



annual
report
& accounts
2014



UNITED POWER GENERATION & DISTRIBUTION COMPANY LTD.



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Corporate information

BOARD OF DIRECTORS

Chairman

Gen. Md. Abdul Mubeen, SBP, ndc, psc (Retd.)

Directors

Hasan Mahmood Raja
Ahmed Ismail Hossain
Khandaker Moinul Ahsan Shamim
Abul Kalam Azad
Faridur Rahman Khan
Akhter Mahmud Rana
Moinuddin Hasan Rashid

Independent Directors

Lt. Gen. Sina Ibn Jamali, AWC, psc (Retd.)
Md. Ebadat Hossain Bhuiyan, FCA

MANAGEMENT TEAM

Managing Director

Moinuddin Hasan Rashid

Advisor

Syed Abdul Mayeed

Chief Executive Officer

Rear Admiral Bazlur Rahman (Retd.)

Executive Director (Technical)

Rafiqul Islam

Company Secretary, CFO & Compliance Officer

Md. Mahfuzul Haque, FCMA

AUDITOR

Hoda Vasi Chowdhury & Co.
Chartered Accountants, BTMC Bhaban (Level 7 & 8)
Karwan Bazar C/A, Dhaka

AUDIT COMMITTEE

Lt Gen Sina Ibn Jamali, awc, psc (Retd) - Chairman
Abul Kalam Azad - Member
Ebadat Hossain Bhuiyan, FCA - Member

HEAD OF INTERNAL AUDIT

Mir Akhterul Alam

LEGAL ADVISOR

Tanjib-UI Alam & Associates, Barristers
Advocates and Legal Consultants
BSEC Bhaban (Level - 11),
102 Kazi Nazrul Islam Avenue,
Karwan Bazar, Dhaka - 1215

LEAD BANKERS

Dhaka Bank Limited, Foreign Ex. Branch
Dutch Bangla Bank Ltd, Banani Branch
Jamuna Bank Ltd. Gulshan Branch
Trust Bank Ltd., Kawran Bazar Branch



Company information

YEAR OF INCORPORATION

15 January 2007

LISTING STATUS

Listed both in Dhaka Stock Exchange and Chittagong Stock Exchange

AUTHORIZED CAPITAL

Taka 10,000,000,000.00

BUSINESS LINE

Power Generation & Distribution

STOCK EXCHANGE LISTING

8 March 2015 – Chittagong Stock Exchange

19 March 2015 – Dhaka Stock Exchange

O&M TEAM

United Engineering & Power Services Ltd

REGISTERED OFFICE

United Center

House NW (J) – 6, Road – 51, Gulshan – 2

Dhaka – 1212, Bangladesh

PABX : +88-02-9861000 (10 lines), +88-02-9850161-5

Fax : +88-02-9896445, +88-02-9893446

Email : info@unitedpowerbd.com

Web : www.unitedpowerbd.com

POWER PLANTS

DHAKA EXPORT PROCESSING ZONE (DEPZ) – 86 MW

Plot No 280, Extension Area, Dhaka Export Processing Zone Ganakbari, Savar, Dhaka

Tel : +88-02-7788460

Fax : +88-02-7788461

CHITTAGONG EXPORT PROCESSING ZONE (CEPZ) – 72 MW

Plot No 6 & 7, Sector 2/A, Chittagong Export Processing Zone South Haliashahar, Chittagong

Tel : +88-031-740449

Fax : +88-031-740450

PAID – UP CAPITAL

As of 31 December 2014 : Taka 2,969,497,260.00

Pre IPO : Taka 2,969,497,260.00

Post IPO : Taka 3,299,497,260.00



Who WE ARE ?

United Power Generation & Distribution Company Ltd., formerly known as Malancha Holdings Limited (MHL), was incorporated under the Companies Act 1994 as a private limited company on 15 January 2007. The Company changed its name from Malancha Holdings Limited to United Power Generation & Distribution Company Ltd. on 1 October 2009 and was eventually converted to a public limited company on 22 December 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 operations on 26 December 2008 with its first natural gas fired power plant located at Dhaka Export Processing Zone having an installed capacity of 35 MW, with a subsequent addition of another 6 MW unit. The Company then enhanced its production capacity by installing and commissioning its second power plant at Chittagong Export Processing Zone with an installed capacity of 44 MW.

Initially operating a 41 MW unit in DEPZ and a 44 MW unit in CEPZ, this Company allows its clients to concentrate only on their core business rather than worrying about their energy requirements. Since UPGDCL came into operation, both EPZs have experienced exponential growth in investment, export earnings and employment and to cater to the ever increasing demand, the Company has expanded its generation capacity up to 160 MW and installed steam generation capacity. High Voltage Substations comprising of several power transformers, required length of 11 kV and 33 kV distribution lines were built by UPGDCL under each of the two project sites along with an 11 km, 150 psi, 12" gas pipeline from the gas company's TBS at Ashulia to UPGDCL's RMS at DEPZ plant site. Thus the company has constructed multidisciplinary infrastructures like power generation, high voltage transmissions and distribution network, high/low pressure gas pipelines, steam distribution lines, etc. for the projects. In effect, this makes UPGDCL the only true commercially independent power generation and distribution company as well as a multi-utility provider in true sense of the terms. It is a model that UPGDCL plans to replicate across all the EPZs of the country.



Corporate Ethos

VISION

To replicate being the multi utility service provider and the independent power generation & distribution entity in true sense of the terms across all EPZs of Bangladesh



MISSION

Energy is Life -
To be the institution that generates the lifeblood of the nation's economy by introducing a paradigm shift in operational efficiency



OBJECTIVE

Provide uninterrupted and quality power to the export oriented industries housed within the EPZs of Bangladesh allowing the industries to concentrate only on their core business and contribute to the nation's growth

CORE VALUES

- ▶ **Innovative Thinking** to introduce pioneering ideas, operational efficiency & flexibility
- ▶ **Upholding Commitment** to all its stakeholders, dedicated to achieve mutual benefits
- ▶ **Ethical Business Practices** in all endeavors, united in all its ventures



WHAT WE DO

United Power Generation & Distribution Company Ltd. was born out of the necessity for uninterrupted, quality power supply to the industries housed within the Export Processing Zones (EPZs) of Bangladesh. UPGDCL is a first of its kind company that is not only involved in power generation but also power distribution up to their customer's doorstep. What makes this company unique is that it was built specifically for the Export Processing Zones of the country, particularly for Dhaka and Chittagong EPZ. These zones are nationally important as they have been specially set up by the government for local and foreign companies who have heavily invested in export oriented production. Reliable, uninterrupted and quality power are the key requirements for these industries to operate. It is UPGDCL's power plants providing this essential utility to the industries located inside these EPZs thereby helping the nation earn greater export revenue and foreign currency.

Initially operating a 35 MW unit, with a subsequent addition of another 6 MW unit, in DEPZ and a 44 MW unit in CEPZ, the Company implemented two expansion projects, one at Dhaka Export Processing Zone (DEPZ), to increase its production capacity from 41 MW to 86 MW, and another at Chittagong Export Processing Zone (CEPZ), to increase its production capacity from 44 MW to 72 MW, at the behest of BEPZA. In doing so, UPGDCL has increased its production capacity from a total of 85 MW to 160 MW through these expansion projects by December 2013.

It may be mentioned here that BEPZA, in consultation with IFC & KOI-KA, is working to develop its different EPZs in to Low Carbon Green Zone and improve efficiency through Symbiosis among different industries located inside EPZs. UPGDCL with a view to be associated with the program, undertook the scheme to install Exhaust Gas Boiler (EGB) to use exhaust heat from the engines to produce steam and supply commercially to the neighboring industries inside Dhaka & Chittagong EPZs. This setup has further improved the power plant efficiency and reduced environmental emissions significantly as the exhaust of the engines, instead of being released to the atmosphere, is being recycled and reused to produce steam.

UPGDCL in Dhaka Export Processing Zone

UPGDCL's Power Plant inside Dhaka Export Processing Zone is situated over an area of 6,125.13 sq. meters, leased to the Project Company for 30 years under a Land Lease Agreement between UPGDCL and BEPZA, entered on 6 May 2007. The power plant was established to supply power to the industries inside Dhaka EPZ under a Power Supply Agreement dated 6 May 2007 between BEPZA and UPGDCL. At present the plant has four (4) Wärtsilä Finland 20V34SG engines each having capacity of 8.73 MW, five (5) Rolls-Royce Norway B35:40V20AG2 engines each having capacity of 9.34 MW and two (2) MTU Germany AOE20V4000L62 engines each having a capacity of 1.96 MW resulting in a combined output of 86 MW. The plant also have 2 Exhaust Gas Boilers supplied by Khan SPP having a steam production capacity of 4 ton per hours (TPH) per boiler, fitted to two of the plant's Rolls-Royce engines. The total steam production capacity of Dhaka EPZ is 8 TPH. Power generated at 11 kV is being distributed at 11 kV and 33 kV by UPGDCL's own 20 km and 30 km long distribution lines, respectively. Natural Gas is the fuel for the engines supplied by Titas Gas Transmission & Distribution Co. Ltd. under a Gas Supply Agreement signed on 16 November 2008 and on 27 February 2014 (effective from 1 August 2009) for a term of the Power Supply Agreement signed between BEPZA and UPGDCL.



UPGDCL in Chittagong Export Processing Zone

UPGDCL's Power Plant inside Chittagong Export Processing Zone is situated over an area of 6033.80 sq. meters, leased to the Project Company for 30 years under a Land Lease Agreement between UPGDCL and BEPZA, entered on 16 May 2007. The power plant was established to supply power to the industries inside Chittagong EPZ under a Power Supply Agreement dated 16 May 2007 between BEPZA and UPGDCL. At present the plant has five (5) Wärtsilä Finland 20V34SG engines each having capacity of 8.73 MW and three (3) Rolls-Royce Norway B35:40V20AG2 engines each having capacity of 9.34 MW resulting in a combined output of 72 MW. The plant also has 3 Exhaust Gas Boilers supplied by Khan SPP having a steam production capacity of 4 ton per hours (TPH) per boiler, fitted to the plant's Rolls-Royce engines. The total steam production capacity of Chittagong EPZ is 12 TPH. Natural Gas is the fuel for the engines initially supplied by Bakhrabad Gas Distribution Co. Ltd. under a Gas Supply Agreement signed on 9 July 2009, currently supplied by Karnaphuli Gas Distribution Co. Ltd. under a Gas Supply Agreement effective from 15 May 2013 for the term of the Power Supply Agreement signed between BEPZA and UPGDCL.

Operation & Maintenance (O&M) of UPGDCL's plants

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

UEPSL was formed in 2011 and is currently performing operation and maintenance of 5 (five) plants under the banner of United Group. UEPSL has O&M experience of over 240 MW with an average plant availability of over 95%. The management team is led by ex-officials from Wärtsilä with over 25 years of experience in the marine industry and handling Wärtsilä engines. They each have 96000 hours of major maintenance experience of Wärtsilä engines. Engaging UEPSL for providing O&M services has benefitted the plant not only in terms of availability but also in terms of efficient operation, greater output and has secured a steady flow of revenue from the plant.

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



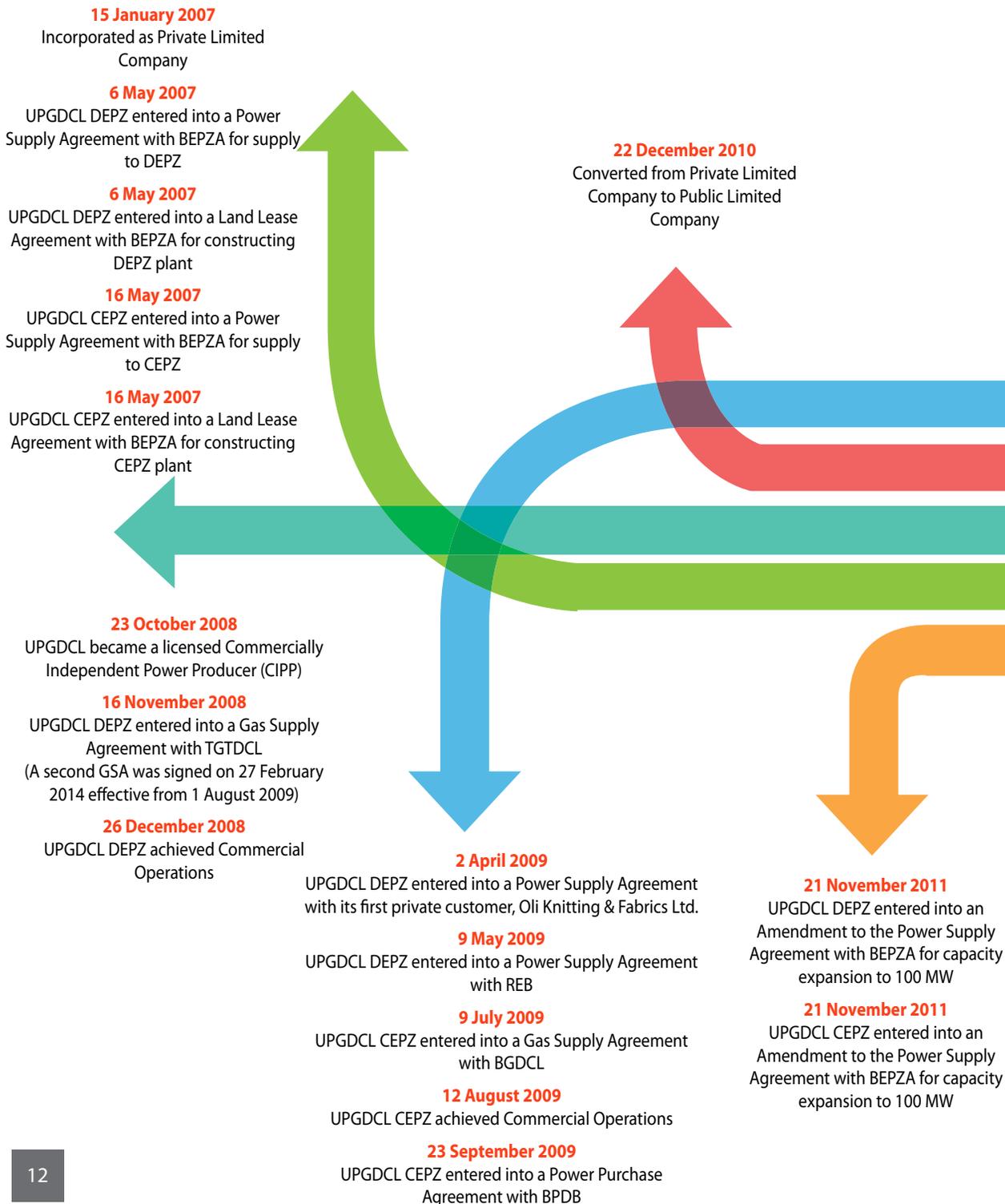
UPGDCL AT-A-GLANCE

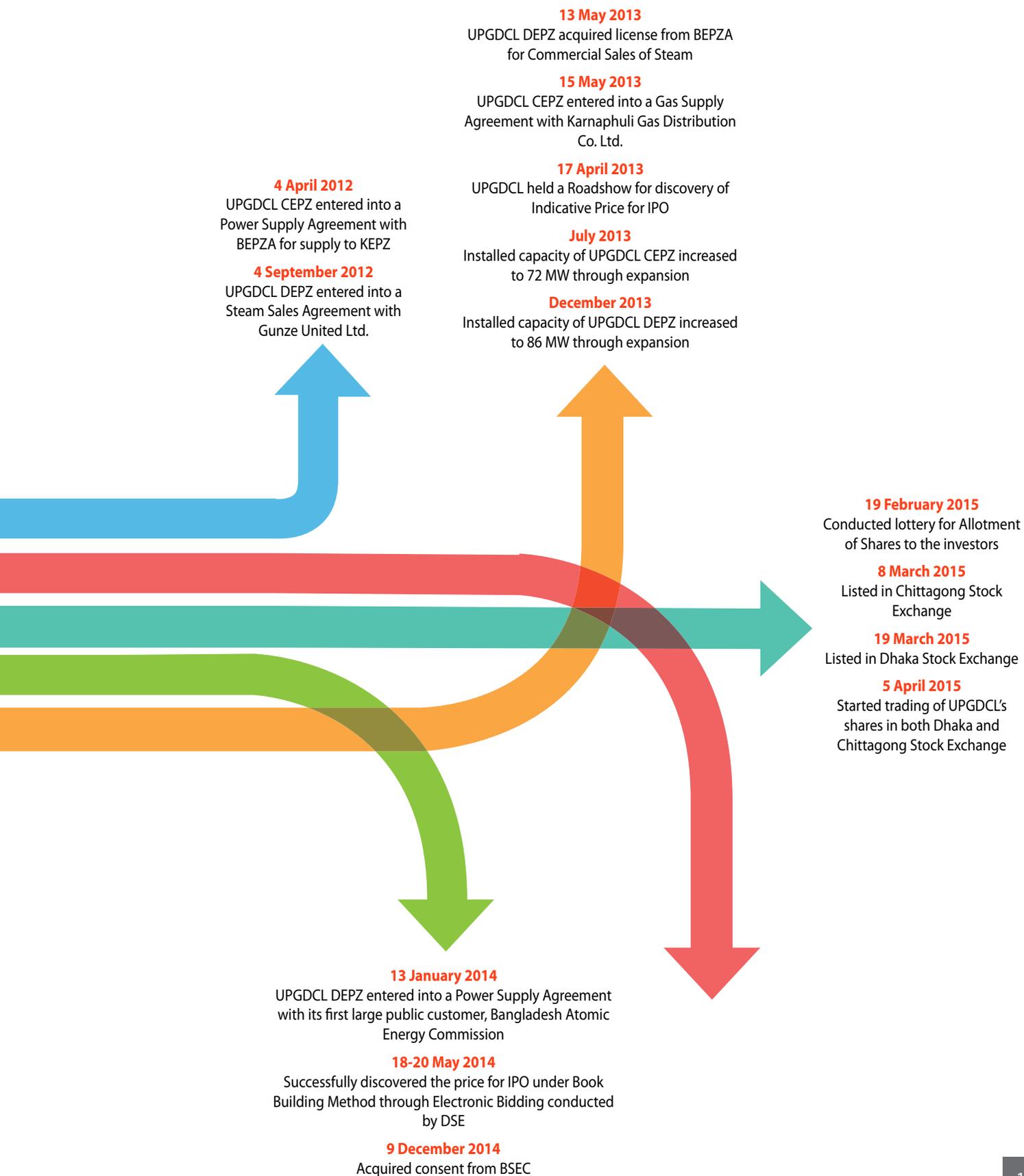


- ▶ First Commercial Independent Power Plant (CIPP) in Bangladesh
- ▶ Provides uninterrupted and quality power to Dhaka & Chittagong Export Processing Industries
- ▶ Initial project tenure of 30 years with a provision for further extension for a term of 30 years
- ▶ High Plant Factor and Maximum Plant Availability since commissioning

