amount in Tk. as at 31.12.2009
ASSETS					
Non-current assets					
Property, plant & equipment, Net	9,479,476,556	3,507,982,218	3,619,651,795	3,703,492,223	3,668,072,746
Capital work-in-progress	-	368,104,364	-	174,262	-
Pre-operating expenses	-	-	17,380,575	19,553,147	21,725,719
Total non-current assets	9,479,476,556	3,876,086,582	3,637,032,370	3,723,219,632	3,689,798,465
Current assets					
Inventories	250,939,632	191,982,411	211,164,353	87,577,173	28,625,829
Trade receivables & other receivable	670,397,657	840,633,875	396,056,054	307,867,523	149,334,904
Inter-company balances	1,128,541,871	2,821,114,070	1,418,002,126	314,482,566	-
Advances, deposits & pre-payments	73,036,908	48,964,387	38,206,370	47,372,759	98,624,797
Cash & cash equivalents	75,613,642	6,085,258	37,294,406	74,335,728	9,146,573
Total current assets	2,198,529,710	3,908,780,000	2,100,723,309	831,635,748	285,732,103
TOTAL ASSETS	11,678,006,266	7,784,866,582	5,737,755,679	4,554,855,380	3,975,530,568
EQUITY & LIABILITIES					
Shareholders' equity					
Share capital	2,969,497,260	1,979,664,840	1,979,664,840	1,070,089,100	1,070,089,100
Share money deposit	-	-	-	-	-
Retained earnings	4,051,308,485	3,266,713,247	1,246,234,967	1,093,544,217	193,264,743
Total shareholders' equity	7,020,805,745	5,246,378,087	3,225,899,807	2,163,633,317	1,263,353,843
LIABILITIES					
Non-current liabilities					
Redeemable Preference Share	2,000,000,000	-	-	-	-
Long term loan	1,744,273,042	1,934,715,782	2,135,832,865	2,174,331,857	1,191,860,000
Total non-current liabilities	3,744,273,042	1,934,715,782	2,135,832,865	2,174,331,857	1,191,860,000
Current liabilities					
Trade payables	80,113,687	55,608,568	66,590,189	47,186,851	29,132,930
Other payables, accruals & provisions	24,239,960	5,411,169	40,142,602	35,944,585	261,169,082
Lease finance	-	-	674,762	1,630,627	2,465,376
Long term loan (Current portion)	796,479,149	218,083,337	228,297,389	132,128,143	-
Short term loan	-	324,585,139	39,546,522	-	1,227,549,337
Provision for income tax	12,094,683	84,500	771,543	-	-
Total current liabilities	912,927,479	603,772,713	376,023,007	216,890,206	1,520,316,725
TOTAL EQUITY & LIABILITIES	11,678,006,266	7,784,866,582	5,737,755,679	4,554,855,380	3,975,530,568

Sd/-

Dated: Dhaka
04 September 2014

Hoda Vasi Chowdhury & Co.
Chartered Accountants
PROSPECTUS | 129

B. Comparative Income Statements:

	Amount in Taka				
	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Revenue	3,396,097,108	3,273,488,057	2,227,633,409	1,778,491,868	838,247,498
Operating expenses	(1,038,613,966)	(884,552,090)	(895,485,539)	(673,310,436)	(379,598,561)
Gross profit	2,357,483,141	2,388,935,967	1,332,147,870	1,105,181,433	458,648,937
Administrative expense	(242,519,472)	(57,396,889)	(36,371,340)	(22,412,566)	(19,650,550)
Operating profit	2,114,963,670	2,331,539,078	1,295,776,530	1,082,768,866	438,998,387
Other non-operating income	32,252,489	225,333	2,057,447	(338,384)	521,100
Financial expenses	(360,693,817)	(311,201,631)	(234,795,944)	(182,151,008)	(245,022,204)
Net profit before tax	1,786,522,342	2,020,562,780	1,063,038,033	900,279,474	194,497,283
Provision for income tax	(12,094,683)	(84,500)	(771,543)	-	-
Net profit after tax	1,774,427,658	2,020,478,280	1,062,266,490	900,279,474	194,497,283
Earning per share (EPS)	5.98	6.81	3.58	3.03	0.65

C. Comparative Statements of Cash Flows

	Amount in Taka				
	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
1 Cash flows from operating activities:					
Cash received from customers	3,566,333,325	2,828,910,236	2,139,444,878	1,614,945,323	695,816,552
Cash received from other operating Income	32,252,489	225,333	2,057,447	2,141,425	521,100
Cash paid to suppliers & contractors	(784,202,235)	(620,621,685)	(734,870,628)	(460,614,605)	(225,389,169)
Cash paid for other operating expenses	(406,705,359)	(193,432,716)	(146,211,610)	(101,235,900)	(38,751,209)
Payment of pre operational expenses	-	-	-	-	(57,600)
Payment of financial expenses	(360,693,817)	(329,023,446)	(224,564,129)	(243,870,735)	(284,527,264)
Income tax payment	(84,500)	(924,038)	-	-	-
Net cash flow from operating activities	2,046,899,903	1,685,133,685	1,035,855,957	811,365,508	147,612,410
2 Cash flows from investing activities:					
Payment for acquisition of property, plant & equipment	(5,734,011,651)	(386,263,610)	(65,638,629)	(182,658,519)	(690,329,794)
Inter-company loan	1,692,572,199	(1,403,111,944)	(1,103,519,560)	(450,821,372)	121,551,043
Procees from Sales of property, plant & equipment	-	-	-	1,087,623	-
Net cash used in investing activities:	(4,041,439,452)	(1,789,375,553)	(1,169,158,189)	(632,392,268)	(568,778,751)
3 Cash flows from financing activities:					
Ordinary share capital	-	-	-	-	252,420,500
Share money deposit	-	-	-	-	(25,800,000)
Long term loan	387,953,072	(211,331,135)	57,670,254	1,114,600,000	41,860,000
Redeemable Preference Share capital	2,000,000,000	-	-	-	-
Security money received	700,000	-	-	-	-
Short term loan received	(324,585,139)	285,038,617	39,546,522	(1,227,549,337)	160,274,562
Cash paid for lease finance	-	(674,762)	(955,865)	(834,749)	1,135,160
Net cash generated from financing activities	2,064,067,933	73,032,720	96,260,911	(113,784,086)	429,890,222
Net cash inflow/outflow for the year (1+2+3)	69,528,384	(31,209,149)	(37,041,321)	65,189,155	8,723,882
Opening balance	6,085,258	37,294,406	74,335,728	9,146,573	422,691
Closing balance	75,613,642	6,085,258	37,294,406	74,335,728	9,146,573

Dated: Dhaka
04 September 2014

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants



D. Dividend:

The Company's data relating to dividend is as under:

	31.12.2013	31.12.2012	31.12.2011	31.12.2010	31.12.2009
Cash Dividend (%)	-	Nil	Nil	Nil	Nil
Stock Dividend (%)	-	50	Nil	85	Nil

United Power Generation & Distribution Company Limited's (UPGDCL) plant DEPZ came into operation on 26 December 2008 and the plant in CEPZ came into commercial operation on 12 August 2009.

- E.** The Company was incorporated on 15 January 2007 in the name of Malancha Holdings Ltd. and changed to "United Power Generation & Distribution Company Limited" (UPGDCL) on 1 October 2009 as a Private Limited Company under the Companies Act 1994 & converted into Public Limited Company on 22 December 2010. The Authorized Share Capital has been changed from 300 Crore from 1000 Crore on 22 December 2010 and the face value of each share has been changed from Tk. 100 to Tk. 10 on 22 December 2010;
- F.** We certify the Company's Statement of Assets and Liabilities (Balance Sheet) as at 31 December 2013, 2012, 2011 and 2010 audited by us and for the year ended 31 December 2009 audited by M. Abdus Salam & Co. Chartered Accountants;
- G.** We certify the Company's Statement of Operating Results (Income Statement) for the year ended 31 December 2013, 2012, 2011 and 2010 audited by us and for the year ended 31 December 2009 audited by M. Abdus Salam & Co. Chartered Accountants;
- H.** We also enclose and certify the Company's Cash Flow Statement for the year ended 31 December 2013, 2012, 2011 and 2010 audited by us and for the year ended 31 December 2009 audited by M. Abdus Salam & Co. Chartered Accountants;
- I.** The Company has no subsidiaries;
- J.** No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in the purchase of any other business;
- K.** The Company did not prepare any financial statements for any period subsequent to 31 December 2013; and
- L.** Figures related to previous years have been rearranged wherever considered necessary.

Dated: Dhaka
04 September 2014

Sd/-
Hoda Vasi Chowdhury & Co.
Chartered Accountants

United Power Generation & Distribution Company Limited

Statement of Ratio Analysis

For the year ended from 31 December 2009 to 31 December 2013

We have examined the following earnings per share (EPS) and other ratios of United Power Generation & Distribution Company Ltd. for the year ended on 31 December 2013, 2012, 2011 and 2010 and for the following comparative ratios for the year ended 31 December 2009 audited by M. Abdus Salam & Co., Chartered Accountants which have been produced by the management of the company to us. The preparation of the EPS and other ratios is the responsibility of the company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements for the year ended 31 December 2013, 2012, 2011 and 2010 and for the following comparative ratios for the year ended 31 December 2009 audited by M. Abdus Salam & Co., Chartered Accountants.

Based on our review, we certify that the company has properly prepared the following EPS and other ratios using acceptable principles on the basis of audited financial statements for the year ended 31 December 2013, 2012, 2011, 2010 and 2009.

Name of Ratio	Formula	Amount in Taka										
		2013		2012		2011		2010		2009		
		Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	
A. Liquidity Ratios												
1	Current Ratio (Times)	Current Asset	2,198,529,710	2.41	3,908,780,000	6.47	2,100,723,309	5.59	831,635,748	3.83	285,732,103	0.19
		Current Liabilities	912,927,479		603,772,713		376,023,007		216,890,206		1,520,316,725	
2	Quick Ratio (Times)	Current Asset - Inventory	1,947,590,078	2.13	3,716,797,589	6.16	1,889,558,956	5.03	744,058,575	3.43	257,106,274	0.17
		Current Liabilities	912,927,479		603,772,713		376,023,007		216,890,206		1,520,316,725	
3	Times Interest Earned Ratio(Times)	Profit before Tax and Interest	2,147,216,159	5.95	2,331,764,411	7.49	1,297,833,977	5.53	1,082,430,482	5.94	439,519,487	1.79
		Interest Expense	360,693,817		311,201,631		234,795,944		182,151,008		245,022,204	
4	Debt to Equity Ratio (Times)	Total Debt	2,540,752,191	0.36	2,477,384,258	0.47	2,404,351,538	0.75	2,308,090,627	1.07	2,421,874,713	1.92
		Total Shareholders' Equity	7,020,805,745		5,246,378,087		3,225,899,807		2,163,633,317		1,263,353,843	
5	Debt to Assets Ratio (Times)	Total Debt	2,540,752,191	0.22	2,477,384,258	0.32	2,404,351,538	0.42	2,308,090,627	0.51	2,421,874,713	0.61
		Total Assets	11,678,006,266		7,784,866,582		5,737,755,679		4,554,855,380		3,975,530,568	
B. Operating Ratios												
1	Account Receivable Turnover Ratio (Times)	Revenue	3,396,097,108	4.50	3,273,488,057	5.29	2,227,633,409	6.33	1,778,491,868	7.78	838,247,498	10.73
		Average Receivables	755,515,766		618,344,964		351,961,788		228,601,213		78,119,432	
2	Inventory Turnover Ratio (Times)	Operating Expenses	1,038,613,966	4.69	884,552,090	4.39	895,485,539	6.00	673,310,436	11.59	379,598,561	26.52
		Average Inventory	221,461,022		201,573,382		149,370,763		58,101,501		14,312,914	
3	Asset Turnover Ratio (Times)	Revenue	3,396,097,108	0.35	3,273,488,057	0.48	2,227,633,409	0.43	1,778,491,868	0.42	838,247,498	0.23
		Average Total Assets	9,731,436,424		6,761,311,130		5,146,305,529		4,265,192,974		3,589,222,511	
4	Fixed Asset Turnover Ratio (Times)	Revenue	3,396,097,108	0.51	3,273,488,057	0.87	2,227,633,409	0.61	1,778,491,868	0.48	838,247,498	0.25
		Average Fixed Assets	6,677,781,569		3,756,559,476		3,680,126,001		3,706,509,048		3,358,261,608	

Name of Ratio	Formula	Amount in Taka										
		2013		2012		2011		2010		2009		
		Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	
C. Profitability Ratios:												
1	Gross Margin Ratio (%)	Gross Profit	2,357,483,141	69.42	2,388,935,967	72.98	1,332,147,870	59.80	1,105,181,433	62.14	458,648,937	54.72
		Revenue	3,396,097,108		3,273,488,057		2,227,633,409		1,778,491,868		838,247,498	
2	Operating Income Ratio (%)	Operating Profit	2,114,963,670	62.28	2,331,539,078	71.22	1,295,776,530	58.17	1,082,768,866	60.88	438,998,387	52.37
		Revenue	3,396,097,108		3,273,488,057		2,227,633,409		1,778,491,868		838,247,498	
3	Net Income Ratio (%)	Profit After Tax	1,774,427,658	52.25	2,020,478,280	61.72	1,062,266,490	47.69	900,279,474	50.62	194,497,283	23.20
		Revenue	3,396,097,108		3,273,488,057		2,227,633,409		1,778,491,868		838,247,498	
4	Return on Assets Ratio (%)	Profit After Tax	1,774,427,658	18.23	2,020,478,280	29.88	1,062,266,490	20.64	900,279,474	21.11	194,497,283	5.42
		Average Total Assets	9,731,436,424		6,761,311,130		5,146,305,529		4,265,192,974		3,589,222,511	
5	Return on Equity Ratio (%)	Profit After Tax	1,774,427,658	25.27	2,020,478,280	38.51	1,062,266,490	32.93	900,279,474	41.61	194,497,283	15.40
		Shareholders' Equity	7,020,805,745		5,246,378,087		3,225,899,807		2,163,633,317		1,263,353,843	
6	*Earnings Per Share (EPS)	Profit After Tax	1,774,427,658	5.98	2,020,478,280	6.81	1,062,266,490	3.58	900,279,474	3.03	194,497,283	0.65
		Weighted Average No. of Shares	296,949,726		296,949,726		296,949,726		296,949,726		296,949,726	

*Since the stock/ bonus issue is an issue without consideration, the issue has been treated as if occurred at the beginning of 2013, the earliest period reported for the purposes of EPS calculation.

