



# PROSPECTUS OF DOREEN POWER GENERATIONS AND SYSTEMS LIMITED

Managers to the Issue



Alliance Financial Services Limited



ICB Capital Management Limited  
( A Subsidiary of ICB )



"If you have any query about this document, you may consult issuer, issue managers and underwriters"



**PROSPECTUS  
OF**

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**

**Corporate Address:** 192/A Eastern road (3rd floor), Lane-1, New DOHS, Mohakhali, Dhaka-1206, Phone: +880-29860744, Fax: +880-29860766

**Registered Address:** Walsow Tower, 21 Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh, Email: info@doreenpower.com. www.doreenpower.com

Public offering of 20,000,000 ordinary shares of Tk. 10/- at an issue price of Tk. 29/- each, including a premium of Tk. 19/- per share totaling to Tk. 580,000,000

Opening date for subscription: **8 February, 2016**

Closing date for subscription (Cut- off date): **16 February, 2016**

**Managers to the Issue**

 <p><b>Alliance Financial Service Limited</b></p> <p>Rahman Chamber (3<sup>rd</sup> floor), 12-13 Motijheel C/A, Dhaka- 1000, Tel: 880-2-9515468, 9515469, Fax: 880-2-9515467, Email: info@allfin.org. Web: www.allfin.org</p>	 <p><b>ICB Capital Management Ltd.</b> (A Subsidiary of ICB)</p> <p><b>Green City Edge (5th &amp; 6th Floor),</b> 89, Kakrail, Dhaka - 1000, Phone: 880-2-8300555, 880-2-8300367, Fax: 880-28300396 , Web: www.icbcml.com.bd</p>
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**UNDERWRITERS**

<p><b>ICB Capital Management Limited</b> Green City Edge (5th &amp; 6th Floor), 89, Kakrail, Dhaka - 1000,</p>	<p><b>PLFS Investments Limited</b> Paramount Heights( 13<sup>th</sup> Floor) 65/2/1 Box Culvert Road Purana Paltan, Dhaka-1000Dhaka - 1000,</p>
<p><b>GSP Investments Limited</b> 1 Paribag, Mymensingh Road, Dhaka-1000.</p>	<p><b>One Bank Limited</b> HRC Bhaban, 46 Kawran Bazar C/A Dhaka-1215</p>

**Credit Rating**

<b>Credit Rating agency of Bangladesh (CRAB)</b>		
	Long Term	Short Term
<b>Entity Rating</b>	<b>AA2</b>	<b>St-1</b>
Date of Rating	31 December 2014	
Date of Expire	21 March 2016	

Issue date of the Prospectus: **13 January, 2016**

**The issue shall be placed in "N" Category**

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR"

## Availability of Prospectus

Prospectus of Doreen Power Generations and Systems Limited may be obtained from the Issuer Company, Issue Managers, Underwriters and the Stock Exchanges as follows:

Name & Address	Contact Person	Telephone Number
<b>The Issuer</b>		
<b>Registered Address:</b> Walsow Tower, 21 Kazi Nazrul Islam Avenue, Dhaka-1000 Bangladesh	Mr. Mostafa Moin Director Development	Tel: 880-2-9860744 Fax: 880-2-9860766 Email: info@doreenpower.com
<b>Corporate Address:</b> 192/A Eastern road (3rd floor), Lane-1, New DOHS, Mohakhali, Dhaka-1206		
<b>Managers to the Issue</b>		
<b>Alliance Financial Services Limited</b> Rahman Chamber (3rd floor) 12-13 Motijheel C/A, Dhaka- 1000	Mr. Muhammad Nazrul Islam FCMA Managing Director & CEO	Tel: 880-2-9515468-9 Fax: 880-2-9515467 Email: info@allfin.org
<b>ICB Capital Management Limited</b> Green City Edge (5th & 6th Floor) 89, Kakrail, Dhaka - 1000	Ms. Nasrin Sultana Chief Executive Officer	Tel: 880-2-8300555, 880-2-8300367, 880-28300387, Fax: 880-2-8300396 Email: icmlbd@gmail.com
<b>Underwriters</b>		
<b>ICB Capital Management Limited</b> Green City Edge (5th & 6th Floor) 89, Kakrail, Dhaka - 1000	Ms. Nasrin Sultana Chief Executive Officer	Tel: 880-28300555, 880-2-8300367, 880-28300387, Fax: 880-28300396 Email: icmlbd@gmail.com
<b>GSP Investment Limited</b> 1 Paribag, Mymensingh Road, Dhaka-1000.	Mr. Shahansha Reza Senior Manager	Tel: 880-2- 9674425 Fax: 880-2- 9674379 Email: shahan@gspmerchantbank.com
<b>PLFS Investments Limited</b> Paramount Heights(13th Floor), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka- 1000	Mr. Nripendra Chandra Pandit Chief Executive Officer	Tel: 880-2-7119654 Fax: 880-2-7125396 Email: plfsilbd@gmail.com
<b>One Bank Limited</b> HRC Bhaban 46 Kawran Bazar C/A, Dhaka-1215	Mr. John Sarkar SEVP & Company secretary & Head of HR	Tel: 880-2-9118161, 9138361 Fax: 880-2-9134794 Email: john.sarkar@onebank.com.bd
<b>Stock Exchanges</b>		
<b>Dhaka Stock Exchange Limited.</b> 9/F, Motijheel C/A, Dhaka-1000	DSE Library	Tel: 880-2-9564601-7 880-2-7175703-11 Email: dse@bol-online.com
<b>Chittagong Stock Exchange Limited.</b> CSE Building, 1080 Sheikh Mujib Road, Agrabad, Chittagong-4100	CSE Library	Tel: 880-31-714632-3, 880-31-720871-3 E-mail: info@cse.com.bd

Prospectus is also available on the websites BSEC (www.sec.gov.bd) DPGSL (www.doreenpower.com), AFSL (www.allfin.org), ICBCML (www.icbcml.com.bd), DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

### Name & Address of the Auditor

#### ACNABIN

Chartered Accountants

BDBL Bhaban (Level- 13 & 14), 12 Kawran Bazar Commercial Area,

Dhaka-1215, Bangladesh, Phone: +880-2-8144347 to 52

Fax +880-2-8144353

## Definition and Elaboration of the Abbreviated Words and Technical Terms Used In the Prospectus

Term	Description
• AGM	Annual General Meeting
• Banker to the Issue	Banks so named in the prospectus to collect money as subscription against security
• BO	Beneficiary Owners
• BPDB	Bangladesh Power Development Board
• CDBL	Central Depository Bangladesh Limited
• CIB	Credit Information Bureau of Bangladesh Bank
• Commission	Bangladesh Securities & Exchange Commission
• CSE	Chittagong Stock Exchange Limited
• DNPGL	Dhaka Northern Power Generations Limited
• DSPGL	Dhaka Southern Power Generations Limited
• DSE	Dhaka Stock Exchange Limited
• DPGSL	Doreen Power Generations and Systems Limited
• EGM	Extra Ordinary General Meeting
• EPS	Earnings Per Share
• EPC	Engineering, procurement and commissioning
• HFO	Heavy Fuel Oil
• Initial Public Offering	Means first offering of security by an issuer to the general public
• IPFF	Investment Promotion and Financing Facility
• LC	Letter of Credit
• Manager to the Issue	Alliance Financial Services Limited, ICB Capital Management Limited
• MW	Megawatt
• NAV	Net Asset Value
• Non-Resident Bangladeshi (NRB)	An expatriate Bangladeshi or who has dual citizenship or possesses a foreign passport bearing an endorsement from the concerned Bangladesh Embassy to the effect that no visa is required for him to travel Bangladesh
• Offering Price	Price of the share of Doreen Power Generations and Systems Limited
• PPA	Power Purchase Agreement
• Prospectus	A document prepared for the purpose of communicating to the general public an issuer's plan to offer for sale of its security under the prescribed Regulations;
• Public Issue	Public issue of security through initial public offering or repeat public offering
• REB	Rural Electrification Board
• RJSC	Registrar of Joint Stock Companies & Firms
• BSEC	Bangladesh Securities and Exchange Commission
• Securities	Shares of DPGSL
• VAT	Value Added Tax