	UPGDCL DEPZ	UPGDCL CEPZ
Number of Generators:	4 units each of capacity 8.73 MW	5 units each of capacity 8.73 MW
	5 units each of capacity 9.34 MW	3 units each of capacity 9.34 MW
	2 units each of capacity 1.96 MW	
Genset Model:	Wärtsilä Finland 20V34SG	Wärtsilä Finland 20V34SG
	Rolls-Royce Norway B35:40V20AG2	Rolls-Royce Norway B35:40V20AG2
	MTU Germany AOE20V4000L62	
Capacity:	86 Megawatts (Total) (one of the MTUs has been dismantled)	72 Megawatts (Total)
Number of Boilers:	2 Units each of capacity 4 TPH	3 Units each of capacity 4 TPH
Boiler Model:	Khan SPP Smoke Tube EGB	Khan SPP Smoke Tube EGB
Steam Capacity:	8 TPH	12 TPH
Commercial Operation Dates (COD):	35 MW, December 2008	44 MW, August 2009
	6 MW, October 2010	28 MW, July 2013
	47 MW, December 2013	
Clientele:	Dhaka Export Processing Zone	Chittagong Export Processing Zone
	Rural Electrification Board	Karnaphuli Export Processing Zone
	Bangladesh Atomic Energy Commission	Bangladesh Power Development Board
	Large Private Customers	
Fuel:	Natural Gas	Natural Gas
Fuel Supplier:	Titas Gas Transmission & Distribution Co. Ltd.	Karnaphuli Gas Distribution Co. Ltd.
Project Cost:	BDT 5623.22 Million	BDT 4429.34 Million

Benchmarks & Milestones





EVENTS



Foundation Laying of DEPZ



Engine Supply Contract Signing Ceremony



Agreement signing ceremony with Bangladesh Atomic Energy Commission

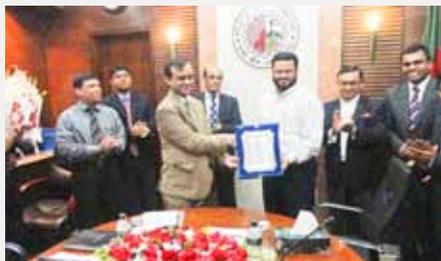
UPGDCL'S ROADSHOW





LOTTERY FOR ALLOTMENT OF SHARES

UPGDCL STARTS TRADING IN DHAKA & CHITTAGONG STOCK EXCHANGE



UNITED GROUP & POWER SECTOR

United Group, one of the leading business houses of Bangladesh, has been a major player in Bangladesh's power sector for decades. The Group took a giant leap to its future development by establishing the country's first Independent Power Plant (IPP) in Khulna, a 110 MW HFO-fired modular power plant, Khulna Power Company Ltd., in partnership with other likeminded local and international firms. This established the ground work for the Group, on which they continued investment in the power sector, having set up several small power plants for REB thereafter. The Group's experience in the power sector eventually led to the formation of United Power Generation & Distribution Company Ltd. (UPGDCL), formerly known as Malancha Holdings Ltd., in 2007. UPGDCL is the country's first Commercial Independent Power Producer (CIPP) supplying quality power by their two power plants in Dhaka and Chittagong EPZs. Subsequently 2011 saw launching of United Ashuganj Power Ltd., Khulna Power Company Ltd. – Unit II and Khan Jahan Ali Power Company Ltd. 2013 was another year of significant growth for the Group. Capacity of UPGDCL's both the power plants were increased. In the same year, Shajahanullah Power Generation Company Ltd., another CIPP was successfully commissioned in Sylhet. In 2015, United commissioned the nation's first Combined Cycle, Modular Power Plant, United Ashuganj Energy Ltd., in joint collaboration with the government of Bangladesh, in partnership with Ashuganj Power Station Company Limited.

Sl.	Company	Capacity	Ownership
1.	United Power Generation & Distribution Co. Ltd. (DEPZ)	86 MW	United Group
2.	United Power Generation & Distribution Co. Ltd. (CEPZ)	72MW	United Group
3.	United Ashuganj Power Ltd.	53 MW	United Group
4.	Shajahanullah Power Generation Company Ltd.	28 MW	United Group
5.	Khulna Power Company Ltd. (KPCL-I)	110 MW	United Group & Summit Group
6.	Khan Jahan Ali Power Company Ltd.	40 MW	United Group & Summit Group
7.	Khulna Power Company Ltd. (KPCL-II)	115 MW	United Group & Summit Group
8	United Ashuganj Energy Ltd.	200 MW	United Group & Ashuganj Power Station Company Ltd.

Notice

Of The 8Th Annual General Meeting

Notice is hereby given that the 8th Annual General Meeting of the Shareholders of United Power Generation & Distribution Company Ltd. will be held on Wednesday, the 24th day of June, 2015, at Golf Garden, Army Golf Club, Airport Road, Dhaka, at 12.00 P.M to transact the following businesses:

Agenda

1. To receive and adopt the Director's Report and the Audited Financial Statements for the year ended December 31, 2014 together with the Auditors' Report thereon.
2. To declare dividend for the year 2014 as recommended by the Board of Directors.
3. To elect Directors of the Company retiring in terms of relevant Article of the Company's Articles of Association.
4. To appoint Auditors for the year 2015 and to fix their remuneration.

By order of the Board



Md. Mahfuzul Haque, FCMA
Company Secretary

Dhaka, 24 May 2015

Notes:

1. Members whose names appeared on the Members/Depository Register as on "Record Date" i.e. 20 May 2015 are eligible to attend the Annual General Meeting (AGM) and receive dividend.
2. A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead.
3. The "Proxy Form", duly filled and stamped at Tk. 20 must be deposited at the Company's Share Office located at 'United Centre', House - NW(J) - 6, Road - 51, Gulshan - 2, Dhaka - 1212, Bangladesh not later than 48 hours before commencement of the AGM.
4. Members/Proxies are requested to record their entry in the AGM well in time on 24 June 2015. The registration counter will open at 9:00 am on the AGM date.
5. In case of non-receipt of Annual Report 2014 of the Company sent through courier, Members may collect the same from the Company's Share Office within 23 June 2015. No additional Annual Report will be distributed at AGM venue. Soft copy of the Annual Report is available in Investor Relations section of the Company's website: www.unitedpowerbd.com

Special Note:

No benefit or gift in cash or kind shall be given to the Shareholders for attending the 8th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

Message from the Chairman

Honorable Shareholders, Respected Members of the Board and Distinguished Guests, it is with immense pleasure that I welcome you all to the 8th Annual General Meeting of United Power Generation & Distribution Company Ltd (UPGDCL).

On behalf of the entire Board of UPGDCL, I would like to convey our sincere appreciation and gratitude to you, our esteemed shareholders, for your continuous support and cooperation and for being here with us to celebrate the occasion. I am delighted to present to you the Director's Report and audited Financial Statements for the year ended 31 December 2014 along with the Auditor's Report.

United Power Generation & Distribution Company Ltd., the first Commercial IPP in Bangladesh, has concluded yet another year of success and accomplishments. UPGDCL was formed to supply quality power to cater to the large industrial consumers, mainly the industries inside Dhaka and Chittagong Export Processing Zones. For this purpose the Company built a natural gas fired 35 MW Power Plant, with a subsequent addition of another 6 MW, in Dhaka EPZ (DEPZ) and 44 MW Power Plant in Chittagong EPZ (CEPZ), allowing their clients to put their undivided attention only on their core business rather than be concerned about their energy requirements.

Since UPGDCL's Power Plants came into operation, the availability of quality power led to exponential increase in Investment, Export and Employment of both DEPZ and CEPZ, which is well documented and acclaimed. Owing to such positive results and eventual growth of electricity demand, BEPZA asked UPGDCL to increase its capacity up to 100 MW each which led to the extension projects of both the plants. The first phase of extension, DEPZ up to 86 MW and CEPZ up to 72 MW, was commissioned on December 2013 and July 2013 respectively. The importance of reliable and quality supply of power is reflected in the achievements of our clients. CEPZ has ranked 9th in the top 10 Free Zones of the Future 2012/13, 3rd in top 10 Best Cost Effectiveness and 4th in top 10 Best Economic Potential in the Global Ranking 2010-11 by FDI Magazine.

UPGDCL's list of clientele also includes government bodies, namely Bangladesh Power Development Board, Rural Electrification Board, Atomic Energy Research Establishment, a concern of Bangladesh Atomic Energy Commission and several private large power consumers.

UPGDCL engaged in Initial Public Offering (IPO) exercise under the "Book Building Method" enabling the issuer, to determine the indicative price of its shares based on demand from Eligible Industrial Investors (EIs). Participating in an automated bidding process in the course of a road show for price discovery the investors were, accordingly, able to determine an indicative price based on the Company's Financial Statement of the year 2012 and its projected growth rate and earnings for the year 2013. After successful completion of the price discovery exercise, Bangladesh Securities & Exchange Commission (BSEC) issued Consent Letter to UPGDCL on 9 December 2014. The IPO Process has been stringently regulated by BSEC and the lottery was conducted on 19 February 2015 for issuing Letters of Allotment. The Company listed in Chittagong Stock Exchange (CSE) on 8 March 2015 and in Dhaka Stock Exchange (DSE) on 19

March 2015. On a happy note I announce that the Company has started its trading from 5 April 2015.

Being located inside the Export Processing Zone and being one of the key utility providers, UPGDCL is exempted from paying taxes. This exemption helps to increase the value of the shareholders. Against a challenging landscape of business, we have made satisfactory progress in pursuit of our mission to sustain excellence and equitable growth. On the key actions, we continue to deliver strong, stable and sustainable return for shareholders. I inform you all, with utmost delight, that our books show that UPGDCL has earned a revenue of Tk. 4,463.32 Million in 2014, which is a notable 31.43% more than the revenue earned in 2013. In 2014, the company's Operating Profit amounted to Tk. 2,821.03 Million, 33.38% more compared to 2013. The Earnings Per Share (EPS) also increased by 38.8% in 2014.

I understand that 2015 will be a more challenging and telling year for the economy as well as the power sector of Bangladesh. I strongly believe that UPGDCL's capital position, strength of business and the ability and dedication to deliver to its Customers through power generation and distribution will have a significant impact in the development of the nation and create compelling opportunities in the new, competitive landscape, building up on the momentum that we established in the past years.

On behalf of the Board of Directors, I would like to express my thanks to the Honorable Prime Minister, Honorable Energy Advisor, Honorable State Minister, Senior Secretary of PMO, Ministry of Power, Energy and Mineral Resources, Bangladesh Export Processing Zones Authority, Bangladesh Securities & Exchange Commission, Stock Exchanges, Registrar of Joint Stock Companies, Bangladesh Power Development Board, Rural Electrification Board, Petrobangla, Department of Environment, United Engineering & Power Services Ltd., Central Depository of Bangladesh Ltd., Respected Shareholders, Preference shareholders, Investors, Customers, Commercial banks and all other companies which participated in the IPO process for their unwavering support, encouragement, valuable help and assistance.

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

With Best Regards,

Sincerely Yours,



General Md. Abdul Mubeen, SBP, ndc, psc (Retd.)
Chairman



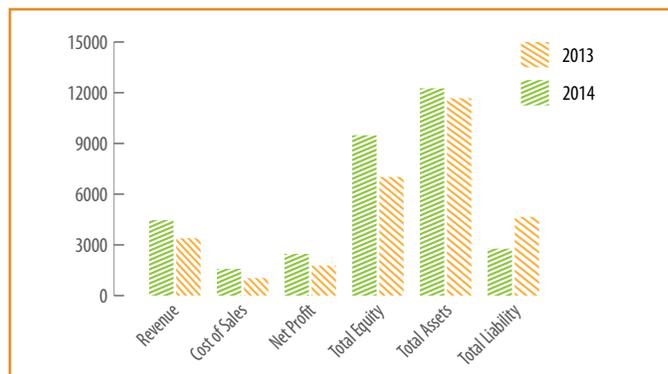
General Md. Abdul Mubeen, SBP, ndc, psc (Retd.)
Chairman

Analysis of Financial Statements

Key Highlights 2014

(BDT in million)

Particulars	2014	2013	Change (%)
Revenue	4463.32	3396.09	31.43
Cost of Sales	1582.65	1038.61	52.38
Net Profit	2464.63	1774.43	38.90
Total Equity	9485.29	7020.81	35.10
Total Assets	12263.07	11678.01	5.01
Total Liability	2777.77	4657.20	(40.36)



United Power Generation and Distribution Company Ltd. managed to maintain its profitability despite the various macroeconomic challenges the economy underwent in 2014. As can be seen from the review below, the Company managed to exhibit increased revenue performance and net profit:

Revenue increased by 31.43% to Taka 4463.32 million in 2014 from Taka 3396.09 million in 2013. This increase in Revenue occurred due to the increase in production and increase in sales price per unit.

Cost of Sales increased by 52.38% to Taka 1582.64 million in 2014 from Taka 1038.63 million in 2013. The increase occurred due to the increase in fuel consumption (gas) for incremental production, spare parts and operation & maintenance expenses in the power plants as a result of capacity enhancement, major maintenance of power generation equipment and machinery.

Net Profit went up by 38.9% to Taka 2464.63 million in 2014 from Taka 1774.43 million in 2013. The increase in Net Profit occurred on account of operational and cost efficiency. Consequently the Earnings per Share was raised from Taka 5.98 to Taka 8.30.

Total Equity increased by 35.1% to Taka 9485.29 million in 2014 from Taka 7020.81 million in 2013 mainly due to increase in Retained Earning. The Share Capital of the Company remains unchanged as no shares were issued during the year 2014.

Total Assets increased by 5.01% to Taka 12263.07 million in 2014 from Taka 11678.01 million in 2013 mainly due to increase in Cash & Cash Equivalents, Trade Receivables and Inter Company Receivables.

Total Liabilities saw a significant decrease by 40.36% to Taka 2777.77 million in 2014 from 4657.2 million in 2013 due to redemption of redeemable cumulative preference share and repayment of Long Term borrowings.

DIRECTORS' REPORT

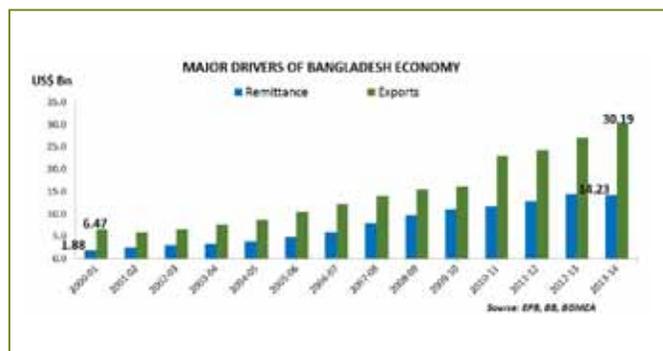
For the year ended 31 December 2014

Report of the Board of Directors to the Shareholders under Section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's (BSEC) notification No. SEC/CMRRCD/2006-158/134-Admin/44 dated 7 August 2012.

Dear Shareholders,

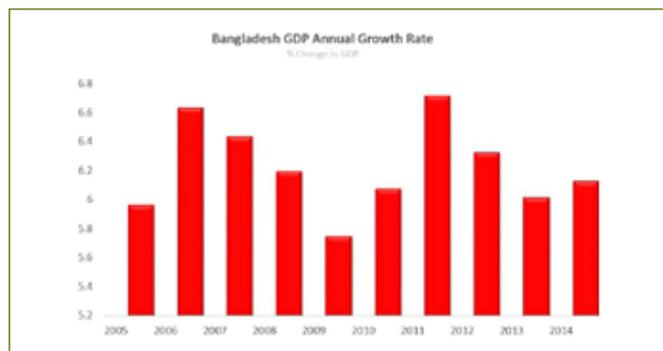
On behalf of the Board of Directors, I welcome you all to the 8th Annual General Meeting of the company, and have the pleasure to submit before you the Operational Activities and Audited Financial Statement of the company for the year 2014, along with the Auditor's Reports thereon.

Economic Environment of Bangladesh



Despite the slow recovery of the global economy especially in developed countries and prevailing adverse internal situation in Bangladesh, the domestic economy has managed to consistently exceed growth rates of five per cent since 2009.

The Gross Domestic Product (GDP) in Bangladesh expanded by 6.12 percent in 2014 from the previous year. GDP Annual Growth Rate in Bangladesh averaged 5.64 percent from 1994 until 2014. Bangladesh achieved 6.7 percent Growth in the year 2011, which was the highest rate achieved since the year 1994 and the growth performance was possible due to strong rebound in export and the expansion of the



manufacturing sector.