Sd/-

Dated: Dhaka
04 September 2014

Hoda Vasi Chowdhury & Co.
Chartered Accountants



CREDIT RATING REPORT
On
UNITED POWER GENERATION & DISTRIBUTION COMPANY LIMITED

REPORT: RR/4120/14

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating from the date of rating. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance.

CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

Address:
CRISL
Nakshi Homes
(4th & 5th Floor)
6/1A, Segunbagicha,
Dhaka-1000
Tel: 9515807-8
9514767-8
Fax: 88-02-9565783
Email:
crisldhk@crislbd.com

Analysts:
Md. Asiful Huq
asif@crislbd.com

Habibur Rahman Khan
habibur@crislbd.com

Entity Rating

Long Term: AA

Short Term: ST-2

Outlook: Stable

UNITED POWER
GENERATION AND
DISTRIBUTION
COMPANY LIMITED

ACTIVITY

Power Generation

DATE OF
INCORPORATION

15th January, 2007

CHAIRMAN

General Md. Abdul
Mubeen (Retd.)

MANAGING
DIRECTOR

Moinuddin Hasan Rashid

EQUITY

Tk. 7,020.80 million

TOTAL ASSETS

Tk. 11,678.01 million

Table with 3 columns: Date of Rating (May 18, 2014), Valid up to (May 17, 2015), and Entity Rating (AA, ST-2, Outlook: Stable).

1.0 RATIONALE

CRISL has reaffirmed the Long Term rating of 'AA' (pronounced as double A) and the Short Term rating of 'ST-2' to United Power Generation and Distribution Company Limited (UPGD) on the basis of its financials and other relevant quantitative and qualitative information up to the date of rating. These ratings reflect that the company has been operating with good business and financial performance, equity based capital structure, good liquidity, regular debt repayment history, long term power purchase agreement etc. These ratings strengths are partially offset by the weaknesses such as declining profitability indicators, high finance cost burden, no gas supply agreement with Titas Gas Transmission and Distribution Company Ltd, no minimum capacity payment in case of failure of gas supply, reduced plant factor etc.

The company is operating with two power plants at DEPZ (88 MW) and CEPZ (72 MW). During 2013, the revenue of the company increased to Tk. 3,396.10 million in FY 2013 from Tk. 3,273.49 million in FY 2012. The gross profit stood at Tk. 2,357.48 million in FY 2013 and Tk. 2,388 million in FY 2012 with margin of 69.42% and 72.98%. The tariff rate per unit for DEPZ is Tk. 7.32 and CEPZ is Tk. 7.20. The net profit of the company decreased to Tk. 1,774.43 million in FY 2013 from Tk. 2,020.51 million in FY 2012 with a margin of 52.25% and 61.72%. The reason behind of this decreased net profit was due to increased administrative expense. The Debt service coverage ratio (DSCR) stood at 3.94 times in FY 2013 and 4.56 times in FY 2012. Interest coverage ratio stood at 5.95 times in FY 2013 and 7.49 times in FY 2012.

The Long Term rating indicates that entities rated in this category are adjudged to 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 The Short Term rating indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors.

CRISL also views the company with "Stable Outlook" for its steady business growth and consistent fundamentals and believes that the company will able to maintain its fundamentals with the same trend in foreseeable future.

2.0 CORPORATE PROFILE

2.1 The Genesis

United Power Generation and Distribution Company Limited (UPGD), an Independent Power Producer (IPP), has been operating as a subsidiary of United Enterprises & Co. Ltd. (UECL). The production capacity of Dhaka Export Processing Zone (DEPZ) increased to 88 MW from 41 MW and Chittagong Export Processing Zone (CEPZ) increased to 72 MW from 44 MW. The main activity of the company is to generate and supply electricity to Dhaka Export Processing Zone (DEPZ) and Chittagong Export Processing Zone (CEPZ) whereas the company supplies its surplus electricity to Rural Electrification Board (REB), Bangladesh Power Development Board (BPDB), Karnaphuli Export Processing Zone (KEPZ) and and other Private Sector Companies e.g. Oli knitting Fabrics Limited, Lilac Fashionwear Limited, Dhaka Thai Limited and Ahad Fashion Limited. The company was incorporated on 15th January, 2007 as a private limited company under the Companies Act 1994 with an authorized and paid up capital of Tk. 30.00 million and Tk. 2.00 million respectively. Later the company was converted into public limited company under Companies Act 1994 on December 22, 2010 with an intention to go for Initial Public Offering (IPO). The commercial operation of DEPZ plant started on 26th December 2008 and CEPZ plant started on 12 August 2009.



Being a subsidiary of United Enterprises & Co. Ltd., major ownership stake is held by United Enterprises & Co. Ltd, which is about 52.31% (155,339,035 shares) of the total outstanding share (296,949,726 shares). The rest 47.69% share are owned by 07 (Seven) individual shareholders of the company. CRISL views that although present share holding pattern is confined to the sister concern of United Group, after IPO the above will be diversified to some extent. The Corporate Head Office of the company is located at United Center, House# 6, Road #51, Gulshan-2, and Dhaka-1212.

3.0 IPO PLAN

The management of the company has decided to go for IPO (Initial Public Offering) by issuing 33 million ordinary shares of Tk. 60 each with a premium of Tk. 50 under book building method subject to the regulatory approval of the Bangladesh Securities and Exchange Commission. The above fund will be utilized to pay off its current debt.

4.0 GROUP PROFILE

The United Group is one of the leading conglomerates in Bangladesh. The Group started its business in 1978 with its Flagship company United Enterprises and Co. Limited. During the last three decades of operation, the Group has expanded its business in various sectors of the national economy such as Power Generation, Civil and Hydro Engineering, Real Estate Development, Land port Services, Hospital and healthcare, Textiles, Polymer industries, Education etc. Over the years, the Group has completed several large and unique projects that testify its strength and capability in project management. Currently, the Group has 18 sister concerns and notable concerns are United Hospital Ltd., United Power Generation & Distribution Co. Ltd., Comilla Spinning Mills Ltd., United International University, Neptune Land Development Ltd. , United Property Solutions Ltd., United Polymers Ltd., United Land Port Teknaf Ltd., Khulna Power Company Limited, United Group Brokerage House, United Ashuganj Power Ltd., Shajahanullah Power Generation Company Ltd, United Enterprise & Co. Ltd., United City Twin Tower Developments Ltd., United Makkah Madina Travel & Assistance Co. Ltd., Novo Healthcare & Pharma Ltd., United Maritime Academy etc.

5.0 PROJECT DETAILS

The company has developed two power plants; one of them is 88 MW at Dhaka Export Processing Zone (DEPZ) and another is 72 MW at Chittagong Export Processing Zone (CEPZ) premises under two agreements with Bangladesh Export Processing Zones Authority (BEPZA) signed on May 6, 2007 and May 16, 2007 respectively with amendments signed for both the agreements on November 21, 2011 for a term of 30 years from Commercial Operation Date with a provision of further extension of 30 years. UPGD also signed power purchase agreement with REB, BPDB, KEPZ and and other Private Sector Companies e.g. Oli knitting Fabrics Limited, Lilac Fashionwear Limited, Dhaka Thai Limited and Ahad Fashion Limited. BEPZA has taken the responsibility to provide gas of required quantity and quality to the Power Plants. A summary of the power plants are outlined below:

5.1 DEPZ Plant

The DEPZ power plant is set up on 6125.13 sq. meter of leased land having core engine facilities from Wartsila, Finland (35 MW capacity), Rolls Royce from Norway 47MW and MTU Germany (6 MW capacity) with a total of 88 MW capacity. The company uses gas as fuel for the generators. This gas-powered generating set consists of Auxiliaries, Exhaust Gas Silencer, and Electrical, Mechanical & Civil Construction and Erection. The power plant has 14 integrated systems named fuel, lubrication oil, compressed air, cooling, charge air, exhaust, water treatment, fire protection, emission control, automation, electrical, station service, DC and high voltage systems. The plant has 4 gas fired engines with the capacity of 8.73 MW each, and 5 gas fired engines with the capacity of 9.34 MW each and 3 gas fired engines with the capacity of 2 MW each for the generation of electricity. In addition, as the company has not gone with any formal written agreement with machine supplier for maintenance of the power plants rather the company themselves carryout the maintenance work by using their own technical team. The plant gets gas supply from Titas Gas Transmission and Distribution Company Limited. The plant started to generate electricity from 26th December 2008.

Emerging conglomerate

Operating two power plants with production capacity of 160 MW

Significant demand
supply gap in the market

Eight Members Board

5.2 CEPZ Plant

The CEPZ power plant is set up on 6,033.80 sq. meter of leased land having core engine facilities from Wartsila, Finland of (44 MW capacity), Rolls Royce from Norway 28MW with a total of 72 MW capacities. The plant uses gas as fuel for the generators. This gas-powered generating set consists of Auxiliaries, Exhaust Gas Silencer, and Electrical, Mechanical & Civil Construction and Erection. The power plant has integrated systems namely fuel, lubrication oil, compressed air, cooling, charge air, exhaust, water treatment, fire protection, emission control, automation, electrical, station service, DC and high voltage systems. The plant has 5 gas fired engines with the capacity of 8.73 MW each and 3 gas fired engines with the capacity of 9.34 MW each. In addition, as the company has not gone with any formal written agreement with machine supplier for maintenance of the power plant rather the company themselves carryout the maintenance work by using their own technical team. The plant gets gas supply from Karnaphuli Gas Distribution Company Ltd. The plant started to generate electricity from 12 August 2009.

6.0 INDUSTRY OVERVIEW

Electricity is the major source of power for the country's most of the economic activities. Bangladesh's energy infrastructure is quite small, insufficient and poorly managed. Its installed electricity generation capacity was 10,264 MW in the year of 2013. The highest generation in this year was 7356 MW. That is only 58% of the population has access to electricity with a per capita availability of 272 kWh per annum only. The current peak demand for electricity in summer is more than 7,732 MW while the supply varies between some 5,900 MW to 6,200 MW. In the rural areas the demand stands at some 2,400 MW but the Rural Electrification Board (REB) can supply barely half of that. In the capital city, the demand stands at 2000 MW but there is supply shortage of about 500 MW every day in summer. And the gap between power demand and supply would be wider in the coming years if proper step is not taken. Public and private sector produces 42% and 58% of electricity respectively. Public sector produces electricity through Bangladesh Power Development Board (BPDB), Ashuganj Power Station Company Ltd. (APSCL) and Electricity Generation Company of Bangladesh (EGCB). 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 40% of the total electricity generation. Problems in the Bangladesh's electric power sector include corruption in administration, high system losses, delays in completion of new plants, low plant efficiencies, erratic power supply, electricity theft, poor governance, politically blessed bureaucracy dominated energy sector, management lacking in competency and efficiency and shortages of funds for power plant maintenance. At present 65 percent of electricity is produced by the natural gas and the country's gas reserve is depleting over the years. The proven reserve now is 7.3 trillion cubic feet (tcf) while the probable reserve is 5.5 tcf or more as disclosed by competent authority. For this, it is important to take up on-shore and offshore exploration for new reserves. BPDB has taken a massive capacity expansion plan to add about 10,500 MW Generation capacity in next 5 years to achieve 24000 MW Capacity by 2021.

The government has invited bids from global players to build six more coal-fired power plants to generate up to 2,775 megawatts (mw) of electricity by 2015 to ensure future electricity generation at affordable costs. Government is operating a feasibility study for setting up coal-based power plants in Chittagong, Khulna, Shariatpur and Meghnaghat by 2015 with a capacity of generating 2,000-2,600MW. The government has taken up plans to set up wind power units and solar power plants to generate 280MW of power by 2017.

7.0 CORPORATE GOVERNANCE

7.1 Board of Directors

The Board of Directors of the company comprises of 08 (Eight) Directors and is Chaired by General Md. Abdul Mubeen (Retd.). The other members of the Board are eminent personalities having diversified business track record. The Board formulates strategic objectives and policies for the company, provides leadership and supervises management actions in implementing objectives of the company. The Board conducted 7 meetings during 2013.