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**SECTION I:  
STATUTORY  
CONDITION**



**Disclosure in respect of issuance of security in demat form**

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

**Conditions under Section 2CC of the Securities and Exchange Ordinance, 1969**

**PART-A**

1. The company shall go for Initial Public Offer (IPO) for 20,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 29.00 per share each, including a premium of Tk. 19.00 per share totaling to Tk. 580,000,000.00/- (Taka fifty eight crore only) following the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **05 (Five) working days** of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue managers, within **5 (Five) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (**Twenty five**) **days** after the prospectus has been published.
4. The company shall submit **40 (Forty)** copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within **05 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the issuer and the Issue Managers within **02 (Two) working days** from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of

said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

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

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

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

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

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

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

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

11. The IPO shall stand cancelled and the Issuer shall inform the stock exchanges **within 2 (two) working days** of receiving verification report and information from CDBL to release the application money, if any of the following events occur:

(a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or

(b) At least 50% of the IPO is not subscribed.

12. **20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the manager to the issue shall jointly conduct an open lottery of all the applicants added together.**

13. All the applicants shall first be treated as applied for one minimum market lot of **200 shares worth Taka 5,800/- (Taka five thousand eight hundred only)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

14. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
15. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.
16. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
17. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
18. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -11 above). The issuer must notify the underwriters to take up the underwritten shares within **10 (Ten) days** of the closing of subscription on full payment of the share money within **15 (Fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.
19. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 03 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.  
Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 01 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.
20. If any existing sponsor or director of any company transfers any share to any person, other than existing shareholders, within preceding 12 (twelve) months of submitting any application for raising of capital or initial public offering (IPO), all shares held by those transferee shareholders shall be subject to a **lock-in period of 3 (three) years** from the date of issuance of prospectus for IPO.
21. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 5% or more shares through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
22. **In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue Manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/ Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.**
23. **The Company shall not declare any benefit/dividend other than cash based on the financial statements for the period ended on 30 June 2015 before listing of its capital with stock exchange(s).**
24. Updated Corporate Governance Guideline of the Commission has to comply with and a compliance report thereof shall be submitted to the Commission before 7 (seven) days of opening of subscription.

## PART-B

### Application Process

#### Step-1 (Applicant)

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

#### Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a) Post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b) Accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
  - c) Instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/ Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### Step-3 (Issuer)

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

### Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
  - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;

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

#### Miscellaneous:

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

#### PART-C

1. The issuer and the issue manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with BSEC.

3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the stock exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.**
6. **While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:**
  - (a) **Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;**
  - (b) **Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;**
  - (c) **Whether utilization of IPO proceeds have been completed within the time schedule/ implementation schedule as specified in the published prospectus;**
  - (d) **Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and**
  - (e) **The auditors should also confirm that:(i)assets have been procured/ imported/ constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.**
7. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
8. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to BSEC and stock exchanges.
9. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
10. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
11. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRC/2008-183/admin/03-34 dated September 27, 2009 and the section 13 of the Securities and Exchange Rules, 1987.
12. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.
13. No issuer of a listed security shall utilize more than 1/3<sup>rd</sup> (one-third) of the fund raised through IPO for the purpose of loan repayment.



## PART-D

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

## PART-E

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

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

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006.

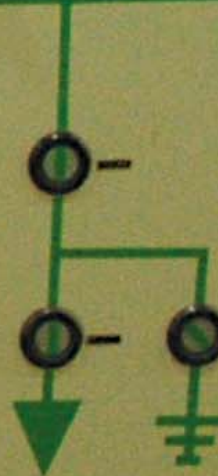
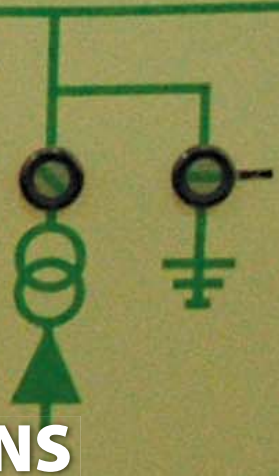
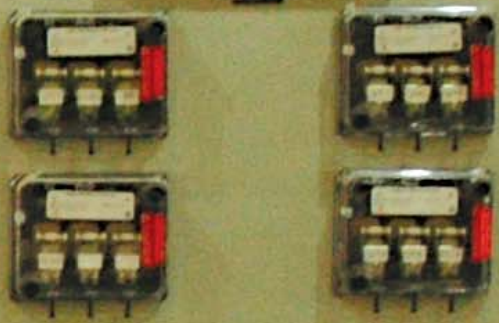
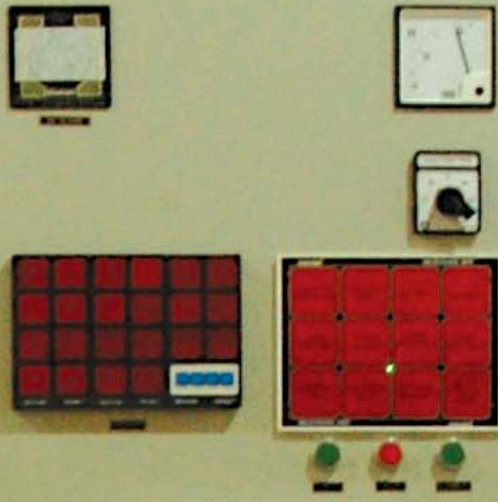
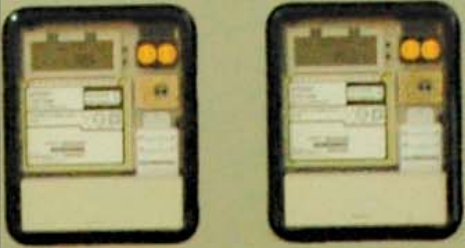
## General information

- i. Alliance Financial Services Limited (AFSL) and ICB Capital Management Limited (ICBCML) have jointly prepared the prospectus based on information provided by Doreen Power Generations and Systems Limited (DPGSL) (the Issuer Company) and also upon several discussions with the Chairman, Managing Director, Directors and concerned executives of the issuer company. The Directors of Doreen Power Generations and Systems Limited, Alliance Financial Services Limited and ICB Capital Management Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
- ii. No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information and representation must not be relied upon as having been authorized by the issuer company or Issue Managers.
- iii. The Issue as contemplated in this prospectus is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this prospectus to any person resident outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.
- iv. A copy of this prospectus may be obtained from the Corporate Head Office of Doreen Power Generations and Systems Limited, Alliance Financial Services Limited, ICB Capital Management Limited, the Underwriters and the Stock Exchanges where the securities will be listed.

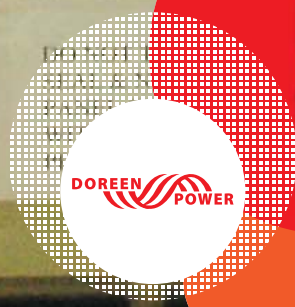
33KV METERING PANEL - 1

33 KV CONTROL PANEL FOR TRANSFORMER FEEDER

33 KV CONTROL PANEL FOR LINE FEEDER



**SECTION II :  
DECLARATIONS  
AND DUE  
DILIGENCE  
CERTIFICATES**



ENERGYPAC

ENERGYPAC

ENERGYPAC

**Declaration about the Responsibility of the Directors, including the CEO of the Company "Doreen Power Generations and Systems Limited" in respect of the Prospectus**

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

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

Sd/-  
Parveen Alam  
Chairman

Sd/-  
Tahzeeb Alam Siddique, Managing Director  
(Nominated by Asian Entech Power Corporation  
Limited)

Sd/  
Tanzeer Alam Siddique, Director  
(Nominated by Asian Entech Power Corporation  
Limited)

Sd/-  
Anjabeen Alam Siddique, Director  
(Nominated by Asian Entech Power Corporation  
Limited)

**Consent of the Director(s) to Serve as Director(s)**

We hereby agree that we have been serving as Director(s) of "Doreen Power Generations and Systems Limited" and shall continue to act as a Directors of the Company.