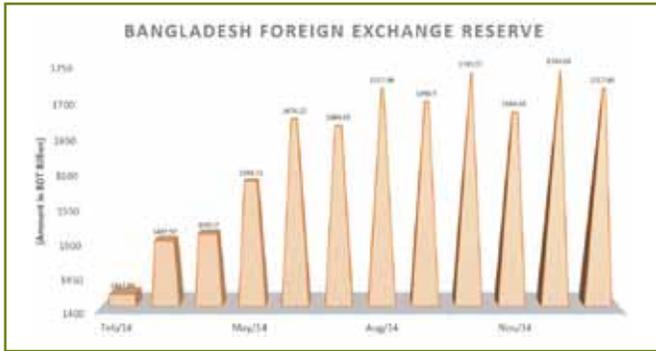
The year 2014 has been one of the most challenging year for the country's economy in recent times. However, against all odds, Bangladesh has been able to attain a GDP growth of 6.12% in the year 2014, whereas the projected growth of our neighboring developing countries has been below 6% in the fiscal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

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

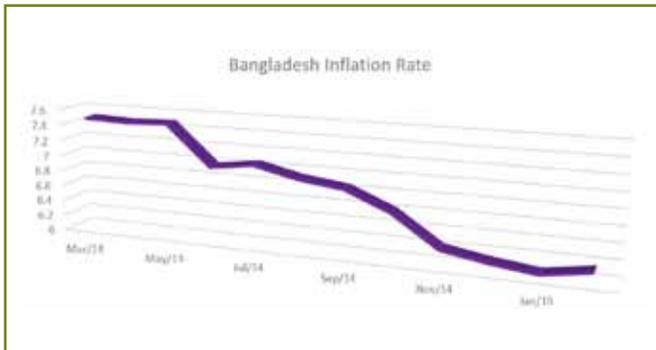


Foreign Exchange Reserves in Bangladesh decreased to BDT 1718.86 Billion in December 2014 from BDT 1744.63 Billion in November 2014. Foreign Exchange Reserves in Bangladesh averaged BDT 334.25 Billion from 1990 until 2014, reaching an all-time high of BDT 1744.63 Billion in November 2014 and a record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

Directors' Report



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



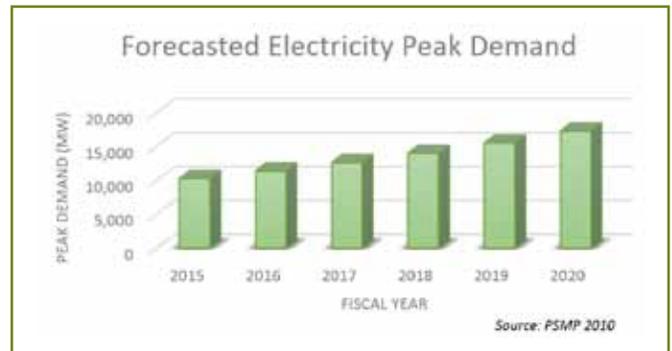
In light of the above we may conclude that the performance of Bangladesh's economy is quite well in terms of Gross Domestic Product (GDP), Consumer Price Index (CPI), Foreign Exchange Reserves and Inflation Rate.

Power Sector Scenario in Bangladesh

Bangladesh with its 160 million people in a land of 147,570 square-km has shown tremendous growth in recent years. A booming economic growth, rapid urbanization, increased industrialization and development has increased the country's demand for electricity. The installed electric generation capacity stands 11,203 MW in May 2015. Obstacles, in the Bangladesh's electric power sector includes high system losses, delays in completion of new plants, low plant efficiencies, erratic power supply, electricity theft, blackouts, and shortages of funds for power plant maintenance. Overall, the country's generation plants have been striving to meet system demand over the past decade.

Recognizing this constraint the present government has prioritized power sector right from its election manifesto. As per the manifesto, electricity generation in the country was supposed to be 5000 MW by the year 2011 and 7000 MW by 2013. The government has been successful in meeting these targets and has even been able to achieve higher level of precedents. The government aims to add additional 9600MW electricity generation capacity from 2014 to 2018 under medium and long term plan. The government has further extended its vision targeting the upcoming years up to 2030 and prepared the Power System Master Plan 2010 (PSMP). This plan states that the generation capacity should be about 39,000 MW in 2030. According to the PSMP - 2010 year wise peak demand forecast is appended below.

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

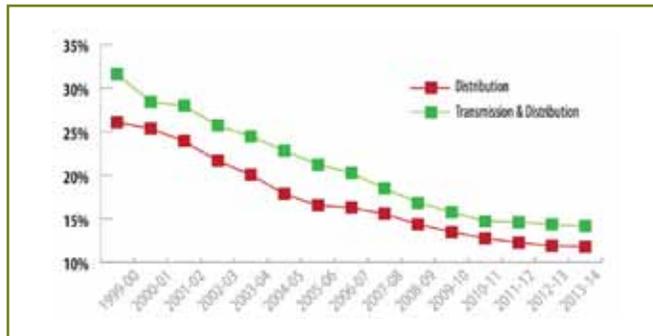


The installed power generation capacity (as of February 2015) stood at 10,868 MW of which the public sector produced 54.1% and private sector produced 45.9% of the total electricity produced in the country. It may be mentioned here that United Group contributes about 7% in the nation's power sector.

Public Sector	Installed Generation Capacity (MW)
BPDB	4,126
APSCL	687
EGCB	622
NWPGCL	368
RPCL	77
Sub Total	5,880

Private Sector	Installed Generation Capacity (MW)
IPPs	2,017
SIPPs (BPDB)	99
SIPPs (REB)	251
15 yr. Rental	167
3/5 yr. Rental	1,954
Power Import	500
Sub Total	4,988
Total	10, 868

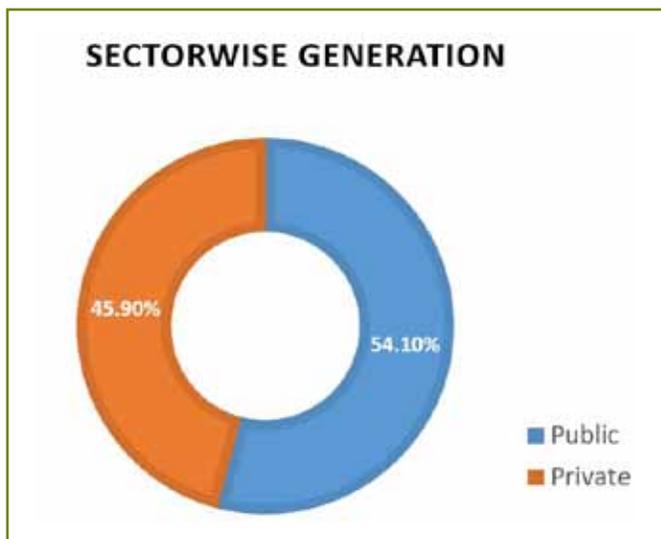
Considering the country's future energy security, the government has rightly given due importance on renewable energy, energy efficiency as well as energy conservation. Access to electricity has been raised from 47% to 70% (including Renewable Energy) and per capita electricity generation improved drastically (from 220 kWh to 370 kWh). Around 3.45 million people have newly been connected and System Loss (distribution) reduced from 15.67% to 12.03%. Highest generation so far was 7747 MW recorded on 20 May 2015, and it is increasing gradually.



Board and NTPC, India. In addition to this several other coal fired plants will be set up in different locations: Chittagong, Matarbari and Moheshkhali. The government is also progressing with negotiation for the implementation of nuclear power plant in cooperation with Russia and Japan. Cooperation has been initiated through SAARC, SASEC and BIMSTEC etc. for sharing of hydropower through cross-border connectivity and capacity development. At present, Bangladesh is importing 500MW of electricity from India through grid interconnectivity with a process underway to bring in another 600MW.

The government has taken up huge development plans in the transmission and distribution system to accommodate the increased generation. From April 2010 to April 2011, distribution line was been extended from 2,66,460 km to 2,70,000 km. Government has undertaken a massive plan to strengthen the transmission system and fulfill the future demand of electricity with its aim to achieve its Vision 2021. It is expected that by 2017, 1,10,000 km new distribution line will be built to accommodate new customers.

Relentless and careful monitoring over implementation of long term, mid-term and emergency measures has led the government to achieve landmark progress in realizing its target to make Bangladesh a complete power hub.



Several programs have been undertaken to promote use of renewable energy keeping in mind the country's future energy security and low-carbon emission strategy. Government has formulated pro-investment policy to encourage private sector investment in Renewable Energy (RE) Sector. Bangladesh has the fastest growing Solar Home System (SHS) in the world with about 3.6 million homes covered under the program being spearheaded by a public infrastructure financing entity. A coal fired plant with capacity of 1,320 MW will be set up in Khulna, a joint venture project between Bangladesh Power Development



Directors' Report

Business Opportunities for Private Sector

To encourage private sector to investment in the power sector of the country the Government of Bangladesh adopted several policies namely Private Sector Power Generation Policy of Bangladesh, 1996 (revised 2004) and Policy Guideline for Enhancement of Private Participation in the Power Sector, 2008. The government has also taken a pragmatic step to revise the Electricity Act 1910, to be renamed as Electricity Act 2015, where adequate provisions has been kept to facilitate private companies to participate in developing the nation's power sector. Investment in power sector, at present, can be considered to have a much rewarding outcome. Some of such benefits for potential investors are as follows:

Facilities and Incentives for Private Power Companies	Facilities and Incentives for Foreign Investors
<ul style="list-style-type: none"> Exemption from corporate income tax for different tenor/period with different tax rates 	<ul style="list-style-type: none"> Tax exemption on royalties, technical know-how and technical assistance fees, and facilities for their repatriation.
<ul style="list-style-type: none"> Allowed to import plant equipment and spare parts at up to a maximum of ten percent (10%) of the original value of total plant and equipment within a period of fifteen (15) years of commercial operation without payment of customs duties, VAT and any other surcharges as well as import permit fee except for indigenously produced equipment manufactured according to international standards. 	<ul style="list-style-type: none"> Tax exemption on interest on foreign loans. Tax exemption on capital gains from transfer of shares by the investing company.
<ul style="list-style-type: none"> Repatriation of equity along with dividends allowed freely. 	<ul style="list-style-type: none"> Avoidance of double taxation case of foreign investors on the basis of bilateral agreements.
<ul style="list-style-type: none"> Exemption from income tax for foreign lenders to such companies. 	<ul style="list-style-type: none"> Exemption of income tax for up to three years for the expatriate personnel employed under the approved industry.
<ul style="list-style-type: none"> The foreign investors will be free to enter into joint ventures but this is optional and not mandatory. 	<ul style="list-style-type: none"> Remittance of up to 50% of salary of the foreigners employed in Bangladesh and facilities for repatriation of their savings and retirement benefits at the time of their return.
	<ul style="list-style-type: none"> No restrictions on issuance of work permits to project related foreign nationals and employees. Facilities for repatriation of invested capital, profits and dividends.

Business Activities including Operating Performance

United Power Generation & Distribution Co. Ltd. (UPGDCL) is the country's first Commercial Independent Power Producer. Established under the Private Sector Power Generation Policy of Bangladesh, 1996 (Revised in November 2004). UPGDCL's power plants have been in operation for the past six and a half years. Initially UPGDCL started its journey with a 35 MW gas-fired, modular power plant in Dhaka EPZ, with a subsequent addition of 6 MW. In the following years a 44 MW gas-fired modular power plant was commissioned in Chittagong EPZ and by December 2013 UPGDCL's total installed capacity was enhanced to 160 MW. The principal activity of your company is to generate electricity and deliver output to Dhaka, Chittagong and Karnaphuli EPZs, REB, BPDB and several private customers. In addition, the DEPZ plant also produces steam as a by-product, using the exhaust of the engines and sells it commercially to industries inside Dhaka EPZ having demand for quality steam

Production

Name of the Plant	Installed Capacity (kW)	Capacity Utilization	Production (kWh)		Sales (kWh)	
			2014	2013	2014	2013
DEPZ	85,540	63%	448,009,720	283,357,570	434,542,144	278,093,102
CEPZ	71,670	77%	454,528,231	354,216,483	445,254,801	346,223,915
Total	159,290		902,537,951	637,574,053	879,796,945	624,317,017



During the year 2014, your company exported 879.797 million units (kWh) as compared to 624.317 million units (kWh) in 2013, representing an overall growth of 41% in export. The average capacity utilization from both the plants is 70%. The Operational Performance Highlights has been enclosed as **Annexure 5**.

Significant Deviation from Previous Year's Operating Results

The deviation from previous year's operating results is not significant.

Contribution to the Economy and the National Exchequer

Electricity is indisputably the indispensable tool for the development of industrialization and hence the nation's economy. The 879.797 million kWh of reliable, quality electricity exported from your company's power plants had a notable contribution to the country's power sector, enhancing industrial production, and consequently creating more job opportunities. As a shareholder you can be proud of your Company's contribution to the nation's economy.

UPGDCL has received exemption from all corporate taxes from the Government of Bangladesh under the Private Sector Power Generation Policy, 1996 for a period of 15 years from start of its commercial operation vide S.R.O. reference 188-LAW/Income Tax/2009/Income Tax Ordinance (#36) 1984 dated 1 July 2009. For the Company such exemption will expire in the year of 2023. UPGDCL also enjoys VAT, tax exemptions for being located inside export processing zones (duty free zones).

You will be pleased to know that this year your company's contribution to the National Exchequer was Tk. 47.48 Million in 2014.

Extraordinary Gain or Loss

There is no extra-ordinary gain or loss in the financial statements under report



Related Party Transaction

The related party transactions carried out by the Company on a commercial basis have been disclosed in notes 36 to the financial statements

Utilization of proceeds from Public Issues

As the IPO proceeds were received in 2015, the utilization of which is still in progress and as such has not been reported.

Deterioration of Financials post-IPO

It is still too early to determine the effect on financials post – IPO. As the proceeds were received on 2015, it had no effect on the financials of 2014.

Significant variance between Quarterly and Annual Financial Statements

No significant variations have occurred between quarterly and annual financial results of the Company during the year under report.

Remuneration of Directors

Remuneration of Chairman and Managing Director is being paid. Directors including Independent Director are paid attendance fee per meeting. Related fees have been disclosed in notes 18 of the financial statements.

Corporate and Financial Reporting Framework

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

1. Selection of suitable accounting policies and then applying them consistently.
2. Making judgement and estimates that are reasonable and prudent.
3. Ensuring that the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS)
4. Preparing the financial statements in an ongoing concern basis unless it is appropriate to presume that the company will not continue in business.

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

In compliance with the requirements of the BSEC's Notification dated 7th August 2012, the Directors are also pleased to make the following declarations in their report:

Directors' Report

- The financial statements prepared by the management of your Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of your Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards and International Financial Reporting Standards as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;
- The system of internal control is well structured and has been effectively implemented and monitored;
- There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;
- Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in financial results & profit appropriation;
- Key financial and operating data has been summarized for the preceding five years in Annexure – 4 and 5 respectively;
- The number of Board meetings held during the year and attendance of each director has been disclosed;
- The pattern of shareholding has been reported in Annexure - 6 to disclose the aggregate number of shares;

Financial Result and Performance of the Company

Particulars	2014 (in million taka)	2013 (in million taka)
Revenue	4,463.32	3,396.10
Cost of Sales	(1,582.65)	(1,038.61)
Gross Profit	2,880.68	2,357.48
General and Administrative Expense	(59.65)	(242.52)
Operating Profit	2,821.03	2,114.96
Finance Income	130.92	32.25
Finance Expenses	(441.5)	(360.69)
Net Profit before Income Tax	2,510.45	1,786.52
Income Tax	(45.82)	(12.09)
Net Profit after Income Tax	2,464.63	1,774.43

The net profit margin during the year 2014 increased from 52.25% to 55.22% mainly due to increase in financial income and reduction of expenses.

Profit Appropriation

During the year 2014 the Company's net profit amounted to Tk. 2,464.63 Million as compared to Tk. 1,774.43 Million in the year 2013. The Directors of the company recommend to appropriate as follows:

Particulars	Amount (in Million Taka)
Net Profit available for appropriations	2,464.63
Appropriations	
Distribution of Cash Dividend for the year 2014 @ Tk. 3.00 per share	989.85
Stock Dividend 1 (One) share for 10 (Ten) shares for the year 2014	329.95
Transfer to Retained Earnings	1,144.83
	2464.63

Dividend

The Board recommends a cash dividend of 30% (i.e. Taka 3.00 per share of Taka 10.00 each) and stock dividend of 10% (i.e. 1 bonus share for every 10 shares) for the year 2014, subject to approval by the shareholders at the Annual General Meeting.



Board of Directors' Meeting and Attendance

The Board of Directors of the Company comprises of ten (10) members including two (2) independent directors. Names and profiles have been provided in detail under the heading Directors' Profile of this Annual Report. A statement for each of their involvement in other corporate bodies is provided in Annexure – 7.

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

Eleven (11) Board Meetings took place during the year 2014. The attendance of the Directors are as follows:

Name	Designation	Attendance
General Md. Abdul Mubeen (Retd.)	Chairman	11
Mr. Hasan Mahmood Raja	Director	11
Mr. Akhter Mahmud Rana	Director	8
Mr. Ahmed Ismail Hossain	Director	8
Mr. Khandaker Moinul Ahsan Shamim	Director	11
Mr. Faridur Rahman Khan	Director	11
Mr. Abul Kalam Azad	Director	11
Mr. Moinuddin Hasan Rashid	Managing Director	11
Lt Gen Sina Ibn Jamali (Retd)	Independent Director	1
Mr. Md. Ebadat Hossain Bhuiyan, Fca	Independent Director	1

N.B.: The Independent Directors were appointed on 30 December 2014. The Directors who could not attend the meeting were granted leave of absence.



Directors' Election and Re-Appointment

As per article 23(b) of the Articles of Association, General Md. Abdul Mubeen (Retd.), Mr. Faridur Rahman Khan and Mr. Moinuddin Hasan Rashid shall retire in the 8th Annual General Meeting and by rotation and being eligible, offer themselves for re-election.

In exercise of the power vested in article 20(c) of the Articles of Association of the Company, the Board appointed Lt. Gen. Sina Ibn Jamali, awc, psc (retd) and Mr. Ebadat Hossain Bhuiyan, FCA as Independent Director on 30 December 2014. Both the Independent Directors will retire on the 8th Annual General Meeting and being eligible offer themselves for re-election.

Audit Committee

Audit committee of UPDGCL comprises of 3 (three) members of the Board of Directors nominated by the Board of Directors and operates according to the charter of the Committee approved by the Board on the basis of Bangladesh Securities & Exchange Commission guidelines.

The Audit Committee has met once during this year and comprises of the following Board members:

1. Lt Gen Sina Ibn Jamali, awc, psc (Retd) - Chairman
2. Mr. Abul Kalam Azad - Member
3. Mr. Md. Ebadat Hossain Bhuiyan, FCA - Member

Appointment of Auditor

Hoda Vasi Chowdhury & Co., Chartered Accountants retires at the 8th Annual General Meeting as Auditor of the Company. The retiring auditor is eligible for re-appointment and therefore offer themselves for reappointment as Auditor of the Company for the year 2015.

Risk Management:

Investment in equity shares involves various levels of risk. Consequently, the return of investment is dependent on the functioning of the risk factors, UPDGCL operates in an industry which is exposed to a number of internal and external risk factors over which our company has little or no control. The occurrence of the risk factors as delineated hereunder can have significant bearing on the operational and financial performance of the Company. Therefore, it is imperative to thoroughly understand the risk profile of the Company along with management's perception of the risks so that you are aware that your company is in safe hands.

Credit risk:

Credit risk refers to the 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.

Directors' Report

Your company's product, electricity and steam, is sold 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 customers under the conditions of the long term Power Sales Agreement (PSA)/Power Purchase Agreement (PPA). Sales made to these entities are fully secured by Letters of Credit issued by local scheduled banks. Credit risk does not arise in respect of any other receivables.

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

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.