Serial	Name	Designation
1	General Md. Abdul Mubeen (Retd.)	Chairman
2	Mr. Hasan Mahmood Raja	Director
3	Mr. Moinuddin Hasan Rashid	Managing Director
4	Mr. Ahmed Ismail Hossain	Director
5	Mr. Akter Mahmud Rana	Director
6	Mr. Khandaker Moinul Ahsan Shamim	Director
7	Mr. Faridur Rahman Khan	Director
8	Mr. Abul Kalam Azad	Director

7.2 Corporate Management

The corporate management team of UPGD is very experienced and efficient led by Managing Director Mr. Moinuddin Hasan Rashid, who is aided by Mr. Rear Admiral Bazlur Rahman, CEO, Mr. Syed Abdul Mayeed, Advisor; Mr. Md. Amir Khasru, Project Director; Mr. Mohammad Ismail Mr. Md. Ebadat Hossain Bhuyian, Finance Controller, Mr. Md. Mustafizur Rahman, Company Secretary and Mr. Chandra Shekhar Barua, COO (Maintenance). The above management team of the company has qualified and technical professionals to run the operation smoothly. To run the total operations of the company efficiently and effectively as well as to bring dynamism in overall management, total management functions have been segregated into various Departments like Engineering Department, Finance and Accounts Department and Human Resource and Administrative Department, etc.

Serial	Name	Designation
1	Mr. Moinuddin Hasan Rashid	Managing Director
2	Mr. Syed Abdul Mayeed	Advisor
3	Mr. Rear Admiral Bazlur Rahman,	CEO
4	Mr. Md. Amir Khasru	Project Director
5	Mr. Mohammad Ismail	COO (Operation)
6	Mr. Md. Ebadat Hossain Bhuiyan	Finance Controller
7	Mr. Md. Mustafizur Rahman	Company Secretary
8	Mr. Chandra Shekhar Barua	COO (Maintenance)
9	Mr. Kairul Islam	Plant Manager

7.3 Human Resource Management

UPGD recognizes human resource as the most important resource and for this it tries to create a congenial working environment within the company. The company has a structured HR policy about employee selection, recruitment, compensation, training, promotion, termination code of conduct, etc. The employees of the company are enjoying long term benefit schemes like Provident Fund, Production bonus, Gratuity, personal income tax, performance bonus facility, etc. The company has been sending its employees on numerous training programs. The above benefits and overall working environment has built confidence and satisfaction among the employee base which has been reflected on its negligible human resources turnover. Total human resource strength of the company stood at 9 as on December 31, 2013.

7.4 Management Information System

The Management Information System of the company is moderate. The company has its own web based data communication system among the power plants and Head Office. Each work stations of head office are connected through LAN. Without having any automated software, the company is using different packages to generate management report. The company uses an advanced ERP system for keeping the record of accounting system.

8.0 POWER PURCHASE AGREEMENTS

Power Supply Agreement (PSA) has been signed with BEPZA for supplying electricity to Dhaka EPZ and Chittagong EPZ with an amendment signed on November 21, 2011 for expansion of the capacity for each of DEPZ & CEPZ plants up to 100 MW.

8.1 Key Features of Agreement with BEPZA

- a) The term of the contract is for 30 years from the date of commercial operations;
- b) Land Lease Agreements (LLA) have been signed for both plots for a period of thirty (30) years and the lease is also renewable for a further period of 30 years by mutual agreement;
- c) Invoices shall be made on a monthly basis to BEPZA no sooner than seven days after the end of month;
- d) Tariff invoices are payable within 45 days of the delivery of invoices;
- e) Liquidated Damage for complete shut down or partial outage of the power plant is Tk. 500,000 per day for full complete shut down and for more than one hour partial shutdown within one month, the LD will be energy component of tariff;
- f) Project company events of default if the project company abandons the operation of power generation facility for a consecutive 30 days without prior notice;
- g) BEPZA events of default in making of any payment required to be made by within 25 days of the date ;
- h) UPGD will have the right to sell surplus power to any organization or industry outside DEPZ and CEPZ, after meeting the total power requirement within the EPZs. BEPZA will not claim any service charge from UPGD if it chooses to do so;
- i) BEPZA unconditionally and irrevocably guarantees to purchase the total electrical capacity and energy of UPGD;
- j) Only in the event of failure by UPGD to supply the total requirement, BEPZA will buy electricity from REB, BPDB, DESA, DESCO, PGCB or their successors;
- k) The company and BEPZA have agreed to a reference Tariff for each billing month which is composed of Energy Component and Demand Charge Component;
- l) UPGD shall, at its own cost, arrange and connect the feeders of the DEPZ and CEPZ power system in such a way with its own plants so that the plants shall be able to provide load to the DEPZ and CEPZ power systems;
- m) BEPZA, at its own cost shall provide UPGD with necessary gas connection of required quantity and specification from the nearest DRS of Titas Gas Transmission and Distribution Company Limited for DEPZ and Karnaphuli Gas Systems Ltd. for CEPZ, and maintain such gas connection;
- n) BEPZA guarantees that after COD, it shall not allow any industrial units operating within DEPZ and CEPZ to develop any captive capacity, nor shall it accord permission to any other power industry to set up power plants within the EPZs without prior written consent of UPGD.
- o) BEPZA guarantees that it shall not itself set up any power plant within DEPZ and CEPZ without prior written consent from UPGD.

8.2 Key Features of Agreement with Oli Knitting Fabrics Limited (OKFL)

UPGD entered in to a contract on 2nd April, 2009 with Oli Knitting Fabrics Limited located at Ganakbari, Savar for providing power support to them. Summary of the contract can be presented as follows.

- a. Initially the contract is for 15 years ;
- b. Total tariff/bill includes energy charge bill and demand charge bill;
- c. UPGD will make invoice on or before 3rd day of each month for electricity delivered during preceding month;
- d. Payment of invoice must be made in full at the company's designated bank within 15 days of of the receipt of the invoice;
- e. In the event of failure of bill payment interest charge at the rate of 2% charge per month will be made from the due date till the bill is paid. If payment of bill is delayed to 30 days then the bill along with delay charge can be collected by UPGD from the security deposit of Oli Knitting Ltd;
- f. Oli knitting shall submit irrevocable, divisible, and revolving bank guarantee amounting to the 4 months bill based on 75% of the usage of available energy;
- g. Building cost of interconnection facility will be borne by Oli knitting Fabrics Ltd while maintenance of the interconnection facility up to the terminating pole where from the connection to the customer's sub- station has been made is the responsibility of UPGD;

8.3 Key Features of Agreement with Rural Electrification Board

UPGD entered into contract with Rural Electrification Board (REB) in 2013 for supplying electricity to neighboring Dhaka Palli Biddut Samit-1. Summary of the contract can be presented as follows.

- a. Contract will be valid for 36 months;
- b. Total tariff includes operation and maintenance cost and fuel cost;
- c. The purchaser shall make payment of the amounts due within a period of 15 days from the date of submission of bill;
- d. Cost of interconnection lines, substation equipment from own plant to PBS/REB will be borne by the UPGD;
- e. Applicable tariff set by BERC will be followed in tariff selection;

9.0 GAS PURCHASE AGREEMENT

9.1 Key Features of Agreement with Karnaphuli Gas Systems Limited & CEPZ

CEPZ entered into agreement with Bakhrabad Gas systems limited on the behalf of UPGD for 63 MW capacity. However, UPGD is yet to complete gas supply agreement for rest 9.34 MW of total 72 MW. Summary of the contract can be presented as follows:

- a. The contract is for 30 years in line with the power supply agreement (PSA);
- b. CEPZ will keep a security deposit approximate to 2 months maximum consumption of gas;
- c. CEPZ will be bearing the cost of building up interconnecting lines for gas delivery.
- d. CEPZ will be providing water and electricity at their own cost for maintenance of the uninterrupted gas supply;
- e. When Project Company requires extra gas then it may request the gas supply company in written and if the gas supplying companies have extra facility then will supply to the project company but will be charged extra;
- f. Gas supplier shall issue invoice to CEPZ detailing the monthly bill of previous month, any other charge, and any annual deficiency payment and any adjustment to prior invoice on or after the fifth day of each month;
- g. CEPZ shall make full payment within 35 days of receiving an invoice from gas supplier of the total amount;
- h. late payment shall bear interest commencing on the day following the date payment was due at the interest rate prevailing in Bangladesh and announced by the bank on the date payment is made per annum;
- i. Bakhrabad Gas Systems Limited has the right to make suspension of delivery if there is unpaid invoice/invoices;
- j. Regulating and metering system will be designed and built up by CEPZ with the suggestion of the gas supplier;

9.2 Key Features of Agreement with Titas Gas Transmission and Distribution Company Limited & UPGD

UPGD entered into agreement with Titas Gas Transmission and Distribution Company Limited for 40 MW capacity in FY 2013. UPGD will complete gas supply agreement for rest 47 MW by May 2014. Summary of the contract can be presented as follows.

- a. The contract is for 30 years in line with the power supply agreement (PSA);
- b. Gas consumed by the consumer will be billed as per as the gas tariff determined by the price range set by Bangladesh Government. TITAS shall issue invoice to UPGD detailing the monthly bill of previous month, any other charge, and any annual deficiency payment and any adjustment to prior invoice on or after the fifth day of each month;
- c. UPGD shall make full payment within 21 days of receiving an invoice from gas supplier;
- d. In times of failure of payment on time UPGD will be liable for paying 15% interest rate per annum as charge of late payment;
- e. Before 30 days of the starting of effective date of agreement UPGD will deposit a security amount approximate to 6 months maximum consumption level;
- f. Agreement can be terminated by Titas after giving a written notice of 30 days if customer is in regular negligence of bills payment;
- g. Gas supply can be discontinued by Titas at anytime upon 10 days written notice for the following reasons, failure of customer to pay in the mentioned time, depositing the security money, absorb gas for purpose other than mentioned in the contract.

10.0 TARIFF STRUCTURE

Project (plant)	Category/KV	Energy Price (Tk. per Kwh)	Demand Charge (TK./kwh) Monthly
CEPZ	H-BPDB, 33kv	Tk. 7.20	40.00
DEPZ	F-BPDB, 11kv	Tk. 7.32	45.00
Ahad	F-BPDB, 11kv	Tk. 9.42	40.00
KEPZ	H-BPDB, 33kv	Tk. 7.20	Nil
Dhaka Thai	F-BPDB, 11kv	Tk. 8.32	40.00
Lilac fashions	F-BPDB, 11kv	Tk. 9.42	40.00
Oli Knitting	F-BPDB, 11kv	Tk.7.51	40.00
REB	As per BERC	Tk. 2.9901	Nil
PDB	As per BERC	Tk. 2.9901	Nil

11.0 BUSINESS PERFORMANCE

	FY 2013			FY 2012		
	DEPZ Plant	CEPZ Plant	Total	DEPZ Plant	CEPZ Plant	Total
Installed Capacity (KWH)	359,333,333	426,720,000	786,053,333	328,000,000	352,000,000	680,000,000
Production (KWH)	278,093,102	346,223,915	624,317,017	276,463,636	321,555,370	598,019,006
Plant Factor (%)	77%	81%	79%	84.29%	91.35%	88%

The business performance of the company has been found to be good with an increased revenue growth. The company generated 624,317,017 kwh of energy during FY 2013 (DEPZ project produced 278,093,102kwh & CEPZ project produced 346,223,915 kwh). For DEPZ plant, the production capacity of the company increased in the last of the year of FY 2013 (increased to 41 to 88 MW) and for CEPZ plant the capacity increased in the middle of the year of FY 2013 (increased to 44 to 72 MW). UPGD has dispatched 624,317,017 WH of energy to Dhaka Export Processing Zone (DEPZ), Chittagong Export Processing Zone (CEPZ), Rural Electrification Board (REB), Karnaphuli Export Processing Zone (KEPZ) and Bangladesh Power Development Board (BPDB) through National Power Gridline. Currently, the company is running with the plant factor rate of 79%. The plant factor rate reduced in FY 2013 due to less energy supply where the factories in CEPZ and DEPZ were frequently closed down in November and December for political unrest. In terms of economic efficiency (production cost to energy output), it stood at Tk. 1.67/KW in FY 2013 against Tk. 1.48/KW in FY 2012.

12.0 FINANCIAL PERFORMANCE

Indicators	FY 2013	FY 2012	FY 2011	FY2010
Revenue (Tk. In Million)	3,396.10	3,273.49	2,227.63	1,778.49
Gross profit (Tk. In Million)	2,357.48	2,388.94	1,332.15	1,105.18
Net Profit (Tk. In Million)	1,774.43	2,020.51	1,062.27	900.28
Gross Profit Margin%	69.42	72.98	59.80	62.14
Operating Profit Margin%	62.28	71.23	58.17	60.88
Net Profit Margin%	52.25	61.72	47.69	50.62
Return on Average Assets After Tax (ROAA)%	18.23	29.88	20.64	21.11
Return on Average Equity After Tax (ROAE)%	28.93	47.70	39.42	52.54
Return on Average Capital Employed (ROACE) %	19.78	32.22	21.90	25.96
Cost to Revenue Ratio (%)	30.58	27.02	40.20	37.86
Administrative Exp to Revenue Ratio (%)	7.14	1.75	1.63	1.26
Finance Cost to Revenue Ratio (%)	10.62	9.51	10.54	10.24
Earnings Per Share (TK.10)	6.12	6.81	5.37	8.41

The financial performance of UPGD has been found to be good. The revenue of the company increased to Tk. 3,396.10 million in FY 2013 from Tk. 3,273.49 million in FY 2012. The revenue increased due to increased production of electricity from two expanded plant. The gross profit stood at Tk. 2,357.48 million in FY 2013 and Tk. 2,388 million in FY 2012 with margin of 69.42% and 72.98%. The tariff rate per unit for DEPZ is Tk. 7.32 and CEPZ is Tk. 7.20. The net profit of the company decreased to Tk. 1,774.43 million in FY 2013 from Tk. 2,020.51 million in FY 2012 with a margin of 52.25% and 61.72%. The reason behind of this decreased net profit was due to increased administrative expense. The administrative expense to revenue ratio increased to 7.14% in FY 2013 from 1.75% in FY 2012. During 2013, UPGD right off account receivable of Tk. 179.27 million from REB and that is charged in income statement as administrative expense. Therefore the profitability of UPGD has deteriorated to some extent in FY 2013. The cost to revenue ratio stood at 30.58% in FY 2013 and 27.02% in FY 2012. The finance cost to revenue ratio increased slightly in FY 2013 to 10.62% from 9.51% in FY 2012. The earnings per share (EPS) stood at Tk. 6.12 in FY 2013.