Sd/-  
Parveen Alam  
Chairman

Sd/-  
Tahzeeb Alam Siddique, Managing Director  
(Nominated by Asian Entech Power Corporation  
Limited)

Sd/  
Tanzeer Alam Siddique, Director  
(Nominated by Asian Entech Power Corporation  
Limited)

Sd/-  
Anjabeen Alam Siddique, Director  
(Nominated by Asian Entech Power Corporation  
Limited)

## **Declaration about Filing of Prospectus with the Registrar of Joint Stock Companies & Firms**

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the People's Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994.

### **Due Diligence Certificate of Manager to the Issue**

**Subject: Public offer of 20,000,000 Ordinary Shares of TK. 10/= each at an offer price of TK. 29/- including a premium of tk. 19/- each totaling to TK. 580,000,000/= of Doreen Power Generations and Systems Limited.**

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

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

#### **WE CONFIRM THAT:**

- a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements connected with the said issue have been duly complied with; and
- c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

#### **For Manager to the Issue**

Sd/-  
Muhammad Nazrul Islam  
Managing Director & CEO  
Alliance Financial Services Limited

Sd/-  
Mahmud Mizanur Rahman  
Chief Executive Officer  
ICB Capital Management Limited

## Due Diligence Certificate of the Underwriter(s)

**Subject: Public offer of 20,000,000 Ordinary Shares of TK. 10/= each at an offer price of TK. 29/- including a premium of tk. 19/- each totaling to TK. 580,000,000/= of Doreen Power Generations and Systems Limited.**

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

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

WE CONFIRM THAT:

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

For Underwriter(s)

Sd/-  
Chief Executive Officer  
ICB Capital Management Limited

Sd/-  
Chief Executive Officer  
PLFS Investments Limited

Sd/-  
Managing Director  
One Bank Limited

Sd/-  
Chief Executive Officer (Current Charge)  
GSP Investment Limited



**SECTION III :  
RISK FACTORS &  
MANAGEMENT'S  
PERCEPTION ABOUT  
THE RISKS**

**DOREEN  
POWER**

**SECTION IV :  
CAPITAL  
STRUCTURE  
& PURPOSE OF  
PUBLIC OFFERING**

**DOREEN  
POWER**

An investment in equity involves high degree of risk. Investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in equity shares of Doreen Power Generations and Systems Limited. Any of the following risks as well as other risks and uncertainties discussed in this Prospectus could have a material adverse effect on business, financial condition and results of operations of DPGSL and could cause the trading price of Equity Shares to decline, which could result in the loss of all or part of one's investment. In addition, the risks set out in this Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

**a. Interest Rate Risk**

Changes in interest rates and Banking policies could significantly affect our financial condition and results of operations. As on 30 June 2015 the Company has outstanding loan of Tk 1,725.72 million from different banks. This includes Ijara Bond for Tk. 750 million which was approved by BSEC and taken from Islami Bank Bangladesh Limited. Enhanced the interest rate burdens the company with additional financial charges and reduces the profit of the company.

**Management Perception**

Management of the Company is well aware about the fluctuations in bank interest and always strives to procure long term fund with minimum interest rate and the short-term fund with competitive rate. 44% of the total loan (balance as on 30 June 2015 is BDT 761.25 million) is taken from World Bank through investment Promotion and Financing Facility (IPFF) Management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the company.

**b. Exchange Rate Risk**

The project may face some degree of foreign exchange rate fluctuation risk as the Company imports some plant maintenance materials which require foreign exchange. However the company purchases its major raw material; the natural gas from Titas & Bakhrabad and the transactions are done through local currency.

**Management Perception**

Compared to the available size of operation the value of the company's imported raw materials is very low and the management is always alert in minimizing the negative impact of currency fluctuation cost by looking for new sources of raw materials or constantly negotiating with suppliers in reducing price. Therefore, the net effect of currency volatility on their overall performance will be very insignificant. Furthermore as per terms of the agreement revenue on non scalable capacity will be collected in USD and hence our exchange risk on that portion will not exist.

**c. Industry Risks**

Industry risks refer to the impact that the country's industrial policy can have on the performance of a specific industry. Current Government of Bangladesh is mandated to ensure long-term energy security for the country. Government has prepared the Power System Master Plan 2010 (PSMP 2010). According to the PSMP 2010 the estimated demand for power would be 19,000 MW in 2021 and 34,000 MW in 2030<sup>1</sup>. This may create new competition in the industry that in turn could adversely affect the Company's business.

**Management Perception**

At present country's productivity is hampered due to shortage of adequate power. Currently there is a huge gap between demand and supply of electricity in our country and the demand for electricity is increasing significantly day by day. In terms with Power Purchase Agreement (PPA) with Doreen, Bangladesh Power Development Board (BPDB) and Rural Electrification Board (REB) will purchase 100% of the electricity produced by the Company at a predetermined rate which will also be adjusted in accordance with local consumer price index (CPI) for a period of 15 years from the date of commercial

<sup>1</sup><http://www.powerdivision.gov.bd/>

operation. The product has no substitute effect and has lower threats from buyer and supplier side. In this industry, by nature, the Company has to face competition from the rivals only at the bidding stage to win a new power project. Once the power plant is established the Company has no competition for selling its product. So far as the revenue earning is concerned, the capacity payment is certain irrespective of electricity generation, subject to upkeep of machineries, and energy payment is co-related with generation.

Hence, the Company is protected against any industry risk as competition is lower and the industry is encouraging new entrepreneurs to set up more power plants to minimize electricity crisis.

#### **d. Market and Technology-Related Risks**

Change / up gradation in technology is one of the key factors for the sustained growth of business operations. Our inability to adapt to / incorporate required change/up gradation in technology may place our competitors at an advantage in terms of costs, efficiency and distribution of power and consequently would have an adverse impact on business operations and financial condition of the company.

##### ***Management Perception***

The company is using state of the art technology and modern machines. The plant is comprised of 24 units of generator sets from the world renowned gas fired reciprocating engine manufacturer GE Jenbacher GmbH & Co. OG, Austria. Total installed capacities of three plants are 69.648 MW where contracted capacity is 66 MW of electricity. To ensure uninterrupted supply of electricity the project has 5.53% of reserve margin in production. Furthermore the management of the company is very serious about timely maintenance of the machineries.

#### **e. Potential or Existing Government Regulations**

Unstable internal and international political environment could impact the economic performance in both the short term and long term. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Bangladesh economy. Existing government rules and regulations are very favorable for the company. Any changes in the policy regarding tariff and supply of gas or lease of land may adversely affect profitability and operation of the company.

##### ***Management Perception***

The Government is committed for providing affordable and reliable electricity to all citizens by 2021 for economic and social development. The government has a plan to produce 24,000 MW of electricity with in 2021<sup>2</sup> and accordingly they are working on it. Hence, the management feels that DPGSL will not have to face any unfavorable situation regarding government policy.

#### **f. Potential Changes in Global or National Policy**

Adverse changes in the existing global or national policies can have negative impacts for the company. Any scarcity or price hike of raw materials i.e. Lubricating oil, Spare parts, Grease etc. due to changes in policy in the international market might hamper the production and profitability. Furthermore, the performance of the company would also be hampered due to unavoidable circumstances both in Bangladesh and abroad like political turmoil, natural calamity etc. Since the risk involved with the potential changes in global or national policies is a macro factor, it is beyond the capability of DPGSL to control.