Your company's management ensures you that UPGDCL has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast that has been prepared based on timeline of payment of the financial obligation and has accordingly arranged for sufficient liquidity/fund to make the expected payment within due date. Moreover, UPGDCL seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

Market risk

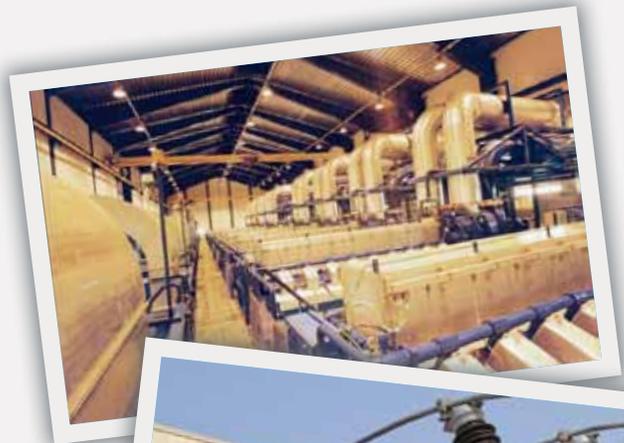
Market risk refers to the risk that accompanies the changes in market forces, such as foreign exchange rates and interest rates, which affects the Company's income or the value of its holding of financial instruments.

a) Currency Risk :

Your Company is exposed to currency risk as it imports machinery and equipment against payment of international currencies (USD and EURO). Unfavorable volatility or currency fluctuations may increase import cost and thus affect profitability of the company. However, the management of your company is fully aware of the risks associated with currency fluctuations. Major imported machinery and equipment purchases from abroad has been settled. Currently spare parts are being procured from suppliers from various countries. However, cost of these imported parts are a small component of revenues generated by the Company. Therefore, your Company's management believes that currency risk is not going to hamper business of the Company.

b) 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 rate could increase the cost of debt and negatively impact profitability. The management of your company is well aware of the volatility in the money market of our country and believes that rising interest rates will not substantially affect the Company. UPGDCL's finance cost to revenue ratio has improved from 10.62% in 2013 to 9.89% in 2014 and the interest coverage ratio was more than 5 times during the year 2014.



Capital Risk Management

Capital risk management refers to the implementation policies and measures adopted to maintain sufficient capital (consisting of share capital and retained earnings) and to assess the Company's internal capital adequacy to ensure its operation as a going concern. Valued shareholders, it is for your kind information that all major investment and operational decisions having even the slightest exposure to any risk are evaluated and approved by the Board or your Company. The level of dividends to ordinary shareholders are monitored by the Board.

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.

The routine and proper maintenance of their own generating units 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 UPGDCL. The management of your company 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 Pragati Insurance Ltd. and Green Delta Insurance Company Ltd., to compensate for all potential damages caused in such situations.

Risk associated with supply of Raw Material (Gas Supply)

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 main product of your Company.

The supply of raw material to your Company is secured by the Gas Supply Agreements with Karnaphuli Gas Distribution Company Ltd. and Titas Gas Transmission & Distribution Company Limited for the term of the Power Supply Agreement with BEPZA. So there is no threat of interruption of supplies of the gas to the power plants that may hamper the generation of electricity. Furthermore, new gas are being explored and discovered in many areas of the country such as Narayanganj, Narshindi, and Bay of Bengal. As the Government of Bangladesh plans to add these discoveries to the national grid the management does not expect gas supply interruption in the future.

Going Concern

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

Good Corporate Governance

Good Corporate Governance requires a transparent, efficient and effective system of decision making. It aims for high level of transparency in the company's operation. It has always been the company's endeavor to excel through better governance. The management strictly adheres to two basic principles of corporate governance: transparency and disclosure.



The Board of UPGDCL comprises of 10 Members and each of the Board members are seasoned professionals equipped with academic and professional qualification in the field of business & administration. This gives strength for effective discharge of duties and responsibility of the Board. Board Meetings are held regularly where policy decisions are taken on the basis of open discussion and consensus, keeping the interest of all the shareholders and stakeholders of the company in mind. Since the inception of the company, the Board of Directors has been fully committed to build a strong and empowered management team. To ensure close monitoring and prompt actions of financial matters of the company an Audit Committee was formed.

In accordance with the requirement stipulated in condition No. 7 of the Bangladesh Securities & Exchange Commission's notification no – SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 issued under section 2CC of the Ordinance 1969 the Corporate Governance Compliance Report is shown in Annexure – 1. A certificate from Podder & Associates, Cost & Management Accountants confirming compliance of conditions of Corporate Governance Guidelines as stipulated under condition 7(i) is also annexed to this report as Annexure – 2. A Compliance Report on BAS and BFRS is also enclosed to this report as Annexure - 3

Corporate Social Responsibility

UPGDCL has travelled quite a distance since its inception in 2007. However, throughout its journey it never forgot its commitments to the society. UPGDCL has extensive plans to contribute towards several social and humanitarian causes, such as education, skill development, underprivileged children and so on. Till date, UPGDCL has constructed a mosque on the Ashulia highway, Dhaka, as part of its CSR activity. Plans are underway to construct primary schools and madrasas in

Directors' Report



the neighboring area of Dhaka and Chittagong EPZ. UPGDCL is also planning to undertake a Scholarship Program for poor and meritorious students of local schools and madrasa.

Human Resource Management:

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

Environmental and Social Obligation

United Power Generation & Distribution Company Ltd. (UPGDCL) is committed to conduct its business in socially responsible and environmentally sustainable manner. This commitment is consistent with our corporate objectives and is essential to continued business success. We shall:

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

The company is taking steps to implement the Integrated Management System (IMS) to make it compliant to ISO 9001:2008-Quality Management System (QMS), ISO 14001:2004-Environmental Management System (EMS), BS OHSAS 18001:2007 Occupational Health and Safety Management System (OH&S) and ISO 50001:2011 – Energy Management System (EnMS).

Future Plan

UPGDCL is apprehending load growth inside Dhaka and Chittagong Export Processing Zones due to an increase in the number of industries as well as capacity development of the existing industries housed inside. We are also anticipating increased load growth due to expansion of capacity of our private clients. We are hopeful that in time we will be successful to acquire more clients in the near future. Keeping all these in mind, to cater to this increasing demand UPGDCL has plans to undertake further capacity expansion, DEPZ to 120 MW and CEPZ to 100 MW. As the plants have a modular configuration, the number of generating units shall be increased. To facilitate the dispatch of increased power, the substation capacity will also be augmented respectively.

Acknowledgement

The Board of Directors would like to extend its foremost regards and appreciation to the valued Shareholders and other Stakeholders of the company for their persistent support and guidance to the company that led to this achievement. The Board also recognizes that the attainment made during the year was possible because of the cooperation, positive support and guidelines it had received from the Government of Bangladesh, Prime Minister's Office, Ministry of Power, Energy and Mineral Resources, Power Division, Energy Division, Ministry of Finance, National Board of Revenue, Ministry of Commerce, Board of Investment, Bangladesh Power Development Board, Petrobangla, Titas Gas Transmission & Distribution Company Ltd. and Karnaphuli Gas Distribution Company Ltd. and local administration and people. Accordingly the Board offers its utmost and sincere gratitude to them.

The Board would also like to express their humble gratitude to all the stakeholders including the investors, suppliers, banks & financial institutions, insurance companies, service providers, Bangladesh Securities & Exchange Commission, Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, The Central Depository of Bangladesh Limited, various Government Authorities and lastly the individuals and agencies who have helped us accomplish what we are today.

We also extend our warmest greetings and felicitations to the Management and Employees of United Group for being the essential part of UPGDCL during the year. It was their unrelenting commitment, dedication and diligence throughout the year that led to the company achieving the accolades so far.

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

With Best Wishes,
On behalf of the Board

Moinuddin Hasan Rashid
Managing Director

Annexure 1:

Compliance Report under BSEC's Notification under 2CC

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/admin/44 dated 7 August 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969 is presented below:
(Report under Condition No. 7.00)

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1	Board of Directors			
1.1	Boards size			
	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		The UPGDCL Board is comprised 10 Directors including 01 Managing Director and 02 Independent Director.
1.2	Independent Directors			
(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		There are two Independent Directors in the UPGDCL Board.
(ii)	<i>For the purpose of this clause 'Independent directors' means a director-</i>			
a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		Independent Directors have declared their compliance
b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company :	√		
c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	√		
d)	Who is not a member, director. or officer of any stock exchange;	√		
e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
f)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
g)	Who shall not be an independent director in more than 3 (three) listed companies;	√		
h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).		√	Approval for appointment of Independent Director shall be placed in the upcoming AGM on 24 June, 2015
(iv)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	√		No such incidence arose
(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
(vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	√		
1.3	Qualification of Independent Director (ID)			
(i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		The qualification and background of IDs justify their abilities as such.

Annexure 1:

Compliance Report under BSEC's Notification under 2CC

Condition No.	Title	Complied	Not Complied	Remarks (if any)
(ii)	The person should be a Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have a least 12(twelve) years of corporate management /professional experiences.	√		
(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not applicable
1.4	Chairman of the Board and Chief Executive Officer			
(i)	The position of the chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	√		Different persons hold the positions with specific responsibilities set by the Board
1.5	Directors Report to the Shareholders			
(i)	Industry outlook and possible future developments in the industry.	√		The Directors Report complies with the guideline
(ii)	Segment-wise or product-wise performance.	√		
(iii)	Risks and concerns.	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	√		
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	√		
(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		
(x)	Remuneration to directors including independent directors.			
(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
(xii)	Proper books of account of the issuer company have been maintained.	√		
(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
(xix)	if the issuer company has not declared dividend(cash or stock) for the year, the reasons thereof shall be given.	√		
(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
(xxi)	<i>The Pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:</i>			
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
(xxi) c)	Executives;	√		
(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
(xxii) a)	a brief resume of the director	√		
(xxii) b)	nature of his/her expertise in specific functional areas;	√		
(xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1 Appointment	The company shall Appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles,responsibilites and duties of the CFO, the Head of internal Audit and the CS.	√		
2.2 Requirement to attend the Board Meetings	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3	Audit Committee			
(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		Already in place
(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		In practice
(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall he clearly set forth in writing	√		In practice
3.1	Constitution of the Audit Committee			
(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
(ii)	The Board of Directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience,	√		
(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		

Annexure 1:

Compliance Report under BSEC's Notification under 2CC

Condition No.	Title	Complied	Not Complied	Remarks (if any)
(v)	The company secretary shall act as the secretary of the Committee.	√		
(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2	Chairman of the Audit Committee			
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee			
(i)	Oversee the financial reporting process.	√		
(ii)	Monitor choice of accounting policies and principles.	√		
(iii)	Monitor Internal Control Risk management process.	√		
(iv)	Oversee hiring and performance of external auditors.	√		
(v)	Review along with the management, the annual financial, statements before submission to the board for approval.	√		
(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
(vii)	Review the adequacy of internal audit function.	√		
(viii)	Review statement of significant 'related party transactions submitted by the management.	√		
(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	√		
3.4	Reporting of Audit Committee			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	√		
3.4.1 (ii) a)	report on conflicts of interests;			
b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	√		
c)	suspected infringement of laws, including securities related laws, rules and regulations;:	√		
d)	any other matter which shall be disclosed to the Board of Directors immediately.	√		
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	√		
Reporting to the Authorities				
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		

Condition No.	Title	Complied	Not Complied	Remarks (if any)
4	External/ Statutory Auditors			
	The issuer company should not engage its external /statutory auditors to perform the following services of the company; namely:-			
(i)	Appraisal or valuation services or fairness opinions.	√		
(ii)	Financial information system design and implementation	√		
(iii)	Book-keeping or other services related to the accounting records or financial statement	√		
(iv)	Broker –dealer services	√		
(v)	Actuarial services	√		
(vi)	Internal audit services	√		
(vii)	Any other services that the audit committee determines.	√		
(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
(ix)	Audit/ Certification services on compliance of corporate governance as required under clause (i) of condition o. &	√		
5	Subsidiary Company			
(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			No subsidiary company
(ii)	At least 1 (one) independent director of the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			No subsidiary company
(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			No subsidiary company
(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			No subsidiary company
(v)	The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary company.			No subsidiary company
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
	The CEO and CFO shall certify to the Board that:-			
(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:			
a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the company's code of conduct.	√		
7	Reporting and Compliance of Corporate Governance			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 31st December 2014.
(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		

Annexure 2: Certificate on Compliance of Corporate Governance



Annexure 3: Compliance Report on BAS and BFRS

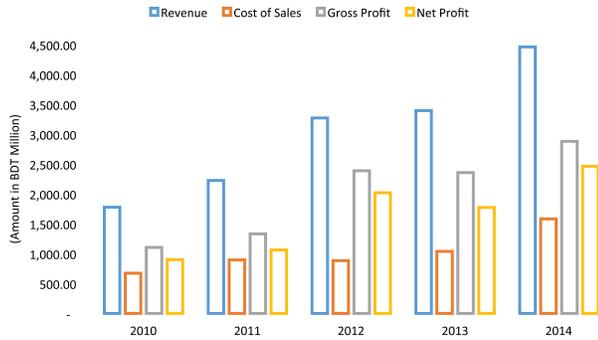
Sl. No.	BAS Titles	BAS Effective Date	Remarks
BAS-01	Presentation of Financial Statements	Adopted, on or after 1st January 2007	Applied
BAS-02	Inventories	Adopted, on or after 1st January 2007	Applied
BAS-07	Statement of Cash Flows	Adopted, on or after 1st January 1999	Applied
BAS-08	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted, on or after 1st January 2007	Applied
BAS-10	Events after the Reporting Period	Adopted, on or after 1st January 2007	Applied
BAS-11	Construction Contracts	Adopted, on or after 1st January 1999	N/A
BAS-12	Income Taxes	Adopted, on or after 1st January 1999	Applied
BAS-16	Property, Plant & Equipment	Adopted, on or after 1st January 2007	Applied
BAS-17	Leases	Adopted, on or after 1st January 2007	Applied
BAS-18	Revenue	Adopted, on or after 1st January 2007	Applied
BAS-19	Employee Benefits	Adopted, on or after 1st January 2004	Applied
BAS-20	Accounting of Government Grants and Disclosure of Government Assistance	Adopted, on or after 1st January 1999	N/A
BAS-21	The Effects of Changes in Foreign Exchange Rates	Adopted, on or after 1st January 2007	Applied
BAS-23	Borrowing Costs	Adopted, on or after 1st January 2010	Applied
BAS-24	Related Party Disclosures	Adopted, on or after 1st January 2007	Applied
BAS-26	Accounting and Reporting by Retirement Benefit Plans	Adopted, on or after 1st January 2007	N/A
BAS-27	Separate Financial Statements	Adopted, on or after 1st January 2010	N/A
BAS-28	Investments in Associates	Adopted, on or after 1st January 2007	N/A
IAS-29	Financial Reporting in Hyperinflationary Economics	Adopted, on or after 1st January 2013	N/A
BAS-32	Financial Instruments: Presentation	Adopted, on or after 1st January 2010	Applied
BAS-33	Earnings per Share	Adopted, on or after 1st January 2007	Applied
BAS-34	Interim Financial Reporting	Adopted, on or after 1st January 1999	Applied
BAS-36	Impairment of Assets	Adopted, on or after 1st January 2005	Applied
BAS-37	Provisions, Contingent Liabilities and Contingent Assets	Adopted, on or after 1st January 2007	Applied
BAS-38	Intangible Assets	Adopted, on or after 1st January 2005	Applied
BAS-39	Financial Instruments: Recognition and Measurement	Adopted, on or after 1st January 2010	Applied
BAS-40	Investment Property	Adopted, on or after 1st January 2007	N/A
BAS-41	Agriculture	Adopted, on or after 1st January 2007	N/A

Sl. No.	BFRS Titles	BAS Effective Date	Remarks
BFRS 1	First-time adoption of International financial Reporting Standards	Adopted as BFRS 1, effective on or after 1 January 2009	N/A
BFRS 2	Share-based Payment	Adopted as BFRS 2, effective on or after 1 January 2007	N/A
BFRS 3	Business Combinations	Adopted as BFRS 3, effective on or after 1 January 2010	N/A
BFRS 4	Insurance Contracts	Adopted as BFRS 4, effective on or after 1 January 2010	N/A
BFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Adopted as BFRS 5, effective on or after 1 January 2007	N/A
BFRS 6	Exploration for and Evaluation of Mineral Resources	Adopted as BFRS 6, effective on or after 1 January 2007	N/A
BFRS 7	Financial Instruments: Disclosures	Adopted as BFRS 7, effective on or after 1 January 2010	Applied
BFRS 8	Operating Segments	Adopted as BFRS 8, effective on or after 1 January 2010	N/A
BFRS 9	Financial Instruments	Adopted as BFRS 9, effective on or after 1 January 2013	Applied
BFRS 11	Joint Arrangements	Adopted as BFRS 11 effective on or after 1 January 2013	N/A
BFRS 12	Disclosure of Interests in other Entities	Adopted as BFRS 12, effective on or after 1 January 2013	N/A
BFRS 13	Fair Value Measurement	Adopted as BFRS 13, effective on or after 1 January 2013	Applied