Good business performance

Good Financial Performance

High finance cost burden

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 at decreasing trend.

13.0 CAPITAL STRUCTURE AND LEVERAGE

Indicators	FY 2013	FY 2012	FY 2011	FY2010
Leverage Ratio (X)	0.66	0.48	0.78	1.11
Bank Borrowing to Equity(X)	0.65	0.47	0.75	1.07
Net Asset Value Per Share (Tk.10)	23.64	26.50	16.30	20.22

UPGD has been operating with a leverage ratio of 0.66 times as on December 31, 2013 against 0.48 times as on December 31, 2012. UPGD's leverage ratio increased due to taking additional term loan of Tk. 700.00 million and redeemable preference share of Tk. 2,000.00 million. The capital employed as on December 31, 2013 stood at Tk. 10,765.08 million consisting of net current assets of Tk. 1,285.60 million and non - current assets of Tk. 9,479.48 million. The above capital was financed by shareholder's equity of Tk. 7,020.81 million and long term liabilities of Tk. 3,744.27 million.

(Figure in Tk. Million.)

Particulars	FY 2013	FY 2012	FY 2011
Current assets	2,198.53	3,908.78	2,101.53
Less Current liabilities	912.93	603.77	376.83
Net Current Asset	1,285.60	3,305.01	1,724.70
Add Non-current assets	9,479.48	3,876.09	3,637.03
CAPITAL EMPLOYED	10,765.08	7,181.09	5,361.73
FINANCED BY			
Equity:			
Paid up capital	2,969.50	1,979.66	1,979.66
Retained earnings	4,051.31	3,266.71	1,246.23
Total Equity	7,020.81	5,246.38	3,225.90
Non-Current Liabilities:			
Long term Liabilities	3,744.27	1,934.72	2,135.83
TOTAL EQUITY & NON-CURRENT LIABILITIES	10,765.08	7,181.09	5,361.73

The components of shareholder's equity as on December 31, 2013 included paid up capital of Tk. 2,969.50 million and retained earnings of Tk. 4,051.31 million. The Net asset value per share (NAV) of Tk. 10 each stood at 23.64 as on December 31, 2013 and Tk. 26.50 as on December 31, 2012.

14.0 LIQUIDITY AND FUND FLOW ANALYSIS

Indicators	FY 2013	FY 2012	FY 2011	FY2010
Current Ratio (X)	2.41	6.47	5.58	3.85
Quick Ratio (X)	2.13	6.16	5.02	3.44

Being a power generation company, not alike other inventory based manufacturing company, UPGD depends highly on its early realization of receivables to support its liquidity. Albeit its revenue flow has been structured through PPA, it has to delay average 15 days to cash its receivable from DEPZ and CEPZ. Moreover, it has to delay average 30 days for REB and BPDB. Accordingly, it also staggers its payment obligation to gas distributing company by almost 15 days that counterbalances the impact. However, CRISL perceived that, if receivable to REB and BPDB becomes higher, liquidity of the company may be affected in future, which will also hamper the repayment of financial obligation duly.

While analyzing the cash flow of the company it has been revealed that the company generated sufficient cash flow to meet its fixed financial obligation and other liabilities also. UPGD, being a power generation company will generate almost static revenue due to its structured tariff agreement. As on December 31, 2013, the operating cash flow of the company stood at Tk. 2,046.90 million and after adjusting the capital expenditure of Tk. 5,734.01 million, the free operating cash flow stood at Tk. 3,687.11 million resulting in a operating cash flow to Debt coverage ratio of 2.57 times.

Good Quality

15.0 CREDIBILITY & BANKING RELATIONSHIP

15.1 Liability Position

As on April, 2014 total outstanding bank loan was Tk. 2,234.77 million comprising of term loan of Tk. 2037.31 million and working capital loan of Tk. 197.46 million respectively.

The company has issued 200,000,000 redeemable preference shares of Tk. 10 each in FY 2013. The purpose of the issue is to expand of power plants in DEPZ and CEPZ. The tenure of the issue is 5 years with dividend rate 11.00%. The dividend is quarterly payable commencing from 1st Quarter of FY 2013-2014 and capital redemption is yearly payable of Tk. 400.00 million commencing from FY 2014-2015.

The company availed a syndicated term loan of Tk. 1,150.00 million in 2009-2010 with a tenure of 10 years arranged by Dhaka Bank Ltd, out of which Tk. 920.00 million was financed by Investment Promotion and Financing Facility (IPFF) fund repayable with 34 equal quarterly installment and rest of the amount of Tk. 230.00 million, was as local syndicated term loan repayable with 21 equal installments. Moreover, the interest rate for IPFF loan will be 360 days Bangladesh Bank Treasury Bill rate plus 0.50% (IPFF margin) plus 2.50% (PFI's margin) and 15.50% p.a. for non-IPFF syndicated loan.

The company also availed another syndicated term loan of Tk. 1,350.00 million in 2009-2010 with a tenure of 10 years arranged by Dutch-Bangla Bank Ltd, out of which Tk. 1,080.00 million was financed by Investment Promotion and Financing Facility (IPFF) fund repayable with 28 equal quarterly installments and rest of the amount of Tk. 270.00 million, was as term loan. Moreover, the interest rate for IPFF loan will be 360 days Bangladesh Bank Treasury Bill rate plus 0.50% (IPFF margin) plus 2.10% (PFI's margin) and 15.50% p.a. for non-IPFF syndicated loan.

(Figure in Tk. Million)

Bank	Loan Mode	Limit/ Sanction	Outstanding	Purpose	Payment Status
DBL	TLO	1,150.00	725.43	To pay off the syndicated term loan	Regular
	WCL	300	NIL		Regular
DBBL	TLO	1,346.60	832.14	To implement the power project	Regular
	WCL	275.00	194.99	To import capital machinery.	Regular
TBL	TLO	700.00	479.74	Expansion project	Regular
	WCL	250.00	2.47	To import capital machinery.	Regular
Total		4021.6	2234.77		

TLO- Term Loan Outstanding, WCL- Working Capital Limit, LFO- Loan Finance Outstanding

15.2 Payment Efficiency and Creditworthiness

Indicators	FY 2013	FY 2012	FY 2011	FY2010
Debt Service Coverage Ratio (X)	3.94	4.56	3.88	6.62
Interest Coverage Ratio (X)	5.95	7.49	5.53	5.94

The loan repayment history of the company has been found to be regular. The creditworthiness of the company is also supported by its debt servicing capacity as well as interest coverage capability. The Debt service coverage ratio stood at 3.94 times in FY 2013 and 4.56 times in FY 2012. Interest coverage ratio stood at 5.95 times in FY 2013 and 7.49 times in FY 2012.

Regular loan
repayment history

15.3 Security Arrangement against bank Exposure

Sl. No	Name of the Bank/FIS	Security Package Details
1	DBL	<ul style="list-style-type: none"> Hypothecation of all fixed and floating asset including but not limited to machinery, book debts, furniture, fixture and equipment. Establishment of Escrow Account and debt service account with appropriate cash waterfall arrangement to the satisfaction of JMLA. Personal guarantee of the sponsors. Corporate guarantee of the business concerns of the sponsors of MHL . Negative pledge over bank mortgage, assignment, charge or any other encumbrance. Personal guarantee of the Directors of UPGD. Corporate Guarantee of United Enterprise & Co Ltd and Neptune Land development Limited. One undated cheque for Tk. 346.70 Million.
2	DBBL	<ul style="list-style-type: none"> Hypothecation of all fixed and floating asset including but not limited to machinery, book debts, furniture, fixture and equipment. Personal guarantee of the sponsors. Corporate guarantee of the business concerns of the sponsors of MHL . Personal guarantee of the directors of UPGD. Corporate Guarantee of United Enterprise & Co Ltd and Neptune Land development Limited.
3	TBL	<ul style="list-style-type: none"> Corporate guarantee of United Enterprises & Co. Ltd./ United Ashuganj Power Company Ltd. Undated / post dated cheque covering the credit facilities

16.0 RISK MANAGEMENT

16.1 Receivable Collection Risk

Mainly UPGD supplies power to Dhaka Export Processing Zone (DEPZ) and Chittagong Export Processing Zone (CEPZ). Moreover, UPGD can sell its surplus power to Rural Electrification Board (REB), Bangladesh Power Development Board (BPDB), Oli Knitting Fabrics Ltd, Karnaphuli Export Processing Zone (KEPZ), Lilac Fashion, Dhaka Thai Ltd and Ahad Fashion Ltd. UPGD's ability to service its both existing and future debt obligations rest on buyer's ability to meet the tariff payments under the PPA. However, if receivable becomes higher, liquidity of the company may be affected in future, which will also hamper the repayment of financial obligation duly. The receivable amount of the company has been found very high and stood at Tk. 670.39 million. Out of the above receivable, Tk. 30.00 million is above 365 days. During 2013, UPGD right off account receivable of Tk. 179.27 million against REB which deteriorated UPGD's performance. Under the above circumstances, UPGD is exposed to receivable collection risk.

16.2 Financial Risk

At present, UPGD has bank loan liability of Tk. 2,234.77 million consisting of term loan and working capital loan. The finance cost to revenue ratio has already surpassed two digits and stood at 10.62%. In addition to that, during 2013 UPGD issued Tk. 2,000.00 million as redeemable preference share with tenure of 5 years and dividend rate is 11.00%. For capital redemption, UPGD has to pay Tk. 400.00 million every year. Under the above discussion, UPGD could expose financial as well as liquidity risk.



Exposed to gas supply risk

16.3 Operating & Maintenance Risk

The company does not employ any specific O & M (operation & maintenance) agent to transfer and mitigate risk. UPGD has own competent team for running plant with less interruption. Moreover, the company does not have spare parts agreement with specific vendor rather sourcing the various spare parts from different vendors. Therefore, UPGD is exposed to operating and maintenance risk.

16.4 Gas Supply Risk

As per Power Supply Agreement, Titas Gas Transmission and Distribution company Limited and Karnaphuli Gas Systems Ltd are responsible for supply of gas in appropriate specification and quantity to the projects. The company is guaranteed by BEPZA for gas supply agreement for thirty years with required quantity and pressure.

The company is yet to face any shortage of gas supply or required gas pressure from its inception. Moreover, UPGD is yet to complete gas supply agreement with Titas Gas Transmission and Distribution Company Ltd and Karnaphuli Gas Systems Ltd for extended 47 MW at DEPZ and 28 MW CEPZ. According to the Gas Supply Agreement, UPGD will not get any capacity payment against the supplier’s failure to supply gas. 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.

16.5 Liquidity Damage Risk

Liquidated Damage for complete shut down or partial outage of the power plant is Tk. 500,000 per day for full complete shut down and for more than one hour partials shut down within one month, the LD will be energy component of tariff.

17.0 OBSERVATION SUMMARY

<p>Rating Comforts:</p> <ul style="list-style-type: none"> • Good business and financial performance • Equity based capital structure • Good liquidly • Strong Group support • Regular debt repayment history • Sound Infrastructural facilities • Experienced Management team • Long term contract • Brand new world famous engine 	<p>Rating Concerns:</p> <ul style="list-style-type: none"> • Declining profitability indicators • High finance cost burden • Exposed to gas supply and price fluctuation risk • No gas supply agreement with Titas & Karnaphuli Gas Distribution company respectively for expanded 48 MW at DEPZ and 9 MW at CEPZ • No minimum capacity payment in case of failure of gas supply • No bank guarantee for payment of energy price • Reduced plant factor rate • Exposure to financial risk
<p>Business Opportunities:</p> <ul style="list-style-type: none"> • Bright scope of private sector power generation • Significant deficit of electricity generation • Increased production capacity • Savings in O& M expense by developing group technical team. 	<p>Business Challenges:</p> <ul style="list-style-type: none"> • Unstable Government policy • Limited Gas supply • Development of efficient technical team • Foreign dependency for spare parts and technical support

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.]

18.0 CORPORATE INFORMATION

Date of Incorporation : 15th January, 2007

Commencement of Business : 2007

Board of Directors		
	General Md. Abdul Mubeen (Retd.)	Chairman
	Mr. Hasan Mahmood Raja	Director
	Mr. Moinuddin Hasan Rashid	Managing Director
	Mr. Ahmed Ismail Hossain	Director
	Mr. Akter Mahmud Rana	Director
	Mr. Khandaker Moinul Ahsan Shamim	Director
	Mr. Faridur Rahman Khan	Director
	Mr. Abul Kalam Azad	Director
Auditor	Hoda Vasi Chowdhury & Co	
	Chartered Accountants	
Key Management		
	Mr. Moinuddin Hasan Rashid	Managing Director
	Mr. Syed Abdul Mayeed	Advisor
	Mr. Rear Admiral Bazlur Rahman	CEO
	Mr. Md. Amir Khasru	Project Director
	Mr. Mohammad Ismail	COO (Operation)
	Mr. Md. Ebadat Hossain Bhuiyan	Finance Controller
	Mr. Md. Mustafizar Rahman	Company Secretary
	Mr. Chandra Shekhar Barua	COO (Maintenance)
	Mr. Khairul Islam	Plant Manager

CRISL RATING SCALES AND DEFINITIONS LONG-TERM RATINGS OF CORPORATE	
RATING	DEFINITION
AAA Triple A (Highest Safety)	Investment Grade Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	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.
A+, A, A- Single A (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
BB+, BB, BB- Double B (Inadequate Safety)	Speculative Grade Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+, CCC, CCC- Triple C (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+, CC, CC- Double C (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+, C, C- (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.
<i>Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group</i>	
SHORT-TERM CORPORATE RATING	
ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Moderate Grade Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
ST-5	Speculative Grade Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.