##### ***Management Perception***

The management of DPGSL is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and timely to safeguard its interest. The strong image of the Group in the local market and deep and profound knowledge of the sponsors will always endeavor to withstand the unexpected changes or any such potential threats. Nevertheless, political stability and a congenial business environment is definitely the best situation in which DPGSL will achieve its maximum potential. Political turmoil and the disturbance are bad for the economy as a whole and also for the company. On the other hand, Government have special attention to the growth of the industry as it is related to existence, productivity and development of the country.

#### **g. History of Non-operation**

If a company becomes non-operative for some period in its operating life then the risk of becoming non-operative in future for the same reason or other probable reasons should be considered carefully.

<sup>2</sup><http://www.powerdivision.portal.gov.bd>



## **Management Perception**

There is no history of non operation of DPGSL since its commencement of operation.

### **i. Operational Risks**

#### **a. Supply of Gas**

The company entered into agreement with Titas Gas Transmission and Distribution Company Limited (TGTDC) and Bakhrabad Gas Systems Limited (BGS) with an agreement that they will supply adequate gas to DPGSL during purchase agreement period of fifteen (15) years .If TGTDC and BGS fail or are unable to provide gas to DPGSL or if the gas supply to one or more of operating power plants is interrupted, company may not be able to produce power in sufficient quantities to cover their costs , because the company has no alternative arrangement for fuel. The occurrence of any of the foregoing events could materially and adversely affect company's business, financial condition and results of operations.

#### **Management perception**

TGTDC & BGS shall deliver gas to the gas delivery points at all times as per Article 3 of the gas supply agreement. Thus, even if there is a shortage of gas in Bangladesh, it is expected that the both the providers will be able to supply gas to the company during the contract period.

#### **b. Project duration risk**

The company entered into agreement with Bangladesh Power Development Board (BPDB) and Rural Electrification Board (REB) with a condition that the agreement shall be terminated at the end of fifteen (15) contract years, unless extended or earlier terminated pursuant to the provisions of this agreement. If government terminates the agreement earlier than 15 years or does not renew the contract after completion of agreement tenure the company's revenue will become uncertain.

#### **Management perception**

Management perceives that there are no possibilities of early termination of the agreement as there are huge demands for power in our country. Government of Bangladesh is encouraging more local entrepreneurs to invest in this sector to meet up the demand and supply gap. Moreover, at present scarcity of power reveals that the power crisis will remain in future as economy of Bangladesh is growing and demand for power and electricity is increasing. So there is scope for extension of the term of current agreement subject to approval of BPDB & REB. However the company will be able to sell power to private parties after cessation of the present agreement

### **h. Risk of investment in two green field plants, which are private limited companies:**

The company is in the process of implementing two new power plants totaling 110 MW. One plant is in Manikganj and the other is in Nababganj with a capacity of 55MW each, wherein IPO proceeds Tk. 558.98 million will be utilized/invested. There are definite risks of successful implementation of green field plants.

#### **Management perception**

Pre-commissioning work of 55 MW power plant at Daulatpur, Nabaganj is allmost completed. Commissioning will be started soon by the engineers from MAN Diesel & Turbo SE, Germany. We hope that the plant will be commercially running by end February, 2016.

Where 55MW power plant at Singair Manikgonj is going to be completed shortly. Engines with all mechanical auxiliaries are installed on the bed. Civil construction, Main Fuel storage tank work, and substation works have already been completed. Power Evacuation line and Erection work is going on. Commissioning work will start by the engineers from MAN Diesel & Turbo SE, Germany in February 2016. Therefore, we hope that the plant will be commercially running by end of March, 2016.

Furthermore Doreen management has long experience of implementing similar projects and hence it is expected that they can successfully implement these plants.

### **i. Liquidated Damage (LD) for delay of Commercial operation of the project.**

As per power purchase agreement, the scheduled commercial Operation date (COD) for both the project was 6th April 2014. But both of them are failure to comply the condition of the agreement. So as per clause no. 8.1 of such PPA the companies should be charged a liquidity damage day for delay in commissioning a sum equal to Tk. 100,000 per day or fraction thereof with a maximum of Tk. 10 million.

## Management perception

Project wise explanation is given bellow:

### Dhaka Southern Power Generations Limited

IA, PPA and LLA were signed between the company and concerned govt. authority on 7th January 2013. As per contract, the plant is required to implement within 15 months from the date of signing the agreements. According to this, the schedule commercial Operation date (COD) was 6th April 2014 and in reply to the application of the company regarding "Force Majeure event", the BPDB had considered 70 days as "Force Majeure event". As per this RCOD date was 15th June 2014.

Due to some unavoidable circumstances i.e. political situation and others, we could not able to implement the plant within the stipulated time. But all the work is under control and we will start commercial operation of the plant by February 2016.

As per clause of PPA, if the commercial operation of the facility has not occurred by the Required Commercial Operation Date and such date has not extended in accordance with agreement by the parties as Force Majeure event", project Company shall pay BPDB as liquidated damages for delay in Commissioning a sum equal to Tk. 100,000 per day and in no event shall the total damages assessed under the foregoing Articles exceed Tk. 10 million. In compliance with the clause a letter Memo no. 2763/BPDB (Sectt)/Dev-197/2010 dated 21.12.2014 was issued by BPDB regarding the liquidated damages. In reply to BPDB letter the company request BPDB by letter no DSPGL/BPDB/IPP CELL-3/1214/031 dated 24.12.2014 to deferred the LD payment until commercial operation of this project otherwise cash flow will disturb to start operation within due time subscenquently we did not get any reply from their end.

### Dhaka Northern Power Generations Limited

IA, PPA and LLA were signed between the company and concerned govt. authority on 7th January 2013. As per contract, the plant is required to implement within 15 months from the date of signing the agreements. According to this, the schedule commercial Operation date (COD) was 6th April 2014 but REB (LLA signed with us) could not handover the required land to us. Finally we purchased 4 acres (approx) of land for the project and started implementation work. Due to the failure of handover of required land by REB, we had to go through several procedures i.e. site selection, apprvl of site, land purchase, land registration etc. and it took time which was the cause in delay of the project implementation. We have applied to BPDB as per agreement signed by the parties, to consider the above and calculate Required Commercial operation date (RCOD), which will be 455 days from the execution of registration of Land which is 1st June 2014.

As per clause of PPA, if the commercial operation of the facility has not occurred by the Required Commercial Operation Date and such date has not extended in accordance with agreement by the parties as Force Majeure event", project company shall pay to BPDB as liquidated damages for delay in Commissioning a sum equal to Tk. 100,000 per day and in no event shall the total damages assessed under the foregoing Articles exceed Tk. 10 million.

On 13.01.2015 BPDB issued a letter Memo no. 102/BPDB (Sectt)/Dev-197/2010 regarding the liquidated damages. In reply to BPDB letter the company explained the issues and confirmed that the payment is not applicable for them subscenquently we did not get any reply from their end.

### j. No provision for green cover is being maintained in Financial Statement

#### Management perception

Adequate measures have been taken for noise reduction and vibration from the equipment installed in the plant. Natural gas is burning as fuel, so emission will not occur. A green belt development program with different kinds of trees has been taken. The vegetations are purifying the air, reduce noise level, maintain ecological balance and generally contribute to the scenic beauty of the area.

All the 3 power plants are running for more than 6 years efficiently according to the requirement of DoE (Department of Environment). There was not a single incident since its inception regarding environmental issue, where the company falls into any financial obligation. We didn't assume and estimate any financial obligation there. That is why no provision was made in the account as per BAS 37.