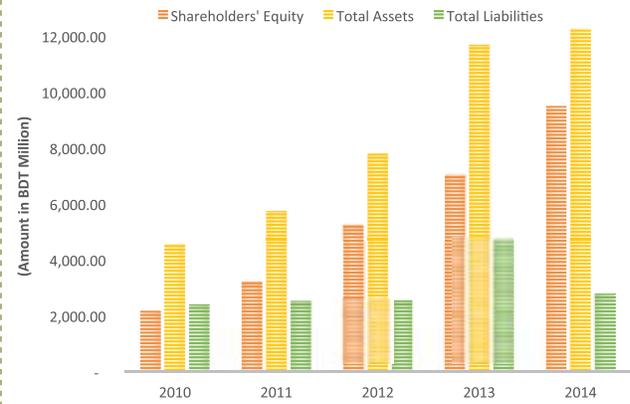
Annexure 4: Financial Highlights

	2014	2013	2012	2011	2010
Operating Data (BDT in million)					
Revenue	4,463.32	3,396.09	3,273.49	2,227.63	1,778.49
Operating expenses	1,582.65	1,038.61	884.55	895.48	673.31
Gross profit	2,880.68	2,357.48	2,388.94	1,332.15	1,105.18
Administrative expense	59.65	242.52	57.4	36.37	22.41
Operating profit	2,821.03	2,114.96	2,331.54	1,295.78	1,082.77
Other non-operating income	130.92	32.25	0.225	2.06	0.33
Financial expenses	441.5	360.69	311.2	234.8	182.15
Net profit before tax	2,510.44	1,786.52	2,020.56	1,063.04	900.28
Provision for income tax	45.82	12.09	0.084	0.771	-
Net profit after tax	2,464.63	1,774.43	2,020.48	1,062.27	900.28
Balance Sheet Data (BDT in million)					
Paid-up Capital	2,969.50	2,969.50	1,979.66	1,979.66	1,070.09
Shareholders' Equity	9,485.29	7,020.81	5,246.38	3,225.90	2,163.63
Total Debt	2,617.09	2,540.75	2,477.38	2,404.35	2,308.09
Current Assets	3,008.11	2,198.53	3,908.78	2,100.72	831.64
Current Liabilities	2,328.83	1,720.93	603.77	376.02	216.89
Total Asset	12,263.07	11,678.01	7,784.87	5,737.76	4,554.86
Total Liabilities	2,777.77	4,657.20	2,538.49	2,511.86	2,391.22
Financial Ratios					
Current Ratio (Times)	1.29	1.28	6.47	5.59	3.83
Debt to Equity Ratio (Times)	0.28	0.36	0.47	0.75	1.07
Debt to Asset Ratio (Times)	0.12	0.22	0.32	0.42	0.51
Return on Asset (%)	20.09	15	29.88	20.64	21.11
Return on Equity (%)	25.98	25.27	38.51	32.93	41.61
Gross Margin Ratio (%)	64.54	69.42	72.98	59.8	62.14
Net Income Ratio (%)	55.2	52.25	61.72	47.69	50.62
Other Data					
Earnings Per Share (Taka)	8.3	5.98	6.81	3.58	3.03
Stock Dividend (%)	10	Nil	50	Nil	85
Cash Dividend (%)	30	35	Nil	Nil	Nil
Total no of shares outstanding	296,949,726	296,949,726	197,966,484	197,966,484	107,008,910

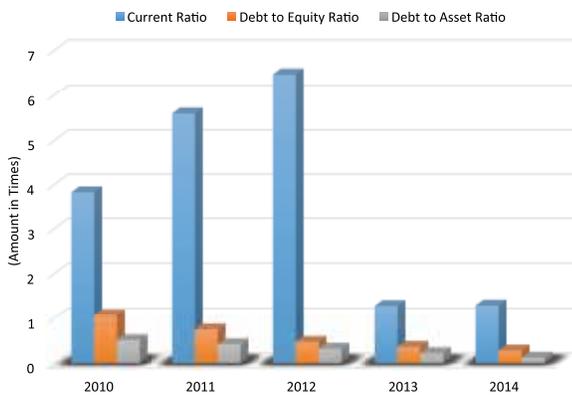
Operating Data



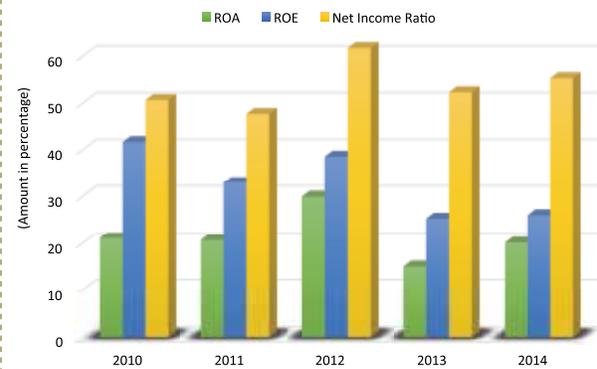
Balance Sheet



Financial Ratios

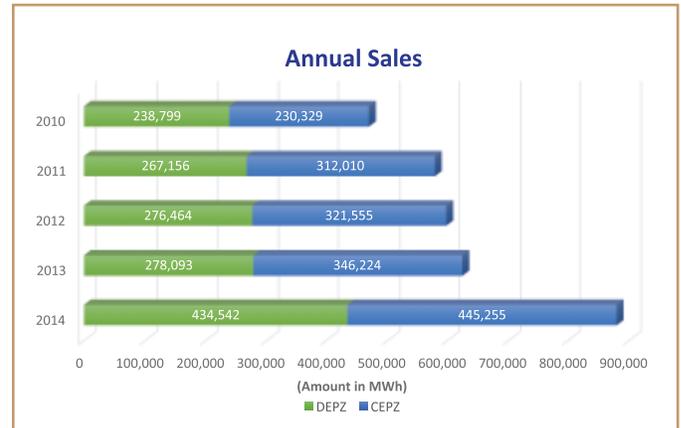


Financial Ratios

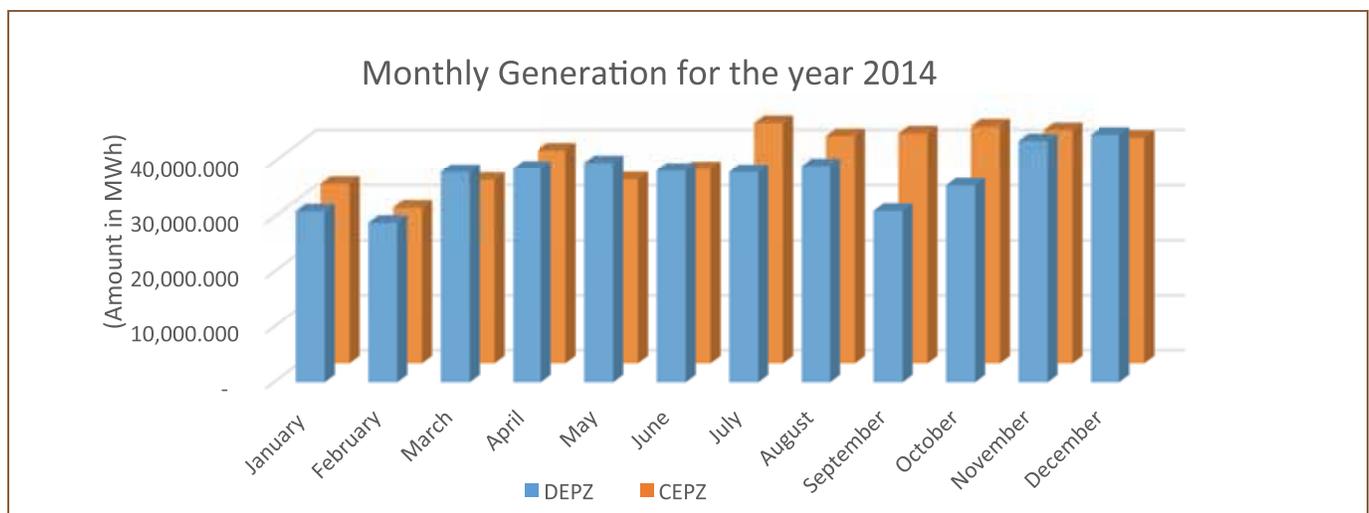


Annexure 5: Operational Performance Highlights

(Sales)	2014	2013	2012	2011	2010
	(Amount in MWh)				
DEPZ	434,542	278,093	276,464	267,156	238,799
CEPZ	445,255	346,224	321,555	312,010	230,329



UPGDCL DEPZ:	UPGDCL CEPZ:
Production From 1 January 2014 to 31 December 2014, UPGDCL's DEPZ power plant has produced 448,010 MWh.	From 1 January 2014 to 31 December 2014, UPGDCL's CEPZ power plant has produced 454,528 MWh. The engine wise running hours and generation are given below:
Sale From 1 January 2014 to 31 December 2014, UPGDCL's DEPZ power plant has sold 434,512 MWh to its clients.	From 1 January 2014 to 31 December 2014, UPGDCL's CEPZ power plant has sold 445,254 MWh to its clients.
Auxiliary Consumption From 1 January 2014 to 31 December 2014, UPGDCL's DEPZ power plant has consumed 12,670 MWh as auxiliary. This is 2.83% of Annual Production.	From 1 January 2014 to 31 December 2014, UPGDCL's CEPZ power plant has consumed 11,194 MWh as auxiliary. This is 2.46% of Annual Production.
Gas Consumption: During the year 2014 UPGDCL's DEPZ plant consumed 120,545,183 m ³ (pressure factor adjusted) of gas at a cost of Taka 339,937,416.06 to produce 448,010 MWh and sell 434,512 MWh. Fuel consumption is 0.269 m ³ /kWh.	During the year 2014 UPGDCL's CEPZ plant consumed 126,783,763 m ³ (pressure factor adjusted) of gas at a cost of Taka 393,283,231 to produce 454,528 MWh and sell 445,254 MWh. Fuel consumption is 0.3224 m ³ /kWh.
Lubricating Oil Consumption Lubricating Oil consumption for the year 2014 was 92,163 Liters which is less than the lube oil consumption of 106,591 Liters as recorded in 2013. The per unit consumption of lube oil is 0.206 mL/kWh.	Lubricating Oil consumption for the year 2014 was 117,501 Liters which is more than the lube oil consumption of 75,382 Liters as recorded in 2013 due to the addition of a third Rolls-Royce engine. The per unit consumption of lube oil is 0.2585 mL/kWh.



Annexure 6: Shareholding Information

as of 31 December 2014

Name of the Shareholders	Status	Shares held	% of Shareholding
i) Parent/Subsidiary/Associated Companies and Other Related Parties			
United Enterprises & Co. Ltd.	Sponsor Shareholder	155,339,035	52.31%
ii) Directors			
Mr. Moinuddin Hasan Rashid	Managing Director	25,489,929	8.58%
Mr. Hasan Mahmood Raja	Director	25,489,929	8.58%
Mr. Ahmed Ismail Hossain	Director	25,489,929	8.58%
Mr. Akhter Mahmud Rana	Director	25,489,929	8.58%
Mr. Khandaker Moinul Ahsan Shamim	Director	25,489,929	8.58%
Mr. Faridur Rahman Khan	Director	7,080,523	2.38%
Mr. Abul Kalam Azad	Director	7,080,523	2.38%
Lt. Gen. Sina Ibn Jamali, awc, psc (Retd.)	Independent Director	-	-
Mr. Md. Ebadat Hossain Bhuiyan, FCA	Independent Director	-	-
iii) Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and Their Spouses and Minor Children			
Mr. Moinuddin Hasan Rashid	Managing Director	25,489,929	8.58%
Mr. Md. Mahfuzul Haque, FCMA	Company Secretary	-	-
Mr. Akhterul Alam	Head of Internal Audit	-	-
iv) Executives			
	Not Applicable		
v) Shareholders Holding 10% or more voting interest in the Company			
United Enterprises & Co. Ltd.	Sponsor Shareholder	155,339,035	52.31%

Annexure 7: Directors' Involvement in other Organizations

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

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

Annexure 7: Directors' Involvement in other Organizations

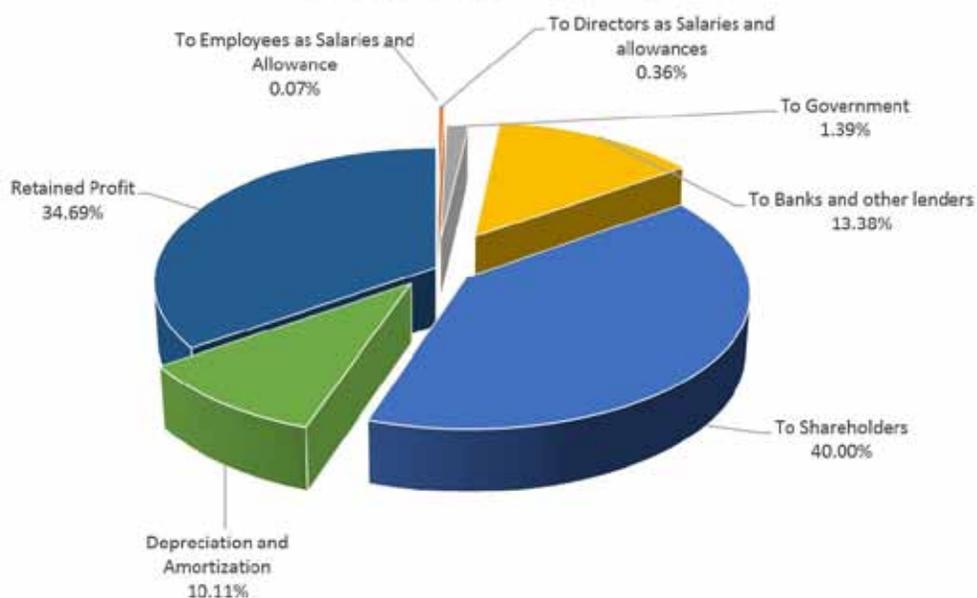
Name	Designation in the Company	Involvement with other Organizations	
		Name of the Organization	Position
MR. ABUL KALAM AZAD	Director	United Enterprises & Company Limited	Vice Chairman
		Neptune Land Development Limited	Managing Director
		United Land Port Teknaf Limited	
		Neptune Commercial Limited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

Name	Designation in the Company	Involvement with other Organizations	
		Name of the Organization	Position
MR. MOINUDDIN HASAN RASHID	Managing Director	United Enterprises & Company Limited	Managing Director
		United Ashuganj Power Limited	
		United Property Solutions Limited	
		Shajahanullah Power Generation Co. Ltd.	
		UG Ship Management Ltd.	
		United Maritime Academy Ltd.	
		United Grains & Spices Ltd.	
		United Ashuganj Energy Ltd.	
		United Hospital Limited	
		Novo Healthcare and Pharma Ltd.	
		IPCO Developments (Bangladesh) Limited	Director
		IPCO Hotels Limited	
		IPCO Resorts Ltd.	
		Khulna Power Company Limited	
		Khulna Power Co. Unit II Limited	
		Khanjahan Ali Power Co. Limited	
		United Engineering & Power Services Limited	
		United City Twin Tower Developers Limited	
		United Makkah Medina Travel & Assistance Co. Limited	
		Neptune Land Development Limited	
		United Land Port Teknaf Limited	
Gunze United Limited	Member		
United Polymers Limited			
United Elevator World Limited	Managing Director & CEO		
Soya Products Bangladesh Ltd.			
Comilla Spinning Mills Limited			
United International University			
LT. GEN. SINA IBN JAMALI, awc, psc (Retd.)	Independent Director	Radiant Nutraceuticals Ltd.	Corporate Adviser
		Radiant Distribution	
		Pharmacil Ltd.	Director
		Radiant Pharmaceuticals Ltd.	
Ebadat Hossain Bhuiyan, FCA	Independent Director	Khulna Power Company Limited	Group CFO
		Abdul Monem Ltd.	

VALUE ADDED STATEMENT

Particulars	Amount in BDT (million)	
	2014	2013
Value Added:		
Revenue	4,463.32	3,396.09
Other Income Including Interest	130.92	32.25
Cost of Sales, Excluding Depreciation	1,252.32	909.29
Other Operating Expenses	42.15	221.34
Total Value Added	3,299.77	2,297.71
Distribution of Added Value:		
To Employees as Salaries and Allowance	2.33	11.17
To Directors as Salaries and allowances	11.83	8.7
To Government	45.82	12.09
To Banks and other lenders	441.5	360.69
To Shareholders	1,319.80	1,154.82
	1,821.28	1,547.47
Retained for reinvestment:		
Depreciation and Amortization	333.67	130.62
Retained Profit	1,144.82	619.62
	3,299.77	2,297.71

Value Added Statement - 2014



REPORT OF AUDIT COMMITTEE - 2014

The Audit Committee of United Power Generation and Distribution Company Ltd. (UPGDCL) was established and its Charter was approved by the Company's Board in its meeting held on 30 December 2014. The Committee, a sub-committee of the Board, supports the Board in fulfilling its oversight responsibilities. The Audit Committee of UPGDCL comprises of the following Board members:

1. Lt Gen Sina Ibn Jamali, awc, psc (Retd) - Chairman
2. Mr. Abul Kalam Azad - Member
3. Mr. Md. Ebadat Hossain Bhuiyan, FCA - Member

The Audit Committee has met once during this year.

Role of the Committee

The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function. The major responsibilities of the Committee, among others, include:

- Reviewing the quarterly, half-yearly and annual financial statements and other financial results of the company and, upon its satisfaction of the review, recommend them to the board for approval.
- Monitoring and reviewing the adequacy and effectiveness of the Company's financial reporting process, internal control and risk management system.
- Monitoring and reviewing the arrangements to ensure objectivity and effectiveness of the external and internal audit functions. Examine audit findings and material weaknesses in the system and monitor implementation of audit action plans.
- Recommending to the Board the appointment, re-appointment or removal of external auditors.
- Reviewing and monitoring the Company's ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

Activities of the Committee on Company's affairs for the period under Report

The Committee during the period under report met one time and its activities include:

- Reviewed the audited financial statements of the Company for the year ended 31 December 2014 and being satisfied that the critical accounting policies, significant judgments and practices used by the Company are compliant with the required laws and regulations, also confirmed by the external auditor in their independent report, recommended to the Board for adoption.
- Reviewed the quarterly financial statements of the Company and recommended to the Board for adoption and circulation as per the requirement of Bangladesh Securities & Exchange Commission.
- Committee recommended Hoda Vasi Chowdhury & Co, Chartered Accountants, for re-appointment as the external auditors of the Company for the year ending on 31 December 2015.
- Reviewed the external auditors' findings arising from audit, particularly comments and responses given by the management.
- Reviewed the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).

The committee is of the opinion that reasonable controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and the financial position of the Company is adequately managed.

On Behalf of the Committee



Lt Gen Sina Ibn Jamali, awc, psc (Retd)
Chairman

CEO & CFO'S DECLARATION TO THE BOARD

Date : 29 April 2015

The Board of Directors
United Power Generation & Distribution Company .Ltd
United Center, House NW (J) – 6, Road 51
Gulshan 2, Dhaka 1212

Subject : **CEO and CFO's Declaration to the Board**

Dear Sirs,

In compliance with the condition no. 6 imposed by Bangladesh Securities & Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 7 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby certify to the Board that:

- i. We have reviewed financial statements for the year ended 31 December 2014 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours



Md. Mahfuzul Haque, FCMA
Executive Director (Finance) & Company Secretary



Rear Admiral Bazlur Rahman (Retd.)
Chief Executive Officer

DIRECTORS' PROFILE



GENERAL MD. ABDUL MUBEEN, SBP, ndc, psc. (Retd.)
*Chairman & Nominated Director,
 United Power Generation &
 Distribution Company Ltd.*

General Muhammad Abdul Mubeen, SBP is a retired four-star General of the Bangladesh Army. He was a student of Adamjee Cantonment Public School and Adamjee Cantonment College and graduated from the Bangladesh Military Academy in 1976. General Mubeen is a graduate of the Defense Services Command and Staff College and also the National Defense College, Bangladesh. He has successfully completed the Senior Command Course from the War College in India. In his long service career he has attended various professional courses both at home and abroad. He completed the NATO Weapon Conversion Course, Officers Weapons Course and Junior Tactics Course from School of Infantry and Tactics, where he returned later to teach tactics. He went to Military School in Guangzhou, China to undergo Infantry Heavy Weapons Course.