CRISL RATING SCALES AND DEFINITIONS
BANK LOAN/ FACILITY RATING SCALES AND DEFINITIONS- LONG-TERM

RATING	DEFINITION
<i>blr AAA</i> (blr Triple A) (Highest Safety)	Investment Grade Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have highest credit quality, offer highest safety and carry almost no risk. Risk factors are negligible and almost nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of loans/ facilities.
<i>blr AA+, blr AA, blr AA-</i> (Double A) (High Safety)	Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have high credit quality, offer higher safety and have high credit quality. This level of rating indicates that the loan / facilities enjoyed by an entity has sound credit profile and without any significant problem. Risks are modest and may vary slightly from time to time because of economic conditions.
<i>blr A+, blr A, blr A-</i> Single A (Adequate Safety)	Bank Loan/ Facilities rated in this category are adjudged to carry adequate safety for timely repayment/ settlement. This level of rating indicates that the loan / facilities enjoyed by an entity have adequate and reliable credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
<i>blr BBB+, blr BBB, blr BBB-</i> Triple B (Moderate Safety)	Bank Loan/ Facilities rated in this category are adjudged to offer moderate degree of safety for timely repayment /fulfilling commitments. This level of rating indicates that the client enjoying loans/ facilities under-performing in some areas. However, these clients are considered to have the capability to overcome the above-mentioned limitations. Cash flows are irregular but the same is sufficient to service the loan/ fulfill commitments. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
<i>blr BB+, blr BB, blr BB-</i> Duble B (Inadequate Safety)	Speculative/ Non investment Grade Bank Loan/ Facilities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates loans/ facilities enjoyed by a client are below investment grade. However, clients may discharge the obligation irregularly within reasonable time although they are in financial/ cash problem. These loans / facilities need strong monitoring from bankers side. There is possibility of overcoming the business situation with the support from group concerns/ owners. Overall quality may move up or down frequently within this category.
<i>blr B+, blr B, blr B-</i> Single B (Somewhat Risk)	Bank Loan/ Facilities rated in this category are adjudged to have weak protection factors. Timely repayment of financial obligations may be impaired by problems. Whilst a Bank loan rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support. Special monitoring is needed from the financial institutions to recover the installments.
<i>blr CCC+, blr CCC, blr CCC-</i> Triple C (Risky)	Risky Grade Bank Loan/ Facilities rated in this category are adjudged to be in vulnerable status and the clients enjoying these loans/ facilities might fail to meet its repayments frequently or it may currently meeting obligations through creating external support/liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support. These loans / facilities need strong monitoring from bankers side for recovery.
<i>blr CC+, blr CC, blr CC-</i> Double C (High Risky)	Bank Loan/ Facilities rated in this category are adjudged to carry high risk. Client enjoying the loan/ facility might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support. These loans / facilities need strong monitoring from bankers side for recovery.
<i>blr C+, blr C, blr C-</i> (Extremely Speculative)	Bank Loan/ Facilities rated in this category are adjudged to be extremely risky in timely repayment/ fulfilling commitments. This level of rating indicates that the clients enjoying these loan/ facilities are with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
<i>blr D</i> (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.

SHORT-TERM RATINGS

<i>blr ST-1</i>	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
<i>blr ST-2</i>	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
<i>blr ST-3</i>	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
<i>blr ST-4</i>	Satisfactory Grade Satisfactory liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
<i>blr ST-5</i>	Non-Investment Grade Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
<i>blr ST-6</i>	Default Institution failed to meet financial obligations

July 23, 2014

Ref: CRISL/Rating/1424/14

Explanation on specific issues in Credit Rating Report of United Power Generation & Distribution Company Limited

With reference to the letter # SEC/CI/BB-01/2013/482 of Bangladesh Securities and Exchange Commission (BSEC) dated 08 July 2014 to United Power Generation & Distribution Company Limited (UPGD), Credit Rating Information and Services Ltd (CRISL) is pleased to provide the explanation regarding some specific issues mentioned in Credit Rating Report of United Power Generation & Distribution Company Limited (UPGD).

- 1. You have mentioned under head of 'Human Resource Management' (7.3) that the company has been sending its employees on numerous training programs. Provide schedule of training programs attended by employees;**

Reply from CRISL:

During the year 2013, the company arranged training programs for its employees. Details of training program are given below:

SL#	Name of the Training	Trainer's Name	Date	Duration	No. of Employee Attend
1.	Essential feature of a power purchase agreement	Mr. Syed Abdul Mayeed, Advisor, United Power Generation & Distribution Company Ltd.	08/12/13	1 Week	4
2.	Tariff Analysis of a Power purchase Agreement	Mr.Syed Abdul Mayeed, Advisor, United Power Generation & Distribution Company Ltd.	15/12/13	1 Week	4
3.	Public Procurement Management (PPA 2006 & PPA 2008 for Executive bidder)	Engineering Staff College	27/09/13	3 Days	3
4.	Effective Business Communication	United International University	18/5/13	3 Months	2
5.	Event Management	Mr. Fazlur Rahman , Executive Director, United Group	12/05/13	2 Weeks	2

- 2. You have mentioned that the Earnings Per share (EPS) stood at Tk. 6.12 in FY 2013, whereas as per audited financial statements of December 31, 2013, the EPS has been shown as Tk. 5.98. Explain about this inconsistency;**

Reply from CRISL:

In Credit Rating Report, the Earning Per Share (EPS) of United Power Generation & Distribution Company Ltd (UPGD) was reported at Tk. 6.12 in FY 2013 which was an unintentional typing mistake. According to the Audited Financial Statements as on December 31, 2013 the EPS would be Tk. 5.98. The revised financial performance (section 12.0) has been mentioned below according to Audited Financial Statements of December 31, 2013 of United Power Generation & Distribution Company Ltd. (UPGD):

12.0 FINANCIAL PERFORMANCE

Indicators	FY 2013	FY 2012	FY 2011	FY2010
Revenue (Tk. In Million)	3,396.10	3,273.49	2,227.63	1,778.49
Gross profit (Tk. In Million)	2357.48	2388.94	1332.15	1,105.18
Net Profit (Tk. In Million)	1,774.43	2,020.51	1,062.27	900.28
Gross Profit Margin%	69.42	72.98	59.80	62.14
Operating Profit Margin%	62.28	71.23	58.17	60.88
Net Profit Margin%	52.25	61.72	47.69	50.62
Return on Average Assets After Tax (ROAA)%	18.23	29.88	20.64	21.11
Return on Average Equity After Tax (ROAE)%	28.93	47.70	39.42	52.54
Return on Average Capital Employed (ROACE) %	19.78	32.22	21.90	25.96
Cost to Revenue Ratio (%)	30.58	27.02	40.20	37.86
Administrative Exp to Revenue Ratio (%)	7.14	1.75	1.63	1.26
Finance Cost to Revenue Ratio (%)	10.62	9.51	10.54	10.24
Earnings Per Share (Tk.10)	5.98	6.81	5.37	8.41



The financial performance of UPGD has been found to be good. The revenue of the company increased to Tk. 3,396.10 million in FY 2013 from Tk. 3,273.49 million in FY 2012. The revenue increased due to increased production of electricity from two expanded plant. The gross profit stood at Tk. 2,357.48 million in FY 2013 and Tk. 2,388.94 million in FY 2012 with margin of 69.42% and 72.98%. The net profit of the company decreased to Tk. 1,774.43 million in FY 2013 from Tk. 2,020.51 million in FY 2012 with a margin of 52.25% and 61.72%. The reason behind this decreased net profit was due to increased administrative expense. The administrative expense to revenue ratio increased to 7.14% in FY 2013 from 1.75% in FY 2012. During 2013, UPGD written off account receivable of Tk. 179.27 million from REB and that has been charged in income statement as administrative expense. Therefore the profitability of UPGD has deteriorated to some extent in FY 2013. The cost to revenue ratio stood at 30.58% in FY 2013 and 27.02% in FY 2012. The finance cost to revenue ratio increased slightly in FY 2013 to 10.62% from 9.51% in FY 2012. The earnings per share (EPS) stood at Tk. 5.98 in FY 2013.

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 at decreasing trend.

Sd/-

Sarwat Amina

Executive Vice President

Credit Rating Information and Services Ltd.



November 12, 2014

Ref: CRISL/Rating/2156/14

Managing Director

United Power Generation & Distribution Company Limited
United Centre, House # NW (J)-6, Road # 51,
Gulshan - 2, Dhaka - 1212

Sub: Short Term Rating of United Power Generation & Distribution Company Limited

Dear Sir,

It is to inform you that as part of our continuous surveillance, CRISL has reviewed the Short Term rating of United Power Generation & Distribution Company Limited (UPGD) and based on the prevailing fundamentals, Rating Committee has decided to reaffirm the Short Term rating to '**ST-2**' and extended its validity period up-to May 17, 2015. The Long Term rating of '**AA**' with stable outlook will remain valid till May 17, 2015.

Thanking you.

Yours Sincerely,

Sd/-

Muzaffar Ahmed, FCMA, FCS

President and CEO

Credit Rating Information and Services Limited



INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
2. All information must be typed or written in full (in Block Letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **100** Ordinary Shares and must be for a multiple of **100** Ordinary Shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favoring A/C "**United Power Generation & Distribution Company Limited**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application Form has been sent.
6. In the case of a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
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 makes 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. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
13. **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.**
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus have been published.**
17. **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% (fifteen) of their subscription money too.**