**Capital Structure of the Company**

<b>Particulars</b>	<b>No of shares</b>	<b>Amount (BDT)</b>
Authorized Capital	<u>200,000,000</u>	<u>2,000,000,000</u>
<b>Paid up share Capital prior to IPO</b>	<b>60,000,000</b>	<b>600,000,000</b>
IPO (Initial Public Offering)	20,000,000	200,000,000
<b>Ordinary share capital after IPO</b>	<b>80,000,000</b>	<b>800,000,000</b>

**Purpose of Raising Capital**

The company is in the process of implementing two new power plants totaling 110 MW. One plant is in Manikganj and the other one is in Nababganj with a capacity of 55MW each. As per terms of LOI two special purpose company (SPC) namely Dhaka Southern Power Generation Limited and Dhaka Northern Power Generation Limited has formed. Power Purchase Agreement between two SPCs and Bangladesh Power Developments Board has been signed on 7<sup>th</sup> January 2013.

**Funding Plan & Utilization of IPO Proceeds**

Estimated cost for implementation of both the plants stands at Tk. 7,565.77 Million. Accordingly, Tk. 5,674.33 million (75% of the Project cost) was taken as debt from Investment Promotion and Financing Facility (IPFF) of World Bank and local commercial bank. 55MW HFO Power Plant at Nababganj has been financed by NCC Bank Limited and 55MW HFO Power Plant at Manikganj have been financed by Trust Bank Limited. NCC Bank Limited has signed the loan agreement with Dhaka Southern Power Generations Limited for financing the project through IPFF Fund of World Bank and its own fund. LC for machineries was established on 9th January 2014 and the total IPFF fund has already been disbursed by Bangladesh Bank and utilized to make payment for machineries and equipment. Pre-commissioning work of 55 MW power plant at Daulatpur, Nabaganj is all most completed. Commissioning will be started soon by the engineers from MAN Diesel & Turbo SE, Germany. We hope that the plant will be commercially running by end February, 2016.

Mandate Letter has given by Trust Bank to Dhaka Northern Power Generations Ltd. for financing the project through IPFF Fund of World Bank and its own fund. LC for machineries has been established on 27th August 2014. Engines with all mechanical auxiliaries are installed on the bed. Civil construction, Main Fuel storage tank work, and substation works have already been completed. Power Evacuation line and Erection work is going on. Commissioning work will start by the engineers from MAN Diesel & Turbo SE, Germany in February 2016. Therefore, we hope that the plant will be commercially running by end March, 2016.

Balance amount of the project cost was arranged through sponsors' own source (which includes Doreen Ijara Bond) and IPO Fund. Entire IPO proceeds will be utilized for IPO Expenses and equity of DNPGL and DSPGL in the form of subscription of ordinary share capital.

<b>Total Project Cost (million)</b>	<b>BDT</b>	<b><u>7,565.77</u></b>
<b>Funding Plan (million):</b>		
A. Loan from IPFF Fund & Local Commercial Bank	BDT	5,674.33
B. Doreen Izara Bond	BDT	800.00
C. Sponsor's Own Equity	BDT	532.46
D. Proposed IPO	BDT	558.98
<b>Total</b>	<b>BDT</b>	<b><u>7,565.77</u></b>

### Schedule of Implementation

SI No.	ITEMS	Amount (Taka)	Approximate date of Implementation
	<b>A. Project Implementation</b>		
1	Co-Generations and Water Treatment and Purifying Unit Equipment	26,000,000	Within 4th month after receiving of IPO fund.
2	Building foundation and Other Constructions	116,000,000	Within 6th month after receiving of IPO fund.
3	Testing and Commissioning (Lube oil)	50,000,000	Within 1st month after receiving of IPO fund.
4	Emergency Spare Parts	50,000,000	Within 4th month after receiving of IPO fund.
5	Fuel Storage Tank at Plant	17,000,000	Within 1st month after receiving of IPO fund.
6	Power Evacuation	16,000,000	Within 1st month after receiving of IPO fund.
7	Sub Station	60,980,000	Within 1st month after receiving of IPO fund.
8	Rent for Fuel Storage tank in Chittagong	33,000,000	Within 4th month after receiving of IPO fund.
9	Loan Repayment	190,000,000	Within 4th month after receiving of IPO fund.
	<b>Sub Total</b>	<b>558,980,000</b>	
	<b>B. IPO Expenses</b>	<b>21,020,000</b>	Time to time, as and when required
	<b>Grand Total (A +B)</b>	<b>580,000,000</b>	

### 1. Co-Generation Systems, Water Treatment Equipments:

SI	Description	Dhaka Southern Power Generations Ltd.	Dhaka Northern Power Generations Ltd.	Total Price
1	3 nos of Exhaust heat recovery boiler from Finland		19,000,000	19,000,000
2	Water Treatment and Purifying Unit (Imported Items)		7,000,000	7,000,000
	<b>Total</b>		<b>26,000,000</b>	<b>26,000,000</b>

## 2. Building, Foundation & Others construction:

SI	Description	Dhaka Southern Power Generations Ltd.	Dhaka Northern Power Generations Ltd.	Total Price
1	Workshop Building, Workshop Machinery, Dormitory and Boundary Wall	50,000,000	50,000,000	100,000,000
2	Water treatment plant including construction of underground reservoir, auxiliary equipment floor, prefabricated super structure etc.	3,000,000	3,000,000	6,000,000
3.	Construction of approach approx. 900 feet at Manikgonj		10,000,000	10,000,000
	<b>Total</b>	<b>53,000,000</b>	<b>63,000,000</b>	<b>116,000,000</b>

## 3. Testing and Commissioning:

SI	Description	Dhaka Southern Power Generations Ltd.	Dhaka Northern Power Generations Ltd.	Total Price
1	Lube oil for Testing and Commissioning	25,000,000	25,000,000	50,000,000
	<b>Total</b>	<b>25,000,000</b>	<b>25,000,000</b>	<b>50,000,000</b>

## 4. Emergency Spare parts:

SI	Description	Dhaka Southern Power Generations Ltd.	Dhaka Northern Power Generations Ltd.	Total Price
1	Emergency Spare Parts for the plant operation	25,000,000	25,000,000	50,000,000
	<b>Total</b>	<b>25,000,000</b>	<b>25,000,000</b>	<b>50,000,000</b>

## 5. Fuel Storage Tank at Plant:

SI	Description	Dhaka Southern Power Generations Ltd.	Dhaka Northern Power Generations Ltd.	Total Price
1	4 no's of HFO Storage Tank - capacity 2391 m3, 2 no's of HFO Buffer Tank - capacity 331m3, 2 no's of HFO Service Tank, capacity 331 m3, two no. Lube oil tank and two water tank.	-	85,000,000	85,000,000
	<b>Total</b>	<b>-</b>	<b>85,000,000</b>	<b>85,000,000</b>
	<b>20% of the total price of Fuel Storage Tank</b>	<b>-</b>	<b>17,000,000</b>	<b>17,000,000</b>

#### 6. Power Evacuation Line:

SI	Description	Dhaka Southern Power Generations Ltd.	Dhaka Northern Power Generations Ltd.	Total Price
1	Power transmission line of 29 km with river crossing towers including pole, cross arms, Mallard Conductor, Suspension Insulator, Tension Insulator, Earth Wire, Sky Wire, Cables and associated Fittings with protection	79,500,000	79,500,000	159,000,000
	<b>Total</b>	<b>79,500,000</b>	<b>79,500,000</b>	<b>159,000,000</b>
	<b>Approximately 10% of the total price of Power Evacuation Line</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>16,000,000</b>