General Mubeen has a commendable record of ethical leadership and retired from the Bangladesh Army in 2012 after a long distinguished military career spanning over three decades of honorable active service. He started his career as a commissioned officer in an Infantry battalion. During his service career he has served in various challenging command, staff and instructional appointments. He has commanded two infantry battalions, one infantry brigade and two infantry divisions including the largest field formation in Chittagong and Chittagong Hill Tracts involved in post counter insurgency operations. He has been the Director, Military Training of Bangladesh Army and senior tactics instructor in Bangladesh Military Academy. He served as the Chief of Staff in United Nations Operations in Mozambique (ONUMOZ). He has been at the helm of affairs of two prestigious institutions namely Defense Services Command and Staff College and Bangladesh Institute of International and Strategic Studies. His last assignment in service was holding the highest office of the Chief of Army Staff, Bangladesh Army.

General Mubeen has attended, chaired and been a panelist in numerous international conferences, seminars and exercises both at home and abroad. Some of his significant ex-officio assignments include, but not limited to, being Chairman of The Trust Bank Limited, Chairman Sena Hotel Development Limited, Chairman Board of Trustees, Sena Kallyan Sangstha, President Bangladesh Olympic Association and President of Bangladesh Golf Federation.

For his commendable service the Government of Bangladesh has awarded him the highest military award "Sena Bahini Padak". Besides, General Mubeen's award and decorations include 16 operational, service and UN honors, medals and decorations for his distinguished service.

DIRECTORS' PROFILE



HASAN MAHMOOD RAJA

Director, United Power Generation & Distribution Company Ltd.

Mr. Hasan Mahmood Raja is one of the most 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'.

Mr. Raja had a keen interest and an innate aptitude for doing business and rendering service to the nation for promoting economic development of Bangladesh. With a humble beginning in 1978, Mr. Raja displayed his excellence in business entrepreneurship by building his business domain. The biggest milestone of his success is the courage to embark into new business ventures based on sound foresight, ingenuity and skillful execution. Within a span of 37 years of his business career, he successfully managed to establish many diversified business enterprises under the umbrella of United Group. Commitment, integrity and sincerity are the key values of his various business achievements.

Dominant position of United Group in the Country's Power and Real Estate sectors and creating unique establishments like Khulna Power Company Ltd., United Power Generation & Distribution Co. Ltd., United Hospital Ltd., United Nursing College, United International University and United Maritime Academy are few of his landmark entrepreneurship. United Group has always marked its steady growth under Mr. Raja's leadership. His charming personality, focus in flawless implementation of every single business on time, constantly stressing on brainstorming for new ideas, efficiency in business management etc are only a few of his traits that eventually transformed into the core values of his business undertaking and implementation.

At present, Mr. Raja is the Chairman of United Enterprises & Co. Ltd as well the Chairman and Managing Director of more than 20 Concerns of the Group, notably 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. Raja has travelled extensively at home and abroad namely to USA, UK, Australia, Canada, Germany, Japan, Malaysia, Singapore and many other countries for the purpose of business. He also takes a profound interest in community services and contributes generously for the welfare of the community, particularly to the underprivileged ones. He has established multiple school and madrasa in his village and surrounding areas. He continues to employ his best efforts to provide education, healthcare and infrastructure facilities for overall development of the people of Jamalpur district.


AHMED ISMAIL HOSSAIN

Director, United Power Generation & Distribution Company Ltd.

Mr. Ahmed Ismail Hossain is one of the Founding Directors of the country's one of the leading business houses - United Group which marked its debut in business in 1978. He was born in June 1956 and hailed from Kishoreganj district. 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 the company we know as United Group 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., performing diverse responsibilities of the Group as and when required. He is also one of the Directors on the Board of Khulna Power Company Ltd. He is also a member of the Board of Trustees of United International University.

Being one of the Trustees of the United Trust, the CSR wing of the Group, he enthusiastically undertakes social works in his village in Kishoregonj district. Mr. Ismail is a widely travelled man and has visited many parts of the world for the purpose of business.


KHANDAKER MOINUL AHSAN SHAMIM

Director, United Power Generation & Distribution Company Ltd.

Mr. Khadaker Moinul Ahsan Shamim is one of the Founding Directors of United Group. 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 one time he also undertook the responsibility of United Group in the capacity of the Managing Director, displaying his entrepreneurial skill and business experience, in order to sustain growth of business of United Group.

At present, 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. He oversees the overall financial management of the Group on behalf of the Board of Directors. 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 district. 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.

DIRECTORS' PROFILE



MR. ABUL KALAM AZAD

Director, United Power Generation & Distribution Company Ltd.

Mr. Abul Kalam Azad was born in 1955. After completion of his Bachelor of Science, he joined United Group as one of the 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. His dedication and relentless efforts to the business is playing a pivotal role that has also helped United Group reach new heights.

Over the years in United Group, Mr. Azad has been overseeing diverse construction projects of the group starting from real-estate to power plant construction. Under his leadership United Group is developing "United City", the largest mini township in the country - at Satarkul and the largest international standard commercial complex with two international hotels and resorts adjacent to Hazrat Shahjalal International Airport, Dhaka. 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., Neptune Commercial 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. He is also the Director of Khulna Power Company Limited (KPCL), United Hospital Ltd. and many more concerns of the Group. He is one of the members of the Board of Trustees of United International University.

He is well known for his benevolence in the Group, he is one of the Trustees of United Trust, an organ of United Group responsible for Corporate Social Responsibility (CSR). He is a widely traveled man and engaged in many social and charitable works at his village home in Bikrampur.



MR. FARIDUR RAHMAN KHAN

Director, United Power Generation & Distribution Company Ltd.

Mr. Faridur Rahman Khan, one of the Founding Directors of United Group, was born in 1955. After completion of his Bachelor degree in Science, he engaged himself in Business. He is, at the moment, the Managing Director of one of the most vibrant concerns of the Group: United Hospital Ltd. Under his entrepreneurship and foresight, United Hospital developed its Medicare system at par with any international standard hospitals. Now, it has become a health care asset of the country. He is the founding Chairman of United College of Nursing – a wing of United Hospital Ltd. He is also the Vice-Chairman of the Board of Trustees, United International University. He is a member of the Board of Governors of United Maritime Academy and a member of the Board of Trustees of United Trust – a CSR wing of United Group.

He is one of the Directors of United Ashuganj Power Ltd (UAPL), United Ashuganj Energy Ltd (UAEL) and also Khulna Power Company Ltd (KPCL).

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

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



MR. AKHTER MAHMUD RANA

Director, United Power Generation & Distribution Company Ltd.

Mr. Akhter Mahmud Rana is one of the first generation Directors of United Group. He is the younger brother of Mr. Hasan Mahmood Raja. Mr. Rana was born in 1960 and completed his education.

Mr. Rana's entrepreneurial initiatives and commitment has added significantly to United Group's current growth and streamlined human resources of the Group. Throughout the past decades his attachment to the Group has flourished diversification, particularly in the textile industry. In the yearly years of the Group's journey Mr. Rana played an instrumental role in the implementation and commissioning of sub-station of Radio Bangladesh, a milestone the Group achieved through his pivotal part.

His contribution in developing the textile sector in the Group is noteworthy. Of his many outstanding works, the revival of Comilla Spinning Mills Ltd. as a profitable venture from a bankrupt one and establishment of United Rotospin Ltd. stands as his most daring endeavors. United Elevator World is yet another one of his successful business projects. This company formed under his bold leadership is now supplying world class quality elevators to industrial and residential complexes in the country.

He is one of the Directors of all the corporate entities under United Group, notable United Enterprises & Co. Ltd., United Power Generation & Distribution Co. Ltd., United Hospital Ltd., Khulna Power Company Ltd., etc. In addition to this, he is also a member of the Board of Trustees of United International University.

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



MOINUDDIN HASAN RASHID

*Managing Director & Director,
United Power Generation & Distribution Company Ltd.*

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

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

DIRECTORS' PROFILE



LT GEN SINA IBN JAMALI, AWC, PSC (RETD)

Independent Director, United Power Generation & Distribution Company Ltd.

Lt Gen Sina Ibn Jamali, awc, psc (retd) studied at Mirzapur Cadet College and was commissioned in Bangladesh Army (Infantry) in May 1977. Besides other coveted appointments, he commanded two Infantry Battalions and an Infantry Brigade involved in counter insurgency operations in Chittagong Hill-Tracts. He held the appointments of Director Military Operations, Adjutant General, Bangladesh Army, General Officer Commanding of 24 Infantry Division, Chittagong and the Chief of General Staff in Army Headquarters.

He is the Masters of Defense Studies (MDS) and graduate of Defense Services Command and Staff College, Mirpur; 'Staff College' Quetta, Pakistan and 'Army War College' of USA. He held the honor of being the Colonel Commandant of 'Corps of Military Police' of Bangladesh Army and the Commandant of National Defense College. He served as an 'Observer' in the United Nation's Iraq-Iran Military Observer Group (UNIIMOG) in 1988, the first Bangladeshi UN Deployment. His other experiences include serving as the President, Bangladesh Cricket Board, Chairman, SenaKallyanSangstha, Sena Hotel Development Ltd, Governing Body of Cadet Colleges, Army Welfare Trust and Central Coordination Committee of Cantonment Public Schools & Colleges. He also rendered his services as the Vice Chairman, Trust Bank Limited and Senior Vice President, Bhatiary Golf and Country Club, Chittagong. Currently, he is serving as the Corporate Adviser at Radiant Pharmaceuticals Ltd, MD & CEO of Radiant Nutraceuticals Ltd, Radiant Distribution Ltd and Pharmacil Ltd.



MD. EBADAT HOSSAIN BHUIYAN, FCA

Independent Director, United Power Generation & Distribution Company Ltd.

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

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

EXECUTIVE MANAGEMENT PROFILE



MOINUDDIN HASAN RASHID
Managing Director

Mr. Moinuddin Hasan Rashid joined United Group in 2007 as a second generation Director. On October 2011 he was appointed as Managing Director of United Power Generation and Distribution Co. Ltd. Mr. Rashid is an Active Trustee of the United Trust, a CSR organization of the Group and United International University Foundation. In 2011 he oversaw commissioning of 208 MW Power Generation under three projects - KPCL II, KJAPCL and UPACL (in a record time of 120 days). He also established United Maritime Academy in 2010, one of the finest academic institutions in Bangladesh, and oversaw the development of United Land Port Teknaf Ltd, Bangladesh's only land port with Myanmar. Mr. Moinuddin Hasan Rashid supervised Power Plant expansion projects of UPGD DEPZ, UPGD CEPZ by 75 MW in 2013, oversaw commissioning of Shajahanullah Power Generation Co Ltd., 28 MW Power Plant in 2013 and United Ashuganj Energy Ltd., a 200 MW Modular Combined Cycle Power Plant in 2015.



SYED ABDUL MAYEED
Adviser

Mr. Syed Abdul Mayeed, former Chairman, Bangladesh Power Development Board, has been on-board with United Power Generation & Distribution Co. Ltd. since December 2007. He has a Masters in Electrical and Electronics Engineering Degree with a work experience that spans over four decades. During his lifelong career in Bangladesh's power sector he has served in many roles beginning from Assistant Engineer to Project Director, Superintending Engineer, General Manager, Member and finally Chairman. Mr. Mayeed is a seasoned professional having sound knowledge of the overall operation of power generation, transmission and distribution of the country, inclusive of operation maintenance and development of all power projects. He is also closely associated with power sector reform activities. He has been with United Group for over a decade and has played a pivotal role in developing the power division of the Group and UPGDCL in particular.

EXECUTIVE MANAGEMENT PROFILE



REAR ADMIRAL BAZLUR RAHMAN (RETD.)
Chief Executive Officer

Born in 1956, **Rear Admiral Bazlur Rahman** served in the Bangladesh Navy from 1975 to 2009, after completion of S.S.C and H.S.C. from Mirzapore Cadet College. He attended Naval Academy Training at Britannia Royal Naval College, UK and later attended various professional courses both home and abroad. In professional career, he commanded seven ships and crafts including two Frigates and three major Navy Establishments including the Naval Academy. He also commanded three of the Naval Areas and served as the Defense Adviser in Malaysia. He further served as the Senior Directing Staff at the National Defense College, and as the Assistant Chief of Naval Staff. After retirement he served as the Director General of the Department of Shipping. He joined United Group in 2011 to pioneer the voyage of the United Maritime Academy as the Commandant. He is also the Advisor of United Makkah Madina Travel Assistance Co. Ltd. Besides being a director of UAEL he is also the Chief Executive Officer of the Power Division of the United Group.



RAFIQUL ISLAM
Executive Director (Technical)

Mr. Rafiqul Islam is an Electrical Engineer with over three decades of experience in power sector. He joined Bangladesh Power Development Board in 1980 as Assistant Engineer. During his tenure at BPDB he served as Sub-Divisional Engineer, Executive Engineer and Deputy Director (Executive Engineer). He joined Power Grid Company of Bangladesh in 2008 as Deputy General Manager and worked in the design team. He joined Energypac Engineering Limited, as Consultant in 2012. He is highly experienced in designing of 230/132 kV, 132/33 kV, 400 kV grid sub-station and transmission line, back-to-back 400/230 kV High Voltage DC Station and equipment. He has been with United Power Generation & Distribution Co. Ltd. since 2014.



MD. MAHFUZUL HAQUE, FCMA
Company Secretary and Chief Financial Officer

Md. Mahfuzul Haque, a Fellow Member of the Institutes of Cost & Management Accountants of Bangladesh, joined United Group as Executive Director (Finance) of Power Division in 2014. Mr. Haque holds the charge of Group CFO and Company Secretary of United Ashuganj Energy Limited and United Power Generation and Distribution Company Ltd.. Prior to joining to United Group he also served in Ashuganj Power Station Company Ltd. (APSC) as Executive Director (Finance) and Company Secretary. He also served erstwhile Burmah Eastern Limited (Presently known as Padma Oil Limited) for more than three decades in various significant positions including the position of General Manager (Marketing), General Manager (Finance & Accounts) and Company Secretary. Born in 1954, Mr. Haque, a Management student, completed his graduation and post-graduation with excellent results from Chittagong University and then started his career as Executive of the Burmah Eastern Limited (currently known as Padma Oil Company Limited) in 1979.

Mr. Haque is also very proficient in finalizing loan agreements with various like HSBC, Standard Chartered Bank, ADB, IDB etc for APSC's projects of 225 MW CCPP, 450 MW CCPP (South) and 450 MW CCPP (North). He, who was two times General Secretary & Chairman of ICMAB Chittagong Branch, attended various training, workshop, seminar and symposiums in home and abroad on professional trips.

Auditors' Report

to the Shareholders of United Power Generation & Distribution Company Ltd.

Introduction

We have audited the accompanying financial statements of United Power Generation & Distribution Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information i.e. notes to the Financial Statements.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act (#18) 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 misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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 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 2014 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act (#18) 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

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

Dhaka, 29 APR 2015

Hoda Vasi Chy 8/10
Chartered Accountants

Statement of Financial Position

As at 31 December 2014

	Note (s)	2014 Taka	2013 Taka
Assets			
Non-current assets			
Property, plant and equipment-net	4	9,254,961,271	9,479,476,556
		9,254,961,271	9,479,476,556
Current assets			
Inventories	5	251,555,997	250,939,632
Trade receivables	6	851,807,451	670,397,657
Inter company receivables	7	1,562,043,136	1,128,541,871
Advances, deposits and prepayments	8	75,827,208	73,036,908
Cash and cash equivalents	9	266,872,319	75,613,642
		3,008,106,111	2,198,529,710
Total Assets		12,263,067,382	11,678,006,266
Equity & Liabilities			
Shareholders' equity			
Share capital	10	2,969,497,260	2,969,497,260
Retained earnings		6,515,795,388	4,051,308,485
		9,485,292,648	7,020,805,745
Non-current liabilities			
Redeemable pref. shares - non-current portion	11	-	1,192,000,000
Long term loan- Non Current Portion	12	448,949,104	1,744,273,042
		448,949,104	2,936,273,042
Current liabilities			
Trade payables	13	100,070,520	80,113,687
Other payables and accrual	14	14,785,339	24,239,960
Redeemable preference shares - current portion	11.1	1,192,000,000	808,000,000
Long term loan -Current portion	12.01	976,149,050	796,479,149
Provision for taxation	15	45,820,721	12,094,683
Total liabilities		2,328,825,630	1,720,927,479
Total equity and liabilities		12,263,067,382	11,678,006,266

The annexed notes 1 to 38 form an integral part of these financial statements.



Managing Director



Director



Company Secretary

Hoda Vasi chy 8/10

Chartered Accountants

Dhaka, 29 APR 2015

Statement of Comprehensive Income

For the year ended 31 December 2014

	Note (s)	2014	2013
		Taka	Taka
Revenue	16	4,463,323,168	3,396,097,108
Cost of sales	17	(1,582,645,188)	(1,038,613,967)
Gross profit		2,880,677,980	2,357,483,141
General and administrative expenses	18	(59,647,472)	(242,519,472)
Operating profit		2,821,030,508	2,114,963,669
Other operating income	19	130,916,345	32,252,489
Financial expenses	20	(441,498,097)	(360,693,817)
Net profit before income tax		2,510,448,756	1,786,522,341
Income tax expenses		(45,820,721)	(12,094,683)
Net profit after income tax		2,464,628,035	1,774,427,658
Other comprehensive income		-	-
Total comprehensive income		2,464,628,035	1,774,427,658
Earning per share (EPS)	21	8.30	5.98

The annexed notes 1 to 38 form an integral part of these financial statements.