BANKERS TO THE ISSUE

<p>BRAC BANK LIMITED</p> <ol style="list-style-type: none"> 1. Asad Gate Branch, Dhaka 2. Banani Branch, Dhaka 3. Bashundhara Branch, Dhaka 4. Donia Branch, Dhaka 5. Eskaton Branch, Dhaka 6. Graphics Building Branch, Dhaka 7. Gulshan Branch, Dhaka 8. Manda Branch, Dhaka 9. Mirpur Branch, Dhaka 10. Narayanganj Branch, Narayanganj 11. Nawabpur Branch, Dhaka 12. Rampura Branch, Dhaka 13. Shyamoli Branch, Dhaka 14. Uttara Branch, Dhaka 15. Agrabad Branch, Chittagong 16. CDA Avenue Branch, Chittagong 17. Halisohor Branch, Chittagong 18. Kazirduri Branch, Chittagong 19. Momin Road Branch, Chittagong 20. Bogra Branch, Bogra 21. Rajshahi Branch, Rajshahi 22. Jessore Branch, Jessore 23. Khulna Branch, Khulna 24. Barisal Branch, Barisal 25. Zindabazar Branch, Sylhet 	<ol style="list-style-type: none"> 63. Chittagang EPZ Branch, Chittagang 64. Faridpur Branch, Faridpur 65. Shahajalal Uposohor Branch, Sylhet 66. Tangail Branch, Tangail 67. Matuail Branch, Matuail 68. Keraniganj Branch, Keraniganj 69. Uttara Branch, Uttara 70. Diggait Branch, Jamalpur 71. Amberkhana Branch, Sylhet 72. Ashkona Branch, Dhaka 73. Borolekha Branch, Moulvibazar 74. Sunamgang Branch, Sunamgangj 75. Pagla Branch, Narayangonj 76. Jamalpur Branch, Jamalpur 77. Naogaon Branch, Naogaon 78. Vatar Branch, Dhaka 79. Laxmipur Branch, Laxmipur 80. Laksham Branch, Comilla 81. Pallabi Branch, Dhaka 82. Brahmanbaria Branch, Brahmanbaria 83. Mawna Branch, Gazipur 84. Uttar Khan Branch, Dhaka 85. Mirer Bazar Branch, Gazipur 86. Ashulia Branch, Dhaka 87. Ruhitpur Branch, Dhaka 88. Patuakhali Branch, Patuakhali 89. Panchagarh Branch, Panchagarh 90. Chokoria Branch, Cox's Bazar 91. Manda Branch, Dhaka 92. Ati Bazar Branch, Dhaka 93. Hemayetpur Branch, Dhaka 94. Wari Branch, Dhaka 95. Sonargaon Branch, Narayanganj 96. Gouripur Branch, Comilla 	<p>ISLAMI BANK BANGLADESH LIMITED</p> <ol style="list-style-type: none"> 1. Local Office, Dhaka 2. Nawabpur Road Branch, Dhaka 3. New Market Branch, Dhaka 4. Farmgate Branch, Dhaka 5. Foreign Exchange Branch, Dhaka 6. Chawk Mugaltully Branch, Dhaka 7. Mirpur Branch, Dhaka 8. Jatrabari Branch, Dhaka 9. Motijheel Branch, Dhaka 10. Shyamoli Branch, Dhaka 11. Mouchak Branch, Dhaka 12. Uttara Branch, Dhaka 13. Agrabad Branch, Chittagong 14. Khatungonj Branch, Chittagong 15. Cox's Bazar Branch, Cox's Bazar 16. Patia Branch, Chittagong 17. Narayangonj Branch, Narayangonj 18. Comilla Branch, Comilla 19. Chowmuhani Branch, Noakhali 20. Feni Branch, Feni 21. Bogra Branch, Bogra 22. Khulna Branch, Khulna 23. Kushtia Branch, Kushtia 24. Jessore Branch, Jessore 25. Barisal Branch, Barisal 26. Rajshahi Branch, Rajshahi 27. Sylhet Branch, Sylhet 28. Rangpur Branch, Rangpur 29. Moulvibazar Branch, Moulvibazar 30. Dinajpur Branch, Dinajpur 31. Sunamgonj Branch, Sunamgonj 32. Pabna Branch, Pabna 33. Thakurgaon Branch, Thakurgaon 	<ol style="list-style-type: none"> 65. Tongi Branch, Dhaka 66. Uttara Model Town Branch, Dhaka <p>NATIONAL BANK LIMITED</p> <ol style="list-style-type: none"> 1. Agrabad Br, Chittagong 2. Anderkillah Br, Chittagong 3. Asadgate Br, Dhaka 4. Babubazar Branch, Dhaka 5. Banani Branch, Dhaka 6. Bangshal Road Branch, Dhaka 7. Barisal Branch, Barisal 8. Bogra Branch, Bogra 9. CDA Avenue Br, Chittagong 10. Chowk Bazar Br, Chittagong 11. Chowmuhani Branch, Noakhali 12. Comilla Branch, Comilla 13. Dhanmondi Branch, Dhaka 14. Dilkusha Br, Dhaka 15. Elephant Road Branch, Dhaka 16. Faridpur Branch, Faridpur 17. Feni Branch, Feni 18. Foreign Ex. Branch, Dhaka 19. Gazipur Br, Gazipur 20. Gulshan Branch, Dhaka 21. Halishahar Br, Chittagong 22. Imamgonj Branch, Dhaka 23. Islampur Branch, Dhaka 24. Jatrabari Branch, Dhaka 25. Jubilee Road Br, Chittagong 26. Kawan Bazar Branch, Dhaka 27. Khatungonj Br, Chittagong 28. Khulna Br, Khulna 29. Kishoregonj Br, Kishoregonj 30. Lake Circus Br, Dhaka 31. Malibagh Branch, Dhaka 32. Mirpur Branch, Dhaka 33. Mohakhali Branch, Dhaka 34. Mohammadpur Branch, Dhaka 35. Motijheel Branch, Dhaka 36. Moulvibazar Br, Moulvibazar 37. Mymensingh Br, Mymensingh 38. Narayangonj Branch, N'Gonj 39. Narsingdi Branch, Narsingdi 40. Netaigonj Branch, N'gong 41. New Eskaton Branch, Dhaka 42. North Brook Hall Br., Dhaka 43. Pagla bazar Br., Narayangonj 44. Pahartali Branch, Chittagong 45. Pragati Sarani Branch, Dhaka 46. Rajshahi Branch, Rajshahi 47. Rifles Square Br., Dhaka 48. Rokeya Sarani Branch, Dhaka 49. S.K. Mojib Road Br, Chittagong 50. Savar Bazar Branch, Dhaka 51. Sunamgonj Branch, Sunamgonj 52. Sylhet Branch, Sylhet 53. Tangail Branch, Tangail 54. Tongi Branch, Gazipur 55. Uttara Branch, Dhaka 56. Z. H. Sikder M.C. Br, Dhaka 57. Zindabazar Branch, Sylhet 	<ol style="list-style-type: none"> 47. Rangpur Branch, Rangpur 48. Satkhira Branch, Satkhira 49. Ring Road Branch, Dhaka 50. Boalkhali Branch, Chittagong 51. Madhabdi Branch, Narsingdi 52. Rangamati Branch, Rangamati 53. Laldighirpar, Sylhet, Rajshahi 54. Rajshahi Branch, Rajshahi 55. Khulna Branch, Khulna 56. Ranirhat Branch, Chittagong 57. Chandgaon Branch, Chittagong 58. Raozan Branch Chittagong 59. Brahmanbaria Branch, B.Baria 60. Lalbagh Branch, Dhaka 61. Mandari Bazar Branch, Lakshimpur 62. Halisohor Branch, Chittagong 63. Halishahar Branch Chittagong 64. Barisal Branch, Barisal 65. Hathazari Branch Chittagong <p>TRUST BANK LIMITED</p> <ol style="list-style-type: none"> 1. Principal Branch, Dhaka 2. Dilkusha Corp. Br., Dhaka 3. Radisson Water Garden H Br., Dhaka 4. Mirpur Branch, Dhaka 5. Karwan Bazar Branch, Dhaka 6. Uttara Corp. Branch, Dhaka 7. Narayangonj Branch, N.Gonj 8. Elephant Road Br., Dhaka 9. Dhanmondi Branch, Dhaka 10. Narsingdi Branch, Dhaka 11. Tongi Branch, Dhaka 12. Joydebpur Branch, Dhaka 13. Ashulia Branch, Dhaka 14. Momenshahi Cantonment Br. Mymensingh 15. Savar Cantonment Br., Dhaka 16. S. S. Cantt. Branch, Tangail 17. Halishahar Branch, Chittagong 18. Kadamrali Branch, Chittagong 19. Comilla Cantt. Branch, Comilla 20. Feni Branch, Feni 21. Chowmohoni Br., Chowmohoni 22. Comilla Branch, Comilla 23. Ashugonj Br., Brahmanbaria 24. Khulna Branch, Khulna 25. Jalalabad Cantt. Br., Sylhet 26. Rangpur Cantt. Br., Rangpur 27. Bogra Cantt. Branch, Bogra 28. Khwaja Yunous Ali M. College & Hospital Br., Sirajgonj 29. Jessore Cantt. Br., Jessore 30. Shahjala Uposohor Br., Sylhet 31. Rajshahi Branch, Rajshahi 32. Barishal Branch, Barishal 33. Joypara Branch, Dhaka 34. Sylhet Corp. Branch, Sylhet <p>PREMIER BANK LIMITED LIMITED</p> <ol style="list-style-type: none"> 1. Dilkusha Branch, Dhaka 2. Gulshan Branch, Dhaka 3. Agrabad Branch, Chittagong 4. Banani Branch, Dhaka 5. Ashugonj Br., Brahmanbaria 6. Imamgonj Branch, Dhaka 7. Kawan Bazar Branch, Dhaka 8. Motijheel Branch, Dhaka 9. Meghnadhat Br., Narayangonj 10. Dhanmondi Branch, Dhaka 11. Khatungonj Branch, Chittagong 12. Uttara Branch, Dhaka 13. Khulna Branch, Khulna 14. Elephant Road Branch, Dhaka 15. DEFPZ Branch, Dhaka-Rural 16. Islami Banking Br, Dhaka 17. Islami Banking Br, Sylhet 18. Barisal Branch, Barisal 19. Narayangonj Branch, N.Gonj 20. Bhairab Bazar Br. Kishoregonj 21. O.R. Nizam Road Br, Chittagong 22. Kakrail Branch, Dhaka 23. Moulvi Bazar Br, Moulvi Bazar 24. Tongi Branch, Gazipur 25. Zinzira Branch, Dhaka 26. Rajshahi Branch, Rajshahi 27. Rokeya Sarani Branch, Dhaka 28. Savar Branch, Savar, Dhaka 29. Pahartoli Branch, Chittagong 30. Bogra Branch, Bogra 31. Kalabagan Branch, Dhaka 32. Rampura Branch, Dhaka 33. Comilla Branch, Comilla 34. Nawabpur Road Branch, Dhaka 35. Rangpur Branch, Rangpur 36. Feni Branch, Feni 37. Amberkhana Branch, Sylhet 38. Pantabhanga Branch, Dhaka 39. Jessore Branch, Jessore 40. Jubilee Road Branch, Chittagong 41. Gulshan Circle-2 Branch, Dhaka 42. Shyamoli Branch, Dhaka 43. Tngile Branch, Tangile 44. Narsingdi Branch, Narsingdi 45. Munshigonj Branch, Munshigonj 46. Dhaka New Market Branch, Dhaka 47. Bangla Bazar SME S. Centre, Dhaka 48. Mohammadpur SME S. Centre, Dhaka 49. Chowmuhuni SME Br., Nowakhali 50. Sirajgonj SME Br., Sirajgonj
<p>DHAKA BANK LIMITED</p> <ol style="list-style-type: none"> 1. Uttara Branch, Dhaka 2. Khlgao Branch, Dhaka 3. Dhanmondi Model Branch, Dhaka 4. Mohakhali Branch, Dhaka 5. Karwanbazar Branch, Dhaka 6. Mirpur Branch, Dhaka 7. Goran SME Service Center, Dhaka 8. Narayangonj Branch, Narayangonj 9. Bhulta Branch, Narayangonj 10. CDA Avenue Branch, Chittagong 11. Agrabad Branch, Chittagong 12. Comilla Branch, Comilla 13. Faridpur Branch, Faridpur 14. Medina Market Branch, Sylhet 15. Uposahar Branch, Sylhet 16. Rajshahi Branch, Rajshahi 17. KDA Avenue Branch, Khulna 18. Rangpur Branch, Rangpur 	<p>EASTERN BANK LIMITED</p> <ol style="list-style-type: none"> 1. Motijheel Branch, Dhaka 2. Shyamoli Branch, Dhaka 3. Bashundhara Branch, Dhaka 4. Moghbazar Branch, Dhaka 5. Narayangonj Branch, Narayangonj 6. Banasree Branch, Dhaka 7. Savar Branch, Dhaka 8. Uttara Garib-E-Newaz Branch, Dhaka 9. Khulna Branch, Khulna 10. Jessore Branch, Jessore 11. Mymensingh SME Branch, Mymensingh 12. Jubilee Road Branch, Chittagong 13. O.R. Nizam Road Branch, Chittagong 14. Chandgaon Branch, Chittagong 15. Panchlaih Branch, Chittagong 16. Halishahar Branch, Chittagong 17. Sirajudowla Road Branch, Chittagong 18. Dania Branch, Dhaka 19. Khulna Branch, Khulna 20. Sylhet Branch, Sylhet 21. Dhaka EPZ Branch, Dhaka 22. Board Bazar Branch, Gazipur 23. Netaigonj Branch, Narayangonj 24. Bogra Branch, Bogra 25. Barisal Branch, Barisal 26. CDA Avenue Branch, Chittagong 27. Joypara Branch, Dhaka 28. Biswanath Branch, Sylhet 29. Moulvi Bazar Branch, Moulvi Bazar 30. Muradpur Branch, Chittagong 31. Golapgonj Branch, Sylhet 32. Rajshahi Branch, Rajshahi. 33. Savar Bazar Branch, Dhaka 34. Gazipur Chowrasta Branch, Gazipur 35. Feni Branch, Feni 36. Comilla Branch, Comilla 37. Jubilee Road Branch, Chittagong 38. Kadamtali Branch, Chittagong 39. Mirzapur Branch, Tangail 40. Cox's Bazar Branch, Cox's Bazar 41. Lohagara Branch, Chittagong 42. Manikgonj Branch, Manikgonj 43. Fatikchhari Branch, Chittagong 44. Konabary Branch, Gazipur 45. Choumuhani Branch, Noakhali 46. Sonagazi Branch, Feni 47. Goala Bazar Branch, Sylhet 48. Khatungonj Branch, Chittagong 49. Mymensingh Branch, Mymensingh 50. Shahzadpur Branch, Sirajgonj 51. Beani Bazar Branch, Sylhet 52. Chhatak Branch, Dhaka 53. Saidpur Branch, Nilphamary 54. Rangpur Branch, Rangpur 55. Jessore Branch, Jessore 56. Halishahar Branch, Chittagong 57. Basurhat Branch, Noakhali 58. Sremangal Branch, Moulvibazar 59. Kushtia Branch, Kushtia 60. Pabna Branch, Pabna 61. Narsingdi Branch, Narsingdi 62. Satmosjid Road Branch, Dhaka 63. Dinajpur Branch, Dinajpur 64. Bhairab Branch, Kishoregonj 65. Dagonbhuiyan Branch, Feni 66. Gobindaganj Branch, Gaibandha 67. Bhulta Branch, Narayangonj 68. Narayangonj BSCIC Branch, N. Ganj 69. Tongi Branch, Gazipur 70. Satkhira Branch, Satkhira 71. Madaripur Branch, Madaripur 72. Munshigonj Branch, Munshigonj 73. Habiganj Branch, Habiganj 	<p>INVESTMENT CORPORATION OF BANGLADESH (ICB)</p> <ol style="list-style-type: none"> 1. Barishal Branch, Barishal 2. Bogra Branch, Bogra 3. Chittagong Branch, Chittagong 4. Head Office, Dhaka 5. Khulna Branch, Khulna 6. Local Office, Dhaka 7. Rajshahi Branch, Rajshahi 8. Sylhet Branch, Sylhet 	<p>IFIC BANK LIMITED</p> <ol style="list-style-type: none"> 1. Federation Branch, Dhaka 2. Moakhali Branch, Dhaka 3. Elephant Road Branch, Dhaka 4. Kawran Bazar Branch, Dhaka 5. Uttara Branch, Dhaka 6. Pallabi Branch, Dhaka 7. Narsingdi Branch, Narsingdi 8. Narayangonj Branch, Narayangonj 9. Faridpur Branch, Faridpur 10. Dhanmondi Branch, Dhaka 11. Banani Branch, Dhaka 12. Shantinagar Branch, Dhaka 13. Islampur Branch, Dhaka 14. Naya Paltan Branch, Dhaka 15. Malibagh Branch, Dhaka 16. North Brook Hall Road Branch, Dhaka 17. Mymensingh Branch, Mymensingh 18. Stock Exchange Branch, Dhaka 19. Pragati Sarani Branch, Dhaka 20. Mirpur Branch, Dhaka 21. Gabtoli Branch, Dhaka 22. Agrabad Branch, Chittagong 23. Madam Bibir Hat Branch, Chittagong 24. Shah Amanat Market Branch, Chittagong 25. Brahmanbaria Branch, Brahmanbaria 26. Feni Branch, Feni 27. CDA Avenue Branch, Chittagong. 28. Cox's Bazar Branch, Cox's Bazar 29. Comilla Branch, Comilla 30. Choumuhani Branch, Noakhali 31. Alanker More Branch, Chittagong 32. Rajshahi Branch, Rajshahi 33. Bogra Branch, Bogra 34. Dinazpur Branch, Dinjpur 35. Rangpur Branch, Rangpur 36. Pabna Branch, Pabna 37. Khulana Branch, Khulana 38. Jessor Branch, Jessore 39. Boro Bazar Branch, Khulna 	<p>MUTUAL TRUST BANK LIMITED</p> <ol style="list-style-type: none"> 1. Agrabad Branch, Chittagong 2. Alankar Mour Branch, Chittagong 3. Aman Bazar Branch, Chittagong 4. Babu Bazar Branch, Dhaka 5. Banani Branch, Dhaka 6. Bahidhara Branch, Dhaka 7. Bashundhara Branch, Dhaka 8. Bogra Branch, Bogra 9. Brahmanbaria Branch, Brahmanbaria 10. CDA Avenue Branch, Chittagong 11. Chandra Branch, Dhaka 12. Chawk Moghaltuli Branch, Dhaka 13. Chokoria Branch, Chittagong 14. Comilla Branch, Comilla 15. Cox's Bazar Branch, Cox's Bazar 16. Dagonbhuiyan Branch, Feni 17. Dhanmondi Branch, Dhaka 18. Dholaikhal Branch, Dhaka 19. Dilkusha Branch, Dhaka 20. Dinajpur Branch, Dinajpur 21. Elephant Road Branch, Dhaka 22. Feni Branch, Feni 23. Fulbaria Branch, Dhaka 24. Gobindaganj Branch, Gobindaganj 25. Gournadi Branch, Barisal 26. Gulshan Branch, Dhaka 27. Habigonj Branch, Habigonj 28. Ishwardi Branch, Ishwardi 29. Jessore Branch, Jessore 30. Joypurhat Branch, Joypurhat 31. Jubilee Road Branch, Chittagong 32. Kakrail Branch, Dhaka 33. Kamrangir Char Branch, Dhaka 34. Kapasia Branch, Gazipur, Dhaka 35. Khatungonj Branch, Chittagong 36. Khilpara Branch, Chatkhil, Noakhali 37. Kushtia Branch, Kushtia 38. Mohammadpur Branch, Dhaka 39. Moulvi Bazar Branch, Sylhet 40. MTB Corporate Center Branch, Dhaka 41. Mymensingh Branch, Mymensingh 42. Naogaon Branch, Naogaon 43. Narayangonj Branch, Narayangonj 44. Nazirhat Branch, Chittagong 45. Noria Branch, Shariyattpur 46. Oxygen Mor Branch, Chittagong 47. Pabna Branch, Pabna 48. Pallabi Branch, Dhaka 49. Panchapath Branch, Dhaka 50. Principal Branch, Dhaka 51. Pragati Sarani Branch, Dhaka 52. Raipur Branch, Laxmipur 53. Rajshahi Branch, Rajshahi 54. Rangpur Branch, Rangpur 55. Sarulia Bazar Branch, Dhaka 56. Savar Branch, Dhaka 57. Shah Mokhdum Avenue Branch, Dhaka 58. Shahparan Gate Branch, Sylhet 59. Shanir Akhra Branch, Dhaka 60. Sonargaon Branch, Dhaka 61. Sreedagar Branch, Dhaka 62. Syedpur Branch, Sunamgonj 63. Sylhet Branch, Sylhet 64. Thakurgaon Branch, Thakurgaon