#### 7. Substation (including 132 kv underground cable, switchgears, breakers, control systems), Electrical Cables

SI	Description	Dhaka Southern Power Generations Ltd.	Dhaka Northern Power Generations Ltd.	Total Price
1	2 sets of Main Power Transformer of 11/33KV with auto load tap changer, Auxiliary Transformer, CT (Current Transformer), PT (Potential Transformer), LA (Lightning Arrestor), Isolator, CRP (Control & Relay Panel), Metering, Earthing Material, Additional Indoor and Outdoor Equipment, Additional Bay Extension equipment	254,000,000	254,000,000	508,000,000
	<b>Total</b>	<b>254,000,000</b>	<b>254,000,000</b>	<b>508,000,000</b>
	<b>approximately 11.87% of the total price of Substation</b>	<b>30,490,000</b>	<b>30,490,000</b>	<b>60,980,000</b>

#### 8. Rent for Fuel Storage Tank at Chittagong:

SI	Description	Dhaka Southern Power Generations Ltd.	Dhaka Northern Power Generations Ltd.	Total Price
1	Rent for Fuel storage tank for the month of January, 2016 to May 2016	16,500,000	16,500,000	33,000,000
	<b>Total</b>	<b>16,500,000</b>	<b>16,500,000</b>	<b>33,000,000</b>

#### 9. Loan Repayment:

SI	Description			Total Price
1	Loan Repayment (1/3 rd portion of IPO Proceeds)			190,000,000
	<b>Total</b>			<b>190,000,000</b>

**Terms of contract:**

The company has entered into several contracts for part of utilization of IPO proceeds. Terms and condition of the contract are as follows:

**01. Contract for Fuel Storage Tank at Site:**

Contract With:	Cathweld Construction company Limited
Description of Work:	Fabrication and Erection of Tank
Contract Amount	BDT 3,94,00,000 and for Supply of Materials US\$ 220,000.00 (each Project)
Payment	Balance 20% of the local currency will be paid after completion of contract and successfully commissioning of HFO Tank

**02. Contract for Sub-station:**

Contract With:	Energypac Engineering Limited
Description of Work:	Design, Engineering, Procurement, Supply, Manufacturing, Erection, Installation, Testing & Commissioning of 33KV substation.
Contract Amount	USD 1,860,000 without VAT for Dhaka Southern Power Generations Ltd. And USD 1,856,538.18 without VAT for Dhaka northern Power Generations Ltd.
Payment	Through LC

Sd/-  
Tahzeeb Alam Siddique  
Managing Director

Sd/-  
Afroz Alam  
Chief Financial officer



**SECTION V :  
DESCRIPTION  
OF BUSINESS**

**DOREEN  
POWER**



**Company Profile**

Doreen Power Generations and Systems Limited (DPGSL) was incorporated in Bangladesh on 20th August 2007 as a private limited company. DPGSL has set up three power plants for generating and supplying 66MW electricity to Bangladesh Power Developments Board (BPDB) and Rural Electrification Board (REB) under three power purchase agreements signed by the company with BPDB for selling 22MW from Tangail plant, 22 MW from Feni plant and with REB for selling 22MW from Narshingdi plant for a period of 15 years. The Commercial Operation date (COD) of Tangail plant was 12<sup>th</sup> November, 2008, Narsingdi plant was 21<sup>st</sup> December, 2008 and 22MW Feni plant was 16<sup>th</sup> February 2009.

The power plants were commissioned with GE Jenbacher Gas Fired Engines'. DPGSL set up three gas fired power plants each consisting of eight gas engines with 2.9 MW capacities each (engine of simple cycle gas turbine technology) with gross capacity of 23.2 MW, which is capable to safely generate 22 MW (contracted capacity) electricity leaving a safety margin of about 5.45% in all the plants.

To provide uninterrupted electricity to the vast majority of the country for their personal, social and economic development, DPGSL taken initiative to establish more power plants in other places of the country and to expand its power generation capacity by 200 MW. Doreen's mission is to become one of the leading power generating companies in the private sector by developing more power plants across the country.

Beliefs of DPGSL on sustainability have led to a company policy that emphasizes environment preservation. DPGSL works on projects that include green cover, reducing effluents and emission, maintaining local ecological and improving long term corporate sustainability.

**Milestones**

Incorporation	20 August 2007
Signing Power supply agreement with REB for Narshingdi plant	11 October 2007
Signing Power supply agreement with BPDB for Feni & Tangail plant	11 October 2007
Signing Gas supply agreement with TGTL for Narshingdi & Tangail plant	11 October 2007
Signing Gas supply agreement with Bakhrabad for Feni plant	11 October 2007
Signing Land Lease agreement with Bakhrabad for Narshingdi plant	11 October 2007
Commercial Operation of Tangail Plant	12 November 2008
Commercial Operation of Narshingdi Plant	21 December 2008
Commercial Operation of Feni Plant	16 February 2009
Conversion into Public Limited Company	10 September 2011
15 years completion date of Tangail Plant	11 November 2023
15 years completion date of Narsingdi Plant	20 December 2023
15 years completion date of Feni Plant	15 February 2024

**Nature of Business**

The principal activity of the Company is to set up power plants for generation and supply of electricity. Now the company is operating 3 plants in different location with aggregate production capacity of 66MW. Details of the plants are as follows:

Location of Plant	Installed Capacity (MW)	Plant Capacity (MW)	Operation starting date	Power purchase agreement with	Agreement Period (15 Years)
Tangail	23.22	22	12 November 2008	BPDB	11 November 2023
Narshingdi	23.22	22	21 December 2008	REB	20 December 2023
Feni	23.22	22	16 February 2009	BPDB	15 February 2024

## Principal products and services & market for the product

Generation and supply of electricity is the only product of the Company. Under private sector power generation policy of Bangladesh, the Company is generating electricity and supplying it to Rural Electrification Board (REB) from Narsingdi plant and to Bangladesh Power Development Board (BPDB) from Feni & Tangail plant through power grid.

## New Plants under Implementation

The company is in the process of implementing two new power plants totaling 110 MW. One plant is in Manikganj and the other one is in Nababganj with a capacity of 55MW each. As per terms of LOI two special purpose company (SPC) namely Dhaka Southern Power Generations Limited and Dhaka Northern Power Generations Limited has already been formed. Power Purchase Agreement between two SPCs and Bangladesh Power Developments Board has been signed on 7<sup>th</sup> January 2013. Implementation Agreement with the Government of Bangladesh and Land Lease Agreement with Rural Electrification Board have been signed on the same day. Key Information of two proposed plants is as follows:

Particulars	Manikgonj Power Plant	Nababgonj Power Plant
Name of the SPC	Dhaka Northern Power Generations Limited (DNPGL)	Dhaka Southern Power Generations Limited (DSPGL)
Project Location	Fordnagar, Singair, Manikganj (beside river)	Daulatpur, Nababganj, Dhaka (beside river)
Project Capacity	55 mw	55 mw
Fuel	HFO based power plant	
Power Purchase Agreement with	BPDB	
Main Sponsor	Doreen Power Generations and Systems Ltd.	
Total Project Cost	BDT 385.99 crores (approx) equivalent	BDT 370.59 crores (approx) equivalent
Main engine of Project	The project will have 03 units of MAN 18 V 48/60 TS engine origin from Germany with & each engine has generating capacity of 19.3MW. These engines are duel turbo charged and have high fuel efficiency.	The project will have 03 units of MAN 18 V 48/60 TS engine origin from Germany with & each engine has generating capacity of 19.3MW. These engines are duel turbo charged and have high fuel efficiency.
Land Lease Agreement	Own Fund	Rural Electrification Board on 07 January 2013
Power Purchase agreement done on	07 January 2013	07 January 2013
Equipment Supply Agreement	03 October 2013	03 October 2013
Tariff	BDT 6.9898/Kwh (Tariff of both the projects are same)	
Total Operation period	Operation will be 15 years from the date of COD (Commercial Operation Date)	
Project Implementation	Within 15 Months from the date power purchase agreement	
Debt-Equity Ratio	75:25	