Managing Director



Director



Company Secretary

Dhaka, 29 APR 2015

Hoda Vasi chy S/W
Chartered Accountants

Statement of Cash Flows

For the year ended 31 December 2014

	2014	2013
	Taka	Taka
A Cash flows from operating activities		
Cash received from customers	4,281,913,375	3,566,333,325
Cash received from other operating income	130,916,345	32,252,489
Cash paid to suppliers and contractors	(1,008,475,385)	(784,202,235)
Cash paid for other operating expenses	(278,698,772)	(406,705,359)
Payment of financial expenses	(441,498,097)	(360,693,817)
Income tax paid	(13,420,815)	(84,500)
Net cash flow from operating activities	2,670,736,650	2,046,899,903
B Cash flows from investing activities		
Payment for acquisition of property, plant and equipment	(140,151,753)	(5,734,011,651)
Cash received / (paid) for inter-company loan	(433,501,265)	1,692,572,199
Proceeds from sale of property, plant and equipment	17,772,179	-
Net cash used in investing activities	(555,880,839)	(4,041,439,452)
C Cash flows from financing activities		
Long term loan received/(paid)	(1,115,654,037)	63,367,933
Redemption of cumulative preference shares	(808,000,000)	2,000,000,000
Security money received / (paid)	56,904	700,000
Net cash flow from financing activities	(1,923,597,133)	2,064,067,933
Net changes in cash and cash equivalents (A+B+C)	191,258,677	69,528,384
Cash and cash equivalents at the beginning of the year	75,613,642	6,085,258
Cash and cash equivalents at the end of the year	266,872,319	75,613,642

The annexed notes 1 to 38 form an integral part of these financial statements.



Managing Director



Director



Company Secretary

Statement of Changes in Equity

For the Year ended 31 December 2014

Particulars	Share Capital	Retained Earnings	Total
	Taka	Taka	Taka
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
Balance at 1 January 2014	2,969,497,260	4,051,308,485	7,020,805,745
Prior year adjustment for short provision of Income tax	-	(141,132)	(141,132)
Net profit for the year 2014	-	2,464,628,035	2,464,628,035
Balance at 31 December 2014	2,969,497,260	6,515,795,388	9,485,292,648

The annexed notes 1 to 38 form an integral part of these financial statements.



Managing Director



Director



Company Secretary

Notes to the financial statements

As at and for the year ended 31 December 2014

1. Reporting entity

1.1 Company profile

United Power Generation & Distribution Company Ltd. (UPGDCL) (hereinafter referred to as “the Company”) a Public Limited Company incorporated in Bangladesh on 5th January 2007 under the Companies Act (#18) 1994 under registration no: C-65291(2783)/07 dated 15 January 2007 with its registered office at United Center, Road No. 51, and House No. NW (J) 6, Gulshan-2, Dhaka-1212, Bangladesh. The Company was initially registered as a Private Limited Company formerly known as Malancha Holdings Ltd. (MHL) and subsequently converted into a Public Limited Company. The authorized share capital of the Company is Tk. 10,000,000,000 (Taka One Thousand crore) only divided into 800,000,000 (Eight Hundred million) ordinary shares of Tk. 10 (Tk. ten) each and 200,000,000 (Two Hundred million) redeemable preference shares of Tk. 10 (Tk. ten) each.

1.2. Nature of Business

The principal activity of the Company is to generate electricity by two gas fired power plants, one at DEPZ with 86 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 Electrification Board (REB), Bangladesh Power Development Board (BPDB), Karnaphuli Export Processing Zone (KEPZ) and other Private Sector Companies.

1.3 Capacity of the power plant

Initially 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.

In 2013, the Company increased its capacity from 41 MW to 86 MW at Dhaka Export Processing Zone (DEPZ) and another project at Chittagong Export Processing Zone (CEPZ) increased capacity from 44 MW to 72 MW. In 2014 the company operates 86 MW at Dhaka Export Processing Zone (DEPZ) due to disposal of 2 MW MTU engine. The DEPZ project has installed 2 no's of Heat Recovery Boiler to produce 8 ton/h of steam & CEPZ project has installed 3 no's of Heat Recovery Boiler to produce 12 ton/h of steam to sale to other customers. The Company now operates 86 MW at Dhaka Export Processing Zone (DEPZ) and 72 MW at Chittagong Export Processing Zone (CEPZ).

2. Basis of preparation financial statements

2.1 Statement of compliance

These financial statements (including consolidated and separate financial statements) have been prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), Companies Act (#18) 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Authorization for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on 29th April 2015.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis .

2.3 Functional and presentational currency

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

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the application

Notes to the financial statements

As at and for the year ended 31 December 2014

of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

(a) Judgments

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

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2014 is included in the following notes:

Note 4	Depreciation
Note 5	Inventory
Note 14	Other payables and accrual
Note 15	Provision for tax

2.5 Reporting period

The financial period of the Company covers one year from 1 January to 31 December.

2.6 Going concern

The Company has adequate resources to continue in operation for the foreseeable future and the directors continue to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient fund to meet the present requirements of its existing business.

2.7 Preparation and presentation of Financial Statements

The management of the Company is responsible for the preparation and presentation of Financial Statements of United Power Generation & Distribution Company Ltd. for the year ended 31 December 2014.

3. Significant accounting policies

The accounting policies set out below have been applied to the accounts consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

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

3.1.2 Subsequent cost

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

3.1.3 Retirement and disposals

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

Notes to the financial statements

As at and for the year ended 31 December 2014

3.1.4 Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. All property, plant and equipments have been depreciated on straight line method.

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. The rates of depreciation vary according to the estimated useful lives of the items of all property, plant and equipment.

The estimated useful lives for the current and comparative years of property and equipment are as follows:

	Depreciation rates (%)
Plant and machinery	3.33%
Gas line (50 years)	2%
Office equipment	15%
Furniture and fixtures	10%
Transport and vehicles	10%

The asset's residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period depreciation method, useful lives and residual values are reviewed and adjusted if appropriate, at each reporting date.

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 and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Inventories are measured at cost. Cost is calculated on First In First Out (FIFO) 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 recognised in the period in which the related revenue is recognised.

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.

3.3.1 Financial assets

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

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

Financial assets include trade receivables, inter company receivables cash and cash equivalents etc.

(a) Trade receivables

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

(b) Cash and cash equivalents

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

Notes to the financial statements

As at and for the year ended 31 December 2014

3.3.2 Financial liabilities

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

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

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

(a) Trade and other payables

The Company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

(b) Loans and 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. Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(c) Redeemable preference shares

The Company had issued redeemable preference shares during 2013. As per BAS-32 Financial Instruments: Presentation, the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability, have been classified as liabilities in these financial statements.

3.4 Impairment

3.4.1 Financial assets

Trade receivables 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 assets, and that the loss had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

3.4.2 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 assets are reviewed. If any indication exists, the assets' recoverable amount will need to be estimated. As at 31 December 2014, the assessment of indicators of impairment reveals that impairment testing is not required for the Company.

3.4.3 Inventories

Inventories are measured and stated at cost less allowance for obsolescence. These are for use in the operation and maintenance of power plants. As inventories are for internal use, the value is unlikely to diminish.

3.5 Revenue recognition

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

Notes to the financial statements

As at and for the year ended 31 December 2014

- a. The amount of revenue can be measured reliably
- b. The flow of economic benefits to the entity is probable
- c. The stage of completion at the period end can be measured reliably
- d. The costs incurred to date and the costs to completion can be measured reliably
- e. When the service is performed in accordance with the terms of contractual arrangement

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

3.6 Finance expenses

Finance expenses comprise interest expense on loan, overdraft and bank charges. All borrowing costs are recognised in the statement of comprehensive income using effective interest method except to the extent that they are capitalised during construction period of the plants in accordance with BAS-23 Borrowing cost.

3.7 Employee benefit schemes

Defined contribution plan (provident fund)

All the activities of the company are completed from outsourcing basis. The Company has no permanent employees and hence not required to maintain provident fund policy.

Workers profit participation fund (WPPF)

The government of Bangladesh has made an amendment to the Labour Law 2006 in July 2013. As per amended section-232 (chha) of the Act, any undertaking carrying on business to earn profit is liable to make provision for WPPF at 5% of the net profit and also need to be distributed within 9 months of the statement of financial position/balance sheet date. UPGDCL has no employees and the operation and maintenance activities of UPGDCL were managed by 179 employees of United Engineering and Power Services Limited under an O&M Contract.

Considering the situation as above UPGDCL board of directors are of the view that UPGDCL is not required to make provision for WPPF for the year 2014 and as such no provision for workers profit participation fund (WPPF) has been made in the accounts of these companies for the year ended 31 December 2014.

3.8 Income Tax

Tax on the statement of comprehensive income for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

3.8.1 Current 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 (#36) 1984 dated 01 July 2009.

3.8.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. 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.

3.9 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation and accordingly provision for expenses has been made in the accounts.

Notes to the financial statements

As at and for the year ended 31 December 2014

3.10 Contingencies

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

3.10.1 Contingent liability

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

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

3.10.2 Contingent asset

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

A Contingent asset shall not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

3.11 Statement of cash flows

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

The net cash flow from operating activities is determined after adjusting cash received from customers and other income with operating expenses paid and interest paid to suppliers during the period under direct method as per BAS-7 "Cash Flow Statements".

3.12 Earning per share

a) Basic earnings per share

The Company represents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

Diluted EPS is determined by the adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the affects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares during the year 2014.

b) 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.

3.13 Events after reporting period

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

3.14 General

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

Notes to the financial statements

As at and for the year ended 31 December 2014

4 Property, plant and equipment, net

Particulars	Cost				Rates %	Depreciation				Written Down Value as on 31 December 2014
	Balance as on 01 January 2014	Addition during the year	Disposal or adjustment during the year adjustment	Balance as on 31 December 2014		Balance as on 01 January 2014	Charged during the year during the year	Adjustment during the year on Sales	Balance as on 31 December 2014	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	
Plant and machinery	9,829,268,588	114,448,621	35,766,061	9,907,951,148	3.33%	547,467,001	327,314,644	4,764,039	870,017,606	9,037,933,542
Gas line	205,581,967	19,472,944	-	225,054,911	2%	21,479,032	4,111,639	-	25,590,671	199,464,240
Office Equipment	9,367,112	1,155,565	-	10,522,677	15%	1,986,650	1,405,067	-	3,391,717	7,130,960
Furniture & Fixtures	1,169,828	784,623	-	1,954,451	10%	176,406	116,983	-	293,389	1,661,062
Motor vehicles	7,166,836	4,290,000	-	11,456,836	10%	1,968,686	716,684	-	2,685,370	8,771,466
Total as on 31 December 2014	10,052,554,331	140,151,753	35,766,061	10,156,940,023		573,077,775	333,665,017	4,764,039	901,978,753	9,254,961,271
Total as on 31 December 2013	3,950,438,316	6,102,116,015	-	10,052,554,331		442,456,098	130,621,677	-	573,077,775	9,479,476,556

	2014	2013
	Taka	Taka
4.1 Allocation of depreciation expenses, note 4		
Operating expenses (Note 17)	330,328,366	129,315,460
Administrative expenses (Note 18)	3,336,650	1,306,217
	333,665,017	130,621,677

4.2 Deletion during the year

Particular	Cost	Acc. Dep.	Sales Proceed	Profit/(loss)
Generator	35,766,061	4,764,039	17,772,179	(13,229,843)
Total	35,766,061	4,764,039	17,772,179	(13,229,843)

4.3 Power plant

Plant description

The natural gas fired power plants of UPGDCL 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 two (2) 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 86 MW & 72 MW respectively.

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.

Notes to the financial statements

As at and for the year ended 31 December 2014

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 fifty (50) years unless extended or earlier termination. Although both parties agreed upon this condition but due to lack of initiative by concerned authority (BEPZA), UPGDCL 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 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.

	2014	2013
	Taka	Taka

5.00 Inventories

Spare parts (Note 5.01)	245,304,781	218,754,767
Fuel and lubricants (Note 5.01)	6,251,216	32,184,865
	251,555,997	250,939,632

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

	Spare parts	Fuel and lubricants
--	-------------	---------------------

5.01 Movement of inventories (Note 5)

Balance as at 01 January 2013	185,062,362	6,920,049
Purchase during the year 2013	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
Balance as at 01 January 2014	218,754,767	32,184,865
Purchase during the year 2014	250,947,315	44,284,506
Issued during the year 2014	(224,397,301)	(70,218,155)
Balance as at 31 December 2014	245,304,781	6,251,216

5.02 Number of inventories (as at 31 December 2014)

	Spare parts				Fuel and lubricants			
	Quantity (Nos)		Amount (Taka)		Quantity (Ltr)		Amount (Taka)	
	2014	2013	2014	2013	2014	2013	2014	2013
DEPZ	11,408	1,915	134,199,535	154,067,905	15,026	68,234	3,632,226	14,445,399
CEPZ	7,993	2,186	111,105,246	64,686,863	10,016	86,219	2,618,990	17,739,466
Total	19,401	4,101	245,304,781	218,754,767	25,042	154,453	6,251,216	32,184,865

Notes to the financial statements

As at and for the year ended 31 December 2014



	2014	2013
	Taka	Taka
6 Trade Receivables		
Bangladesh Power Development Board (BPDB)	293,453,039	208,101,982
Rural Electrification Board (REB)	262,949,572	229,920,504
Chittagong Export Processing Zone (CEPZ)	135,640,893	115,708,676
Dhaka Export Processing Zone (DEPZ)	94,102,143	83,879,684
Karnaphuli Export Processing Zone (KEPZ)	32,107,248	26,220,218
Oli Knitting Fabrics Ltd.	5,573,758	3,141,996
Lilac Fashion	2,377,460	2,397,231
Dhaka Thai Ltd	3,041,900	949,323
Ahad Fashion Ltd.	164,623	78,042
Atomic Energy Research Establishment (AERE)	509,089	-
Rahimafrooz Accumulators Limited	2,008,129	-
GMS Composit Knitting Ind. Ltd.	8,220,794	-
Square Textile Limited	9,335,898	-
Gunze United Limited	1,630,234	-
Rahimafrooz Batteries Limited (Unit-2)	169,471	-
Zam Zam Engineering Limited	523,200	-
	851,807,451	670,397,657

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.

7 Inter company receivable

United Enterprises & Co. Ltd.	1,562,043,136	1,128,541,871
	1,562,043,136	1,128,541,871

As per decision in the meeting of the Board of Directors, dated, 01 January 2014, interest has been charged on the inter company loan from 1st January 2014 @ average FDR interest rate receivable by UPGDCL against their FDR in respective commercial banks (note-19).

8 Advances, deposits and prepayments

Advances :	62,994,208	34,768,125
Advance against Expense	61,381,689	32,259,306
Against Land Lease Rent	1,112,519	1,112,519
Against Salary	500,000	1,396,300
Advance income tax	1,185,000	-
Security and other deposits :	6,159,667	32,319,116
LC Margin	309,667	26,469,116
Bank guarantee margin	5,850,000	5,850,000
Prepayments :	5,488,333	5,949,667
Insurance premium	5,113,333	4,974,667
BERC license fees	375,000	975,000
	75,827,208	73,036,908

Notes to the financial statements

As at and for the year ended 31 December 2014

	2014	2013
	Taka	Taka
9 Cash and cash equivalents		
Cash in hand	190,786	217,215
Cash at bank :		
Dhaka Bank Ltd.	125,924,438	69,061,097
Standard Chartered Bank	93,931	94,855
One Bank Limited	18,295	19,445
Mercantile Bank Limited	47,941	47,941
Dutch-Bangla Bank Ltd.	25,930,456	3,647,698
The City Bank Ltd.	22,135	22,135
Shahjalal Islami Bank Ltd.	2,359,871	146,042
National Bank Ltd.	6,260	6,260
Eastern Bank Ltd.	44,757	48,842
Brac Bank	141,738	140,479
Jamuna Bank	5,639,580	234,060
Trust Bank Ltd	188,937	420,749
Eastern Bank Ltd.-Escrow	1,318,194	1,465,402
Prime Bank Limited	-	1,477
AB Bank Ltd.	-	5,642
Standard Bank Ltd.	-	15,559
Bank -Al - Falah	-	18,744
	161,736,533	75,396,427
Fixed Deposits Receipts (FDR):		
Lanka Bangla Finance Limited	94,511,250	-
Dhaka Bank Limited	10,433,750	-
	104,945,000	-
	266,872,319	75,613,642
10 Share capital		
10.01 Authorized share capital		
800,000,000 ordinary shares of Tk. 10 each	8,000,000,000	8,000,000,000
200,000,000 redeemable preference shares of Tk. 10 each	2,000,000,000	2,000,000,000
	10,000,000,000	10,000,000,000
10.02 Issued, subscribed and paid-up capital		
296,949,726 ordinary shares of Tk. 10 each	2,969,497,260	2,969,497,260
	2,969,497,260	2,969,497,260

Notes to the financial statements

As at and for the year ended 31 December 2014

10.03 Shareholding position was as follows:

	Percentage of holding		Value of shares (Tk.)	
	2014	2013	2014	2013
Name of Shareholders:				
Hasan Mahmood Raja	8.58%	8.58%	254,899,290	254,899,290
Ahmed Ismail Hossain	8.58%	8.58%	254,899,290	254,899,290
Akhter Mahmud Rana	8.58%	8.58%	254,899,290	254,899,290
Khandaker Moinul Ahsan Shamim	8.58%	8.58%	254,899,290	254,899,290
Faridur Rahman Khan	2.38%	2.38%	70,805,230	70,805,230
Abul Kalam Azad	2.38%	2.38%	70,805,230	70,805,230
Moinuddin Hasan Rashid	8.58%	8.58%	254,899,290	254,899,290
United Enterprises & Co. Ltd	52.31%	52.31%	1,553,390,350	1,553,390,350
	100%	100%	2,969,497,260	2,969,497,260

10.04 Classification of shareholders' by holding

	No of shareholders		No of shares	
	2014	2013	2014	2013
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	14,161,046
over 10,000,000 shares	6	6	282,788,680	282,788,680
	8	8	296,949,726	296,949,726

11 Redeemable Preference Share capital

Opening Balance as at 1 January
Issued during the year
Repayment during the year

2,000,000,000	-
-	2,000,000,000
(808,000,000)	-
1,192,000,000	2,000,000,000

Balance as at 31 December

11.1 Non-current portion

Current portion

-	1,192,000,000
1,192,000,000	808,000,000
1,192,000,000	2,000,000,000

As per declaration to prospectus by UPGDCL, part of IPO proceeds will be utilize for full redemption of redeemable cumulative preference share in the year 2015. Hence full portion of redeemable preference share shown as current liability.