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made thereafter shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO account number, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must not be abbreviated.
3. An application must not be for less than **100 Ordinary Shares** and must be for a multiple of **100 Ordinary Shares**. Any application not meeting these criterions will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **“United Power Generation & Distribution Company Limited”** and crossed **“Account Payee only”**.
5. Application shall be sent by the applicant directly to the Company within **January 22, 2015** so as to reach the Company within **January 31, 2015**. Any Application sent after **January 22, 2015** or received by the Company after **January 31, 2015** will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through A/C Payee Cheque payable at Dhaka with bank account number, Bank’s name and Branch as indicated in the securities application form.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi (“NRB”) applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by US \$/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by US \$/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate) will not be allowed.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
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 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.**
12. The intending NRB applicants shall deposit the share subscription money by US \$/UK Pound Sterling/EURO demand draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of a non-resident foreign currency deposit account maintained in Bangladesh or in Taka, supported by a foreign currency encashment certificate issued by the bank concerned, for the price of the ordinary shares applied for, through crossed bank cheque marked “Account Payee only”, such that the issuer’s collecting bank can clear the proceeds and deposit the same into the issuer’s account in time.
13. The spot buying rate (TT Clean) in US \$ / UK Pound Sterling / EURO of Sonali Bank as prevalent on the date of opening of subscription opening will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his/her being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.**
15. In case of Joint NRB Application, the Joint Applicant shall also submit supporting papers / documents in support of their being a NRB as mentioned in para - 14 (above).
16. **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 makes 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.**
17. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 (twenty five) days after the Prospectus have been published.**
18. In the case of non-allotment of the ordinary shares, if the applicants’ bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through “Account Payee” cheque(s) with bank account number and name of the bank branch as mentioned in the application form, payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **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% (fifteen) of their subscription money too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY’S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.



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

Interested Persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the issuer and the issue manager.'

United Power Generation & Distribution Company Limited

APPLICATION FORM

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director

United Power Generation & Distribution Company Limited
United Centre, House # NW (J)-6, Road # 51,
Gulshan - 2, Dhaka - 1212

Banker's Sl. No.:

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

- 1. No. of Ordinary Shares of Tk. 72/- each including a premium of Tk. 62/- per share.
2. Total subscription money of the amount of Tk. (in figure), Taka (in words) only deposited vide Cash/Cheque/Draft/Pay Order No. Dated..... on Bank Limited Branch.

3. Beneficiary Owner (BO) Account Number [Table with 12 empty cells]

(If you do not mention your valid BO account number, your application will be treated as invalid)

4. I/we agree to fully abide by the instruction given herein.

5. Particulars of Applicant(s):

a) Sole/First Applicant:

Name: Mr./Mrs./Ms.
Father's/Husband's Name:
Mother's Name:
Mailing Address:
Telephone No. (if any):
Occupation: Nationality:
For Refund Warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).
For Refund Purpose: I/we want refund through [] Bank Account* [] Hand Delivery/Courier (Please put tick mark in which refund will be made). The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant. Otherwise, the application will be considered invalid and the subscription money may be forfeited.
*In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicant's banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.
For Refund: Applicant's Bank A/C No.:
Name of the Bank: Branch:

b) Second Applicant:

Name: Mr./Mrs./Ms.
Father's/Husband's Name:
Mother's Name:
Mailing Address:
Occupation: Nationality: Telephone No. (if any):

6. I/we hereby declare that I/we have read the Prospectus of United Power Generation & Distribution Company Limited and have willingly subscribed forNo. of Ordinary Shares of Tk. 72/- each including a premium of Tk. 62/- per share.

7. Specimen Signature(s):

(i) 1st Applicant: Name (in Block Letters) Signature:
(ii) 2nd Applicant: Name (in Block Letters) Signature:

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figure) (in words) only from

Mr./Mrs./Ms. being the Application money for Nos. Ordinary Shares of United Power Generation & Distribution Co. Ltd.

Banker's Sl. No.

Seal and Date

Authorized Signature (Name & Designation)



INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
2. All information must be typed or written in full (in Block Letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **100** Ordinary Shares and must be for a multiple of **100** Ordinary Shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favoring A/C "**United Power Generation & Distribution Company Limited**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application Form has been sent.
6. In the case of a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
8. An Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
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 makes 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. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
13. **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.**
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus have been published.**
17. **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% (fifteen) of their subscription money too.**
18. **তালিকাভুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্ত সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।**

1. In addition to the existing IPO application process, applicants can also apply through their Stockbroker/Merchant Bankers in the following process:

Step-1 (Applicant):

- a. Applicants other than Non-resident Bangladeshi (NRB) and Foreign applicants for public issue of securities shall submit application/ instruction, within the subscription period, to the Stockbroker/ Merchant Banker where the applicant maintains BO account.
- b. The application/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 the applicant shall make the application money available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. Application/ instructions shall be preserved by the same Stockbroker/ Merchant Banker up to 6 months from listing of the securities with exchange.

Step-2 (Intermediary):

- a. The Stockbroker/ Merchant Banker shall maintain separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/ Merchant Banker shall verify the availability of fund and if find in order, block the customer account for an amount equivalent to the application money, accumulate all the application/instructions received up to the subscription closing date, deposit the amount in the "Public Issue Application Account" maintained with its bank, instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard. 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".
- b. Banker of the Stockbroker/ Merchant Banker shall block the account(s) as requested for, issue a certificate confirming the same and provide it to the respective Stockbroker/ Merchant Banker. 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 subscription closing date, send it to the issuer both in electronic (text format with tilde '~' separator) and printed format along with the certificate issued by its banker.

Step-3 (Issuer):

- a. The issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text format with tilde '~' separator) format in a CDRom to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not. Along with the verification report, CDBL shall provide the issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account Information and Bank Account Information. After receiving verification report and information from CDBL, the issuer shall scrutinize the applications, prepare category wise consolidated lists of the valid and invalid applications, submit status reports of subscription to the Commission and the stock exchanges and conduct lottery in line with the conditions of the consent letter.
- b. Within 02 (two) working days of conducting lottery, the issuer shall:
 - i. send the lists of the successful and unsuccessful applicants (other than NRB and foreign) in electronic (text format with tilde '~' separator) and printed format to the Stockbroker/Merchant Banker, request them to unblock the amount blocked earlier and remit the amount of successful applicants to the issuers respective Escrow Account opened for subscription purpose.
 - ii. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stockbroker/Merchant Bankers. To credit the allotted shares to the respective BO accounts, the issuer shall send consolidated allotment data (BOID and number of securities) in text format in a CDRom to CDBL.

Step-4 (Intermediary):

- a. On the next working day of receiving the documents from the issuer and issue manager, the stockbroker/ Merchant Banker shall request its banker to release the amount blocked earlier and remit the aggregate amount of successful applicants deducting service charge to the 'Escrow' account of the issuer opened for the subscription purpose.
- b. 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. Simultaneously, the stockbrokers/ Merchant Bankers shall unblock the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions.

Miscellaneous:

- a. The issuer and Issue Manager(s) shall jointly ensure compliance of the above.
 - b. The Stockbroker/ Merchant Banker shall be entitled to service charge at a rate of 0.05% on the total amount of application money received by them. The service charge shall be paid by the issuer and deducted by the Stockbroker/ Merchant Banker from the amount of successful applicants while remitting to the issuer. In case of shortage of the service charge, the Stockbroker/ Merchant Banker shall send a bill to the issuer and the issuer shall pay it within 02 (two) working days. The Stockbroker/ Merchant Banker shall provide the issuer with a statement of the remittance amount and the processing fee.
2. The above application process is a pilot project and optional for investors, i.e. investors can apply either following new process through stockbroker/ merchant banker or in existing process through banker to the issue.
 3. List of the Stockbroker/ Merchant Bankers participating in the pilot project shall be disclosed in the prospectus and abridged version thereof. Only the applicants maintaining accounts with the Stockbroker/ Merchant Bankers name contained in the list can apply through the new process.