## Project Cost & Funding plan

As per initial estimate total project cost of two proposed plants has been estimated at Tk. 7,565.77 million (Tk. 3,705.88 million for Nababganj plant and Tk. 3,859.89 million for Manikgonj plant). Detailed project costs are as follows:

SI No.	ITEMS	Nababgonj Plant (DSPGL) BDT	Manikgonj Plant (DNPGL) BDT	Total BDT
1	Land Purchase	-	150,000,000	150,000,000
2	Building, Foundation & Others construction including Pre-fab Steel Building	300,000,000	300,000,000	600,000,000
3	Engine with Alternators	2,308,900,000	2,308,900,000	4,617,800,000
4	Co- Generation Systems	190,000,000	190,000,000	380,000,000
5	Carrying Expenses	50,000,000	55,000,000	110,000,000
6	Installation, testing and commissioning	85,000,000	85,000,000	170,000,000
7	Substation (including 132 kv underground cable, switchgears, breakers, control systems), Electrical Cables	254,000,000	254,000,000	508,000,000
8	Main Fuel Storage Tank	85,000,000	85,000,000	170,000,000
9	Balance of Plant	248,500,000	248,500,000	497,000,000
10	Power Evacuation	67,500,000	67,500,000	135,000,000
11	Interest During Construction Periods (IDCP)	116,985,000	115,987,075	232,972,075
	<b>TOTAL COST OF THE PROJECT</b>	<b>3,705,885,000</b>	<b>3,859,887,075</b>	<b>7,565,772,075</b>

### Status of the Projects

55MW HFO Power Plant at Nababganj has been financed by NCC Bank Limited and 55MW HFO Power Plant at Manikganj have been financed by Trust Bank Limited. NCC Bank Limited has signed the loan agreement with Dhaka Southern Power Generations Limited for financing the project through IPFF Fund of World Bank and its own fund. LC for machineries was established on 9th January 2014 and the total IPFF fund has already been disbursed by Bangladesh Bank and utilized for payment of Machineries and Equipment. Pre-commissioning work of 55 MW power plant at Daulatpur, Nabaganj is all most completed. Commissioning will be started soon by the engineers from MAN Diesel & Turbo SE, Germany. We hope that the plant will be commercially running by end February, 2016.

Mandate Letter has given by Trust Bank to Dhaka Northern Power Generations Ltd. for financing the project through IPFF Fund of World Bank and its own fund. LC for machineries has been established on 27th August 2014. Engines with all mechanical auxiliaries are installed on the bed. Civil construction, Main Fuel storage tank work, and substation works have already been completed. Power Evacuation line and Erection work is going on. Commissioning work will start by the engineers from MAN Diesel & Turbo SE, Germany in February 2016. Therefore, we hope that the plant will be commercially running by end March, 2016.

### Relative Contribution to Income

Generation and supply of electricity through 3 plants is the sole business of the company which contributes 100% of DPGSL's total revenue. Following table illustrates the plant wise total revenue:

Plant	30-Jun-15		30-Jun-14	
	Revenue BDT	Value contribution (% of Total Sales)	Revenue BDT	Value contribution (% of Total Sales)
Tangail Plant	365,413,979	34%	348,644,932	33%
Narsingdi Plant	355,247,254	33%	350,832,620	34%
Feni Plant	361,711,362	33%	349,550,875	33%
<b>Total</b>	<b>1,082,372,595</b>	<b>100%</b>	<b>1,049,028,427</b>	<b>100%</b>

## Associate, Subsidiary/Related Holding Company

Name of the Company	Relation	Core area of Business
Asian Entech Power Corporation Limited	Holding	Investment in Power Company
Dhaka Southern Power Generations Limited	Subsidiary	Investment in Power Company
Dhaka Northern Power Generations Limited	Subsidiary	Investment in Power Company

### Asian Entech Power Corporation Limited

Asian Entech Power Corporation Limited was incorporated on 26 December 2002 as a private company limited by shares having same ownership that operates 66 MW natural gas-fired power plants in three locations at Feni, Tangail & Narsingdi.

### Dhaka Southern Power Generations Limited

Dhaka Southern Power Generations Limited was incorporated on 25 June 2012 as a private company limited by shares. The company has signed Implementation Agreement with Power Division, The Ministry of Power, Energy and Mineral Resources, Power Purchase Agreement with Bangladesh Power Development Board (BPDB) and Land Lease Agreement with Rural Electrification Board (REB) on 7 January 2012 for developing a 55MW HFO Fired Power Plant at Daulatpur, Nababgonj on BOO basis for a term of 15 years. The registered office of the company is situated at Walsow Tower, 21 Kazi Nazrul Islam Avenue, Dhaka-1000 and the Corporate Headquarters is located at House#192/A, Eastern Road, Lane-01, New DOHS, Mohakhali, Dhaka- 1206.

### Dhaka Northern Power Generations Limited

Dhaka Northern Power Generations Limited. was incorporated on 25 June 2012 as a private company limited by shares. The company has signed Implementation Agreement with Power Division, The Ministry of Power, Energy and Mineral Resources, Power Purchase Agreement with Bangladesh Power Development Board (BPDB) for developing a 55MW HFO Fired Power Plant at Singair, Manikgonj on BOO basis for a term of 15 years". The registered office of the company is situated at Walsow Tower, 21 Kazi Nazrul Islam Avenue , Dhaka-1000 and the at House#192/A, Eastern Road, Lane-01, New DOHS, Mohakhali, Dhaka- 1206.

### Distribution of Product

As per terms & conditions of the existing power purchase agreements the company is generating electricity through its 3 power plants at 11 KV then transfer it to 35 KV and supplied it to national grid through BPDB and REB. Subsequently the generated electricity goes around whole Bangladesh.

Location of Plant	Plant Capacity (MW)	Distribute to
Feni	22	BPDB
Tangail	22	BPDB
Narshingdi	22	REB

### Competitive Conditions in the Business

As on 30 September 2015 the Government had total installed capacity for production of 11,683<sup>3</sup> MW power through different processes i.e. Coal, Gas, HSD, HFO and Imported etc. Highest generation on that date was 7,675 MW where Maximum Generation was 8,177 MW on 13.08.2015. Category wise power generating projects are as follows:

Fuel Type	Capacity (Unit)	Total (%)
Coal	250.00 MW	2.14 %
Gas	7280.00 MW	62.31 %
HFO	2507.00 MW	21.46 %
HSD	916.00 MW	7.84 %
Hydro	230.00 MW	1.97 %
Imported	500.00 MW	4.28 %
<b>Total</b>	<b>11683.00 MW</b>	<b>100 %</b>

<sup>3</sup>Bangladesh Power development Board (<http://www.bpdb.gov.bd>)

As per Power Purchase Agreement (PPA) with Doreen, Bangladesh Power Development Board (BPDB) and Rural Electrification Board (REB) will purchase 100% of the electricity produced by the Company at a predetermined rate which will also be adjusted in accordance with local consumer price index (CPI) for a period of 15 years from the date of commercial operation. Therefore, the Company has no competition in the markets in which it operates and sells electricity

#### Customers Providing 10% or More Revenue

The company has signed power supply agreement with BPDB and REB on 11 October 2007 for a term of 15 years. As per the agreement DPGSL is required to provide 44 MW power to Bangladesh Power Development Board (BPDB) which is 67% of total production and 22 MW Power to Rural Electrification Board (REB) which is 33% of total Production.