Shareholding position of redeemable preference shares :

Name of the shareholders	2014		2013	
	No. of Shares	Face Value	No. of Shares	Face Value
Eastern Bank Ltd.	-	-	51,000,000	510,000,000
Pubali bank Ltd.	40,000,000	400,000,000	50,000,000	500,000,000
Delta Brac Housing Finance Ltd.	7,200,000	72,000,000	9,000,000	90,000,000
Trust Bank Ltd.	16,000,000	160,000,000	20,000,000	200,000,000
The City Bank Ltd.	24,000,000	240,000,000	30,000,000	300,000,000
Jamuna Bank Ltd.	16,000,000	160,000,000	20,000,000	200,000,000
Standard bank Ltd.	16,000,000	160,000,000	20,000,000	200,000,000
	119,200,000	1,192,000,000	200,000,000	2,000,000,000

Notes to the financial statements

As at and for the year ended 31 December 2014

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

- a) Number of shares to be issued 200,000,000
- b) Issue size in currency is BDT 2,000,000,000
- c) Face value is BDT 10
- d) Issue price is BDT 10
- e) Purpose of issue is to expansion of power plants in DEPZ & CEPZ
- f) Security of the instrument is put option on expansion assets.
- g) Tenure is 5 years.
- h) Dividend rate is 11% p.a
- i) Frequency of dividend payment is quarterly payable in arrears commencing from 1st quarter of 1st year
- j) Frequency of Capital Redemption is yearly payable in arrears in equal installments commencing from 4 the quarter of 1st year
- k) Participation fee is 0.80% (upfront).

	2014	2013
	Taka	Taka

12 Long term loan - Non current portion

Dhaka Bank Limited	-	775,016,167
Dutch-Bangla Bank Ltd.	448,949,104	919,403,833
Trust Bank Ltd	-	49,853,042
	448,949,104	1,744,273,042

12.01 Long term loan (Current portion)

Dhaka Bank Limited	660,425,548	121,495,845
Dutch-Bangla Bank Ltd.	315,723,502	122,726,155
Trust Bank Ltd.	-	552,257,149
	976,149,050	796,479,149

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 0.30%(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 crore, out of which Investment Promotion and Financing Facility (IPFF) fund was Taka 108 crore and the remaining Taka 27 crore was non IPFF term loan.

a) Interest rate:

For IPFF loan: 360 days Bangladesh Bank Treasury bill rate plus 0.30% (IPFF margin) plus 2.10% (PFI's margin).

Notes to the financial statements

As at and for the year ended 31 December 2014

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 Enterprise & Company Ltd / United Ashugonj Power Company Ltd supported by its board resolution in conformity with memorandum and articles of association and also undated/post dated cheque covering the credit facilities.

	2014	2013
	Taka	Taka
13 Trade payables		
Gas bill for DEPZ - Titas Gas Transmission & Distribution Company Ltd.	34,496,017	22,596,914
Gas bill for CEPZ - Karnaphuli Gas Distribution Company Ltd.	65,574,503	57,516,773
	100,070,520	80,113,687
14 Other payables and accrual		
Other payables		
Directors Remuneration	1,250,000	-
Utility bill	127,500	30,528
Security expenses	195,790	253,439
Service charge on gas bill	6,557,450	5,751,677
Medical expenses	13,755	13,720
Audit fees	299,000	276,000
TDS payable	390,000	41,000
Welfare fund	15,593	15,553
Operation & Maintenance expense	2,802,697	6,273,123
VAT payable	1,734,283	1,170,710
Salary and allowances	-	490,625
Mobile bill	-	15,000
Payable to REB	-	9,115,215
Payable to provident fund	-	93,370
C&F Bill	642,367	-
	14,028,435	23,539,960
Security Money Received (Note 14.02)		
Lilac Fashion wear Ltd.	700,000	700,000
Delco Building Systems	56,904	-
	756,904	700,000
	14,785,339	24,239,960

Notes to the financial statements

As at and for the year ended 31 December 2014

14.01 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, no. of employees of UPGDCL has been nil for the event as mentioned in Note # 31.

14.02 Security deposit received comprises of an amount equal to 2 months MMC (Monthly Minimum Charge) received from Lilac Fashion Wear Ltd and earnest money deduct from Delco Building Systems.

	2014	2013
	Taka	Taka
15 Provision for taxation		
Opening Balance as at 1 January	12,094,683	-
Prior year adjustment for short provision of Income tax provision	141,132	-
Addition during the year	45,820,721	12,094,683
Paid during the year	(12,235,815)	-
	45,820,721	12,094,683
16 Revenue		
From power supply (Note-16.1)	4,460,918,254	3,396,097,108
From steam supply (Note-16.2)	2,404,914	-
	4,463,323,168	3,396,097,108
16.1 From power supply	4,460,918,254	3,396,097,108
Dhaka Export Processing Zone (DEPZ)	1,207,666,336	1,261,237,385
Rural Electrification Board (REB)	769,359,245	295,898,351
Oli Knitting Fabrics Ltd.	30,291,644	25,547,750
Chittagong Export Processing Zone (CEPZ)	1,469,548,089	1,276,876,346
Bangladesh Power Development Board (BPDB)	553,423,237	358,203,255
Karnaphuli Export Processing Zone (KEPZ)	312,038,690	162,126,359
Dhaka Thai Ltd	25,916,229	10,540,559
Lilac Fashion	4,469,124	5,527,146
Ahad Fashion	814,602	139,957
Atomic Energy Research Establishment (AERE)	5,097,100	-
Rahimafrooz Accumulators Limited	12,184,942	-
GMS Composit Knitting Ind. Ltd.	33,559,403	-
Square Textile Limited	36,388,211	-
Rahimafrooz Batteries Limited	161,401	-
16.2 From steam supply	2,404,914	-
Gunze United Limited	2,404,914	-

In 2014 electricity sale of the company increased by tk. 1,067,226,060/- as compared to the period 2013 due to the increasing production. Net sales increased by 31.43% during the period under review. During the year the Company produced electricity totally 879,796,945 kwh (DEPZ project produced 434,542,144 kwh & CEPZ project produced 445,254,801 kwh).

Notes to the financial statements

As at and for the year ended 31 December 2014



	2014	2013
	Taka	Taka
17 Cost of sales		
Fuel and energy	733,200,397	538,240,027
Operation and maintenance expenses (Note 17.1)	437,087,623	273,125,771
Depreciation expenses (Note 4.01)	330,328,366	129,315,460
Minimum load charge	49,203,621	82,929,653
Liquidity damage charge	544,767	1,311,481
Land lease rent	2,140,315	1,050,388
Traveling and conveyance	2,061,237	319,750
Entertainment	3,631,867	909,935
Telephone, mobile, internet & dish line bill	461,235	158,343
Printing and stationery	610,607	125,743
Newspaper, postage and courier	74,831	14,193
Vehicle running and maintenance	735,219	110,190
Rent, rates and taxes	2,042,099	412,266
Utility bill	942,398	184,736
Insurance premium	10,573,334	7,600,666
Fire fighting expenses	349,428	5,820
Medical expenses	340,755	136,817
Beautification and gardening expenses	17,768	-
License and other fees	1,652,145	1,272,000
Environmental expenses	744,000	169,000
Site office expenses	389,244	174,414
Security expenses	2,861,490	1,047,314
Discount on sales	2,652,442	-
	1,582,645,188	1,038,613,967
17.1 Operation and maintenance expenses		
Operational expenses	73,258,348	39,494,390
Stores and spares consumed	294,615,456	211,510,106
Repair and maintenance	69,213,819	22,121,275
	437,087,623	273,125,771

Notes to the financial statements

As at and for the year ended 31 December 2014

	2014	2013
	Taka	Taka
18 General and administrative expenses		
Personnel costs		
Salary and bonus	2,333,982	11,165,013
Welfare and benefits	1,581,313	904,497
	3,915,295	12,069,510
Depreciation on property, plant & equipment, (Note 4.01)	3,336,650	1,306,217
Directors' remuneration	11,829,036	8,698,839
Trade licence renewal fees	4,255	-
Traveling and conveyance	2,266,689	2,937,956
Postage, telephone and telex	130,449	79,277
Entertainment	954,737	1,449,407
Printing and stationery	1,438,114	1,304,033
Newspaper bill	15,764	7,656
Computer maintenance	5,730	-
Auditor's fee (Note-18.1)	833,750	448,500
Advertisement	1,130,000	1,264,423
Medical expenses	149,533	-
Vehicle running expenses	4,548,043	778,258
Office rent	13,080,000	13,080,000
Office expenses	43,100	80,914
Consultancy fees	-	18,595,500
Capital Increasing Fees	-	682,966
Overseas Travelling	701,484	373,410
Legal fees	1,607,500	-
Other administrative expenses	27,500	93,957
Loss on disposal of fixed assets	13,229,843	-
Fine, Fees and others	400,000	-
Write off of Accounts receivable	-	179,268,649
	59,647,472	242,519,472
18.1 The break up of auditor's fee are as below:		
Statutory audit	299,000	276,000
Credit rating & various certification for IPO	534,750	172,500
	833,750	448,500
19 Other operating income		
Burn lube oil/use drum sales	3,751,400	3,531,880
Scrap Sale	499,048	756,157
Interest income	10,907,666	452,619
Interest on Inter Company Loan	115,758,231	27,511,833
	130,916,345	32,252,489

Notes to the financial statements

As at and for the year ended 31 December 2014



	2014	2013
	Taka	Taka
20 Financial expenses		
Syndication loan agency fees	-	2,196,250
Interest on long term loan:		
Dhaka Bank Limited	95,022,220	140,538,206
Dutch Bangla Bank Limited	101,923,338	157,148,632
Trust Bank Ltd.	53,667,076	23,389,533
Interest on overdraft:		
Dhaka Bank Limited	3,731,938	11,672,099
Preference share Dividend:		
Eastern Bank Ltd.	21,671,507	-
Pubali bank Ltd.	55,000,000	-
Delta Brac Housing Finance Ltd.	9,900,000	-
Trust Bank Ltd.	22,000,000	-
The City Bank Ltd.	33,000,000	-
Jamuna Bank Ltd.	22,000,000	-
Standard bank Ltd.	22,000,000	-
Preference share agency fees	1,370,800	20,931,380
Bank charge and commission	211,217	4,817,717
	441,498,097	360,693,817
21 Earnings per share		
Basic EPS		
Net profit from core business	2,379,532,410	1,754,269,852
Weighted average number of shares outstanding during the period	296,949,726	296,949,726
Basic EPS on Core business	8.01	5.91
Extra ordinary income (Other operating income- net of Tax)	85,095,624	20,157,806
Weighted average number of shares outstanding during the period	296,949,726	296,949,726
Basic EPS on extra ordinary business	0.287	0.068
Earning per Share (EPS)	8.30	5.98

*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.

21.1 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.

22 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

Notes to the financial statements

As at and for the year ended 31 December 2014

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the company. The Board is assisted in its oversight role by Audit Committee. Internal Audit, under the purview of Audit Committee, undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

23 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). Sales made to this entity is fully secured by Letters of Credit issued by local scheduled banks. Credit risk does not arise in respect of any other receivables.

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

	2014	2013
	Taka	Taka

23.1 Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Trade receivables	851,807,451	670,397,657
Inter-company receivables	1,562,043,136	1,128,541,871
Advances, deposits and prepayments	75,827,208	73,036,908
Cash and cash equivalents	266,872,319	75,613,642
	2,756,550,114	1,947,590,078

23.2 Aging of trade receivables

Past due 1-30 days	419,309,045	361,506,623
Past due 31-60 days	53,647,908	1,339,408
Past due 61-90 days	65,128,516	850,601
Past due 91-180 days	4,861,212	614,463
Past due 180-365 days	-	3,171,627
Past due above 365 days	308,860,770	302,914,935
	851,807,451	670,397,657

24 Liquidity risk

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

In extreme stressd condition, the company may get support from the group in the form of inter-company loan.

Notes to the financial statements

As at and for the year ended 31 December 2014

The following are the contractual maturities of financial liabilities:

	Contractual cash flows					
	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	More than 2 years
	Taka	Taka	Taka	Taka	Taka	Taka
2014						
Non-derivative financial liabilities:						
Redeemable preference shares	1,192,000,000	1,192,000,000	1,192,000,000	-	-	-
Term loan	1,425,098,154	1,425,098,154	910,000,584	66,148,466	203,628,638	245,320,466
Trade payable	100,070,520	100,070,520	100,070,520	-	-	-
Other payables and accrual	14,785,339	14,785,339	14,785,339	-	-	-
Provision for taxation	45,820,721	45,820,721	45,820,721	-	-	-
	2,777,774,734	2,777,774,734	2,262,677,164	66,148,466	203,628,638	245,320,466
2013						
Non-derivative financial liabilities:						
Redeemable preference shares	2,000,000,000	2,000,000,000	-	-	-	-
Term loan	2,540,752,191	3,512,250,000	-	-	-	-
Trade payable	80,113,687	80,113,687	-	-	-	-
Other payables and accrual	24,239,960	24,239,960	-	-	-	-
Provision for taxation	12,094,683	12,094,683	-	-	-	-
	4,657,200,521	5,628,698,330	-	-	-	-
	4,657,200,521	5,628,698,330	-	-	-	-

25 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.

25.1 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 significantly affected by fluctuations in interest rates as the rate is below from market rate. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

26 Capital risk management

Capital risk 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.

27 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.

28 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.

Notes to the financial statements

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The Company has a Gas Supply Agreement with Bakhrabad Gas system Limited, the former name of Karnaphuli Gas Distribution Company Ltd. 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.

29 Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

As at 31 December 2014									
	Note(s)	Carrying amount							
		Held for trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Financial assets measured at fair value		-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Trade receivables	6	-	-	-	-	851,807,451	-	-	851,807,451
Inter company receivables	7	-	-	-	-	1,562,043,136	-	-	1,562,043,136
Advances, deposits and prepayments	8	-	-	-	-	75,827,208	-	-	75,827,208
Cash and cash equivalents	9	-	-	-	-	266,681,533	-	-	266,681,533
		-	-	-	-	2,756,359,328	-	-	2,756,359,328
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Trade payables	13	-	-	-	-	-	-	100,070,520	100,070,520
Other payables and accrual	14	-	-	-	-	-	-	14,785,339	14,785,339
Redeemable preference shares	11	-	-	-	-	-	-	1,192,000,000	1,192,000,000
Long term loan	12	-	-	-	-	-	-	1,425,098,153	1,425,098,153
Provision for taxation	15	-	-	-	-	-	-	45,820,721	45,820,721
		-	-	-	-	-	-	2,777,774,734	2,777,774,734

As at 31 December 2013									
	Note(s)	Carrying amount							
		Held for trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Financial assets measured at fair value		-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Trade receivables	6	-	-	-	-	670,397,657	-	-	670,397,657
Inter company receivables	7	-	-	-	-	1,128,541,871	-	-	1,128,541,871
Advance, deposits and prepayments	8	-	-	-	-	73,036,908	-	-	73,036,908
Cash and cash equivalents	9	-	-	-	-	75,396,427	-	-	75,396,427
		-	-	-	-	1,947,372,863	-	-	1,947,372,863
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value									
Trade payables	13	-	-	-	-	-	-	80,113,687	80,113,687
Other payables and accrual	14	-	-	-	-	-	-	24,239,960	24,239,960
Redeemable preference shares	11	-	-	-	-	-	-	2,000,000,000	2,000,000,000
Long term loan	12	-	-	-	-	-	-	2,540,752,191	2,540,752,191
Provision for taxation	15	-	-	-	-	-	-	12,094,683	12,094,683
		-	-	-	-	-	-	4,657,200,521	4,657,200,521

Notes to the financial statements

As at and for the year ended 31 December 2014

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

30 Bank facilities

Name of the bank (s)	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	509

31 Number of employees

Salary Range	2014				2013
	Officers & staffs		Worker	Total employees	Total employees
	Head office	factory			
Below Tk. 3,000	-	-	-	-	-
Above Tk. 3,000	-	-	-	-	9
Total		-	-	-	9

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

	2014	2013
	Taka	Taka

32 Expenditure in equivalent foreign currency

Foreign travel for Company's business purpose	701,484	373,410
	701,484	373,410

33 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		
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

Notes to the financial statements

As at and for the year ended 31 December 2014

	2014	2013
	Taka	Taka
34 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).	117,000,000	117,000,000
Bank Guarantees issued by Trust Bank Ltd. with Nil margin in favor of Titas Gas Transmission and Distribution Company Limited.	78,790,400	78,790,400
ii) Financial Commitments		
Confirmed irrevocable letters of credit	53,996,728	220,438,107
	249,787,128	416,228,507
35 Transactions with key management personnel		
Employee benefits	13,848,600	15,177,135
	13,848,600	15,177,135
36 Related party transactions and balance		

During the year, the company carried out a number of transactions with related parties. In accordance with the provisions of BAS-24 Related Party Disclosures, these are detailed below:

Name of party	Nature of relationship	Nature of transactions	Transactions during the year 2014		Figures in Taka	
			Addition	Adjustment	2014	2013
					Dr./ (Cr.)	Dr./ (Cr.)
United Enterprises & Co Ltd.	Parent Company	Loan	1,652,758,231	1,219,256,965	1,562,043,136	1,128,541,871
United Engineering & Power Services Ltd.	Sister concern	Operations & Maintenance	70,400,521	73,203,218	(2,802,697)	-
Gulshan Properties Ltd	Sister concern	Office Rent	13,080,000	13,080,000	-	-

37 Capacity and Production

37.1 Own Manufacture

Name of the Plant	Installed capacity (kwh)	Actual Production (kwh)		Capacity utilization (%)	
		2014	2013	2014	2013
Dhaka EPZ plant	688,000,000	434,542,144	278,093,102	63%	77%
Chittagong EPZ plant	576,000,000	445,254,801	346,223,915	77%	81%
Total	1,264,000,000	879,796,945	624,317,017	70%	79%

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

Notes to the financial statements

As at and for the year ended 31 December 2014

38 Events after reporting date

38.1 Listed with DSE and CSE

On 09 December 2014, the Company got consent from Bangladesh Securities and Exchange Commission (BSEC) vide their consent letter ref: BSEC/CI/BB-01/2013-823 for raising of capital through Initial Public Offer (IPO) & accordingly on 19 March 2015 the company listed with Dhaka Stock Exchange Limited and 8 March 2015 with Chittagong Stock Exchange Limited and has offered 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 Tk. 237,60,00,000/-.

38.2 Proposal of dividend

The Board of Directors of United Power Generation & Distribution Company Limited. at its 65th meeting held on 29 April 2015 recommended a cash dividend of Tk 3.50 per ordinary share i.e. a total of Tk 1,154,824,041 for the year 2013 and also recommended a cash dividend of Tk 3.00 per ordinary share i.e. a total of Tk 989,849,178 for 329,949,726 ordinary shares and 1 bonus share for every 10 shares held for the year ended December 31, 2014. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company.



Managing Director



Director



Company Secretary





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

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