LIST OF THE STOCKBROKERS / MERCHANT BANKERS TO RECEIVE IPO APPLICATION

DSE STOCKBROKERS

Sl. No.	Name of TREC Holder Companies	TREC No.
1	A. K. Khan Securities Ltd.	6
2	International Leasing Securities Limited	9
3	BRAC EPL Stock Brokerage Ltd.	11
4	MAH Securities Limited	13
5	Adil Securities Ltd.	17
6	Greenland Equities Ltd.	18
7	Royal Capital Ltd.	21
8	Vision Capital Management Ltd.	24
9	ETBL Securities & Exchange Ltd.	31
10	Daulatunnesa Equities Limited	37
11	Haji Ahmad Brothers Securities Ltd.	41
12	Rapid Securities Limited	42
13	AB & Company Limited	43
14	M-Securities Ltd.	44
15	SAHCO Securities Limited	46
16	Imtiyaz Husain Securities Limited	50
17	Mian Abdur Rashid Securities Ltd.	53
18	Shahjahan Securities Limited	64
19	ASENZ Securities Ltd.	65
20	Popular Equities Ltd.	68
21	Mohammad Talha & Co Ltd.	69
22	HAC Securities Limited	74
23	Asia Securities Ltd.	88
24	Uniroyal Securities Ltd.	89
25	Md. Fakhrul Islam Securities Ltd.	90
26	SIBL Securities Ltd.	94
27	Salta Capital Limited	95
28	Jamal Ahmed Securities Ltd.	97
29	Howlader Equity Services Limited	102
30	Islami Bank Securities Limited	107
31	Ethihad Securities Ltd.	110
32	A N F Management Company Limited	117
33	K-Securities and Consultants Ltd.	122
34	Rose Securities Ltd.	125
35	Dynamic Securities Consultants Ltd.	126
36	LankaBangla Securities Ltd.	132
37	Moshihor Securities Ltd.	134
38	Cosmopolitan Traders (Pvt.) Ltd.	146
39	Joytun Securities Intl. Ltd.	148
40	Shakil Rizvi Stock Ltd.	149
41	EMES Securities Ltd.	155
42	Standard Bank Securities Ltd.	156
43	Trustee Securities Ltd.	162
44	Mona Finan. Consultancy & Sec. Ltd.	164
45	Tobarrak Securities Ltd.	172
46	T. A. Khan Securities Co. Ltd.	174
47	BLI Securities Limited	175
48	Peoples Equities Ltd.	176
49	Commerce Bank Securities and Inv. Ltd.	180
50	UCB Capital Management Limited	181
51	Razzak Securities Ltd.	184
52	Delta Capital Limited	185
53	G M F Securities Ltd.	186
54	Globe Securities Limited	189
55	Eminent Securities Ltd.	191
56	DBL Securities Limited	193
57	Parkway Securities Ltd.	194
58	MTB Securities Ltd.	197
59	AD Holdings Limited	213
60	Pubali Bank Securities Ltd.	214
61	Mika Securities Ltd.	215
62	BRB Securities Limited	220
63	Modern Securities Ltd.	229
64	IIDFC Securities Limited	238
65	A N W Securities Ltd.	240
66	One Securities Ltd.	241
67	Apex Investments Limited	7
68	Alpha Equities Ltd.	56
69	IDLC Securities Ltd.	58
70	Square Securities Management Ltd.	76
71	R. N. Trading Limited	78
72	Alhaj Securities & Stocks Limited	93
73	Remons Investment & Securities Ltd.	108
74	Midway Securities Ltd.	142
75	Investment Promotion Services Limited	158
76	Oshadhi Securities Ltd.	208
77	United Financial Trading Co. Ltd.	227
78	Expo Traders Ltd.	230
79	Popular Life Insurance Company Ltd.	232
80	Dhaka Securities Ltd.	239
81	NLI Securities Ltd.	244
82	Shyamol Equity Management Limited	3
83	Phoenix Securities Limited	4
84	Crest Securities Ltd.	8
85	Khwaja Equity Services Limited	10
86	Pasha Capital Ltd.	12
87	ACE Capital Management Service Ltd.	16
88	Azam Securities Limited	19
89	BDBL Securities Ltd.	20
90	Ershad Securities Limited	23
91	Arena Securities Ltd.	25
92	EBL Securities Limited	26
93	SAR Securities Ltd.	27
94	Sadeque Finance Management Ltd.	28
95	Kazi Firoz Rashid Securities Limited	29
96	Ibrahim Securities Limited	33
97	B & B Enterprise Limited	34
98	Rashid Investment Services Limited	35
99	Quayum Securities Limited	38
100	Aries Securities Ltd.	48
101	S. B. Securities Limited	51
102	M. Zubair Securities Limited	52
103	UGC Securities Limited	54
104	Global Securities Ltd.	60
105	NCCB Securities & Financial Services Ltd.	61
106	E- Securities Ltd.	66
107	Sinha Securities Limited	67
108	First Capital Securities Ltd.	70
109	Multi Securities & Services Limited	75
110	Md. Sahidullah Securities Limited	91

DSE STOCKBROKERS

Sl. No.	Name of TREC Holder Companies	TREC No.
111	Dhanmondi Securities Ltd.	98
112	Island Securities Ltd.	106
113	Nouvelle Securities Ltd.	112
114	CMSL Securities Limited	113
115	Ahmed Iqbal Hasan Securities Ltd.	114
116	Nabiul Karim Securities Limited	115
117	Murshed Securities Limited	116
118	Saad Securities Ltd.	118
119	Dragon Securities Limited	119
120	Sheltech Brokerage Limited	120
121	SCL Securities Limited	121
122	Shahed Securities Ltd.	123
123	ICB Securities Trading Company Limited	129
124	Thea Securities Ltd.	130
125	Harpoon Securities Ltd.	131
126	Kazi Equities Ltd.	135
127	Securities Broking & Management Services Ltd.	136
128	Al-Haja Jahanara Securities Ltd.	138
129	K.H.B. Securities Ltd.	143
130	City Brokerage Limited	145
131	Indicate Securities Consultants Ltd.	154
132	Anwar Securities Ltd.	160
133	Haji Mohammad Ali Securities Ltd.	165
134	Subvalley Securities Ltd.	168
135	Merchant Securities Limited	169
136	Shah Mohammad Sagir & Co. Ltd.	171
137	Hazrat Amanat Shah Securities Ltd.	173
138	Anchor Securities Ltd.	177
139	JKC Securities Ltd.	179
140	Nur-E-Alam Siddique & Company Ltd.	182
141	C-Maart Securities Limited	183
142	Jahan Securities Ltd.	195
143	Stock & Bond Limited	199
144	Total Communication Ltd.	200
145	AB Securities Ltd.	201
146	Prilink Securities Ltd.	202
147	Modern Equity Limited	206
148	United Enterprises & Co. Ltd.	207
149	Mondol Securities Ltd.	209
150	Wifang Securities Ltd.	210
151	Sharp Securities Limited	216
152	Rasti Securities Consultant Ltd.	217
153	A. L. Securities Ltd.	222
154	Mercantile Bank Securities Limited	224
155	Shohrab Securities & Trade Ltd.	225
156	FAREAST Stocks & Bonds Ltd.	226
157	Akij Securities Ltd.	231
158	Shahjalal Islami Bank Securities Ltd.	233
159	AIBL Capital Market Services Ltd.	234
160	PHP Stock & Securities Ltd.	235
161	Premier Bank Securities Ltd.	236
162	Bank Asia Securities Limited	237
163	Trust Bank Securities Ltd.	242
164	BD Sunlife Securities Ltd.	248
165	Sterling Stocks & Securities Ltd.	249
166	S & H Equities Limited	2
167	Federal Securities And Investment Limited	45
168	H R. Securities & Investments Limited	72
169	Prime Islami Securities Ltd.	104
170	PFI Securities Limited	79
171	Ali Securities Co. Limited	105
172	R N I Securities Ltd.	128
173	Alcco Securities Ltd.	139
174	A. B. Ispahani Securities Limited	1
175	A. R. Chowdhury Securities Ltd.	22
176	BD Finance Securities Ltd.	30
177	Bulbul Securities Ltd.	32
178	Al-Muntaha Trading Co. Ltd.	49
179	Green Delta Securities Ltd.	59
180	Desa Securities Limited	85
181	Country Stock (Bangladesh) Ltd.	99
182	ARC Securities Ltd.	100
183	Alliance Securities & Management Ltd.	137
184	Bali Securities Ltd.	153
185	Gateway Equity Resources Ltd.	157
186	SES Company Limited (Unicap Securities Limited)	163
187	Times Securities Limited	166
188	Habibur Rahman Securities Limited	187
189	IFIC Securities Ltd.	192
190	M & Z Securities Ltd.	196
191	Synthia Securities Ltd.	204

CSE STOCKBROKERS

Sl. No.	Name of the TREC Holder	TREC No.
1	Alpha Securities Ltd.	CSE 001
2	ISPI Securities Limited	CSE 002
3	Meenhar Securities Limited	CSE 003
4	South Asia Securities Limited	CSE 004
5	Island Securities Ltd.	CSE 005
6	Chittagong Capital Ltd.	CSE 006
7	Saya Securities Ltd.	CSE 010
8	First Capital Securities Limited.	CSE 011
9	BREC EPL Stock Brokerage Ltd.	CSE 013
10	UCB Capital Management Ltd.	CSE 015
11	Adams Securities Limited	CSE 016
12	North West Securities Ltd.	CSE 019
13	EBL Securities Ltd.	CSE 021
14	Salta Capital Limited	CSE 022
15	Uttara Exchange And Securities Limited	CSE 024
16	Be Rich Limited	CSE 027
17	RAK Capital Ltd.	CSE 028
18	PHP Stocks & Securities Ltd.	CSE 031
19	Synet Securities Ltd.	CSE 033
20	Pioneer Shares & Securities Ltd.	CSE 034
21	Hillcity Securities Ltd.	CSE 037
22	S.R.Capital Ltd.	CSE 038
23	Remons Investment & Securities Ltd.	CSE 042
24	United Financial Trading Company Ltd.	CSE 043
25	Kishwar Securities Investment Ltd.	CSE 047

CSE STOCKBROKERS

Sl. No.	Name of the TREC Holder	TREC No.
26	Impel Shares & Securities Ltd.	CSE 049
27	Mirpur Securities Limited	CSE 050
28	E-Securities Limited	CSE 052
29	Royal Capital Limited	CSE 053
30	Prime Financial Consultants & Equities Limited	CSE 055
31	Kabir Securities Limited	CSE 056
32	Eastern Shares & Securities Ltd.	CSE 058
33	Reliance Securities Consultant Ltd.	CSE 059
34	CMSL Securities Limited	CSE 061
35	Prudential Capital Ltd.	CSE 062
36	Associated Capital Securities Ltd.	CSE 063
37	Platinum Securities Limited	CSE 064
38	T.K. Shares & Securities Ltd.	CSE 069
39	Ahmed Securities Services Ltd.	CSE 070
40	Sohel Securities Ltd.	CSE 076
41	International Leasing Securities Limited	CSE 080
42	DBL Securities Limited	CSE 081
43	Skys Securities Limited	CSE 084
44	Purabi Securities Ltd.	CSE 087
45	D. N. Securities Ltd.	CSE 089
46	LankaBangla Securities limited	CSE 091
47	Square Securities Management Ltd.	CSE 092
48	Holy City Securities Ltd.	CSE 093
49	Inter Continental Securities Ltd.	CSE 094
50	PFI Securities Limited	CSE 095
51	International Securities Co. Ltd.	CSE 096
52	Multi Securities & Services Limited	CSE 097
53	Mona Financial Consultancy and Securities Ltd.	CSE 103
54	Pubali Bank Securities Ltd.	CSE 105
55	NC Securities Limited	CSE 107
56	Cordial Securities Limited	CSE 113
57	Hassan Shares & Securities Ltd.	CSE 114
58	Hallmark Securities Ltd.	CSE 117
59	IDLC Securities Ltd.	CSE 119
60	Western Securities Investment Management Ltd.	CSE 120
61	Far East Shares & Securities Ltd.	CSE 123
62	Amin Securities & Consultants Ltd.	CSE 128
63	Phoenix Securities Limited	CSE 131
64	NCCB Securities and Financial Services Ltd.	CSE 132
65	City Brokerage Ltd.	CSE 133
66	Shahjalal Islami Bank Securities Limited	CSE 134
67	Popular Life Insurance Company Ltd.	CSE 135
68	Premier Leasing Securities Ltd.	CSE 136
69	Foreast Stocks & Bonds Limited.	CSE 138
70	AIBL Capital Market Services Ltd.	CSE 139
71	SIBL Securities Limited	CSE 142
72	Islami Bank Securities Ltd.	CSE 146
73	ONE Securities Limited	CSE 148
74	British Bengal Securities Limited	CSE 008
75	Chittagong Shares & Securities Ltd.	CSE 060
76	Finvest Services Limited	CSE 066
77	SES Company Limited	CSE 082
78	Ten Stars (pvt.) Ltd.	CSE 100
79	Vantage Securities Ltd.	CSE 115
80	Green Delta Securities Ltd.	CSE 130
81	A.A. Securities Limited	CSE 032
82	Moharam Securities Ltd.	CSE 108
83	Megacity Securities Limited	CSE 116
84	First lead Securities Ltd.	CSE 122

MERCHANT BANKERS

Sl. No.	Name of the Merchant Bankers	M.Bank Sl. No.
1	ICB Capital Management Ltd.	001
2	IDLC Investments Ltd.	002
3	EXIM Islami Investment Ltd.	003
4	Imperial Capital Limited	004
5	AFC Capital Ltd.	005
6	Prime Finance Capital Management Ltd.	006
7	FAS Capital Management Ltd.	007
8	Trust Bank Investment Limited	008
9	City Bank Capital Resources Ltd.	009
10	UniCap Investments Limited	010
11	SBL Capital Management Ltd.	011
12	Jamuna Bank Capital Management Ltd.	012
13	LankaBangla Investments Ltd.	013
14	EC Securities Limited	014
15	BLI Capital Limited	015
16	Prime Bank Investment Ltd.	016
17	AIBL Capital Management Ltd.	017
18	BRAC EPL Investments Limited	018
19	MTB Capital Ltd.	019
20	BMSL Investment Ltd.	20
21	EBL Investments Ltd.	21
22	AAA Finance & Investment Limited.	022
23	PLFS Investments Ltd.	023
24	Sonali Investment Ltd.	024
25	IIDFC Capital Ltd.	025
26	IL Capital Ltd.	026
27	Grameen Capital Management Ltd.	027
28	Alpha Capital Management Ltd.	028
29	Rupali Investment Ltd.	029
30	Uttara Finance and Investment Ltd.	030
31	Green Delta Capital Ltd.	031
32	First Securities Services Ltd.	032
33	Southeast Bank Capital Services Ltd.	033
34	Janata Capital and Investment Ltd.	034
35	First Security Islami Capital & Investments Ltd.	035
36	Swadesh Investment Management Limited	036
37	BD Finance Capital Holdings Limited	037
38	AB Investment Limited	038