#### Sources and availability of raw materials and name of the supplier

Raw Material	Supplier	Plant
Natural Gas	Titas Gas Transmission and Distribution Company Limited (TGTDCCL): As per Article 6.1 of the agreement, TGTDCCL will supply 6167 Sm <sup>3</sup> per hour, the maximum daily gas usage shall be 148,000Sm <sup>3</sup> per day, the maximum Monthly gas usage shall be 3,151,180 SM <sup>3</sup> per month and the annual contract gas usages during a contract year shall be 37,789,034 Sm <sup>3</sup> per annum.	Narsinghdi
Natural Gas	Titas Gas Transmission and Distribution Company Limited (TGTDCCL): As per Article 6.1 of the agreement, TGTDCCL will supply 6167 Sm <sup>3</sup> per hour, the maximum daily gas usage shall be 148,000Sm <sup>3</sup> per day, the maximum Monthly gas usage shall be 3,151,180 SM <sup>3</sup> per month and the annual contract gas usages during a contract year shall be 37,789,034 Sm <sup>3</sup> per annum.	Tangail
Natural Gas	Bakhrabad Gas Systems Limited (BGSL): As per Article 6.1 of the agreement, BGSL will supply 6167 Sm <sup>3</sup> per hour, the maximum daily gas usage shall be 148,000Sm <sup>3</sup> per day, the maximum Monthly gas usage shall be 3,151,180 SM <sup>3</sup> per month and the annual contract gas usages during a contract year shall be 37,789,034 Sm <sup>3</sup> per annum.	Feni
Spare Parts	GE Jenbacher, Austria ABB Limited, India/Switzerland Advance Ventilation Limited, India Orient Energy Systems Limited, Bangladesh/Dubai Energy Pac Power Co. Limited, Bangladesh	DPGSL
Lube Oil	MJL Bangladesh Limited, Bangladesh	DPGSL
Greese	M/S Delcott Limited, Bangladesh	DPGSL
Maxiguard	M/S Pacific Chemitrade Co. Limited, Bangladesh	DPGSL

#### Sources of Requirement for Power, Gas, Water or any Other Utilities

##### Power

The company meets their power requirement from their own generation and accordingly adjusts the consumption with monthly bill.

##### Gas

The Company does not require Gas for its official use other than operational. Requirement of gas for production is described under "**Sources and availability of raw materials and name of the supplier**" head of the prospectus.

##### Water

DPGSL has its own deep tube well which meets the requirement of water.

## Contract with Principal Customers and Suppliers

Contract with	Date	Main Purpose	Plant	Duration of Contract (15 Years)
Titas Gas Transmission and Distribution Company Limited	11 October 2007	Supply gas to implement 22 MW Gas Fired Electric Generation Plant	Narsinghdi	20.12.2023
Titas Gas Transmission and Distribution Company Limited	11 October 2007	Supply gas to implement 22 MW Gas Fired Electric Generation Plant	Tangail	11.11.2023
Bakhrabad Gas Systems Limited	11 October 2007	Supply gas to implement 22 MW Gas Fired Electric Generation Plant	Feni	15.02.2024
Rural Electrification Board	11 October 2007	Land Lease	Narsinghdi	20.12.2025
Rural Electrification Board	11 October 2007	Power Purchase	Narsinghdi	20.12.2023
Bangladesh Power Development Board	11 October 2007	Power Purchase	Feni	15.02.2024
Bangladesh Power Development Board	11 October 2007	Power Purchase	Tangail	11.11.2023

## Material Patents, Trademarks, Licenses or Royalty Agreements

The company does not have any Material Patents, Trademarks, Licenses or Royalty Agreements.

## Number of Employees

The company had 138 permanent employees as at 30 June 2015 and 143 permanent employees as at 30 June 2014 and a varying number of seasonal and temporary workers as required. All permanent employees receive to remuneration in excess of Tk. 36,000 per annum.

## Capacity and Current Utilization of the Facility

	30 June 2015	30 June 2014
Installed capacity in Mega Watt	578,160	578,160
Actual production in Mega Watt	450,213	407,651
% of capacity utilization	<b>78%</b>	<b>71%</b>



**SECTION VI:  
DESCRIPTION  
OF PROPERTY**



**DOREEN  
POWER**

**SECTION VII :  
FINANCIAL  
CONDITION  
AND PLAN OF  
OPERATION**



**DOREEN  
POWER**

## DESCRIPTION OF PROPERTY

## SECTION VI

A) The Company owns the following fixed assets at written down value as on 30 June 2015.

(As on 30 June 2015)

SI No	Property, Plant and Equipment	Written down value (Tk.)
1	Land & land development	116,381,888
2	Building & premises	148,935,358
3	Office decoration & renovation	99,908
4	Power plant	2,349,110,805
5	Machine Overhauling	171,677,792
6	Furniture & fixture	73,153
7	Office equipment	735,035
	<b>Total</b>	<b>2,787,013,940</b>

- B) Assets for DPGSL are situated at 192/A Eastern road (3rd floor), Lane-1, New DOHS, Mohakhali, Dhaka-1206 and in three different plants (located at Narshinghdi, Tangail & Feni) premises and are in good operating condition. Whereas assets for two subsidiary of DPGSL named DSPGL and DNPGL are situated at 192/A Eastern road (4th floor), Lane-1, New DOHS, Mohakhali, Dhaka-1206 and in two different plants (located at Nababgonj & Masnikgonj) premises and are in good operating condition.
- C) The properties of the organizations are owned by DPGSL and its two subsidiaries. Power plants for DPGSL are located in three different locations i.e. Narshinghdi, Tangail & Feni. Whereas power plants for DSPGL are located at Nababgonj and power plants for DNPGL are located at Manikgonj and all are purchased in brand new condition.
- D) The Company owns 372.64 decimals of land (241 decimal in Tangail plant and 131.64 decimal in Feni plant) and mutation was done properly.
- E) Doreen Power Generations and Systems Limited have an operating lease agreement for 2.00 acres of land with Rural Electrification Board for 17 years for Narshinghdi plant, which will be expired on 10 October 2024. A detail has been presented in the "Operating Lease Commitment" part of this prospectus.
- F) All plants are configured by one Pre-fabricated steel structure [Tangail Plant: 9740 sq ft, Narshinghdi Plant: 9625 Sq ft, Feni Plant: 9790 Sq ft], one office building, one Store room, one Regulatory and Metering Station (RMS) and one Sub-station
- G) All the owned assets except 40.64 decimals land at Feni as described above are mortgaged with NCC Bank Limited.



**Internal and External Sources of Fund**

(As per audited accounts)

Particulars	Consolidated		Consolidated		Consolidated	
	2014-2015	2014-2015	2013-2014	2013-2014	2012-2013	2012-2013
<b>Internal sources of Fund</b>						
Share Capital	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Revaluation Reserve	822,361,303	822,361,303	867,963,700	867,963,700	949,687,032	949,687,032
Retained Earnings	737,749,743	796,879,632	557,167,162	585,826,757	353,124,156	365,472,035
<b>Sub-total</b>	<b>2,160,111,046</b>	<b>2,219,240,935</b>	<b>2,025,130,862</b>	<b>2,053,790,457</b>	<b>1,902,811,188</b>	<b>1,915,159,067</b>
<b>External sources of Fund</b>						
Long Term Loan	4,703,379,174	1,610,386,548	1,967,147,530	1,379,319,059	1,365,007,050	1,365,007,050
Short Term Bank Loan	1,978,015,009	115,330,346	61,938,051	61,938,051	92,041,634	92,041,634
<b>Sub-total</b>	<b>6,681,394,183</b>	<b>1,725,716,894</b>	<b>2,029,085,581</b>	<b>1,441,257,110</b>	<b>1,457,048,684</b>	<b>1,457,048,684</b>
<b>Total</b>	<b>8,841,505,229</b>	<b>3,944,957,829</b>	<b>4,054,216,443</b>	<b>3,495,047,567</b>	<b>3,359,859,872</b>	<b>3,372,207,751</b>

**Material Commitment for Capital Expenditure**

The company does not have any such commitment for capital expenditure except the expansion shown under the head "Use of IPO Proceeds and Stages of Utilization" of the prospectus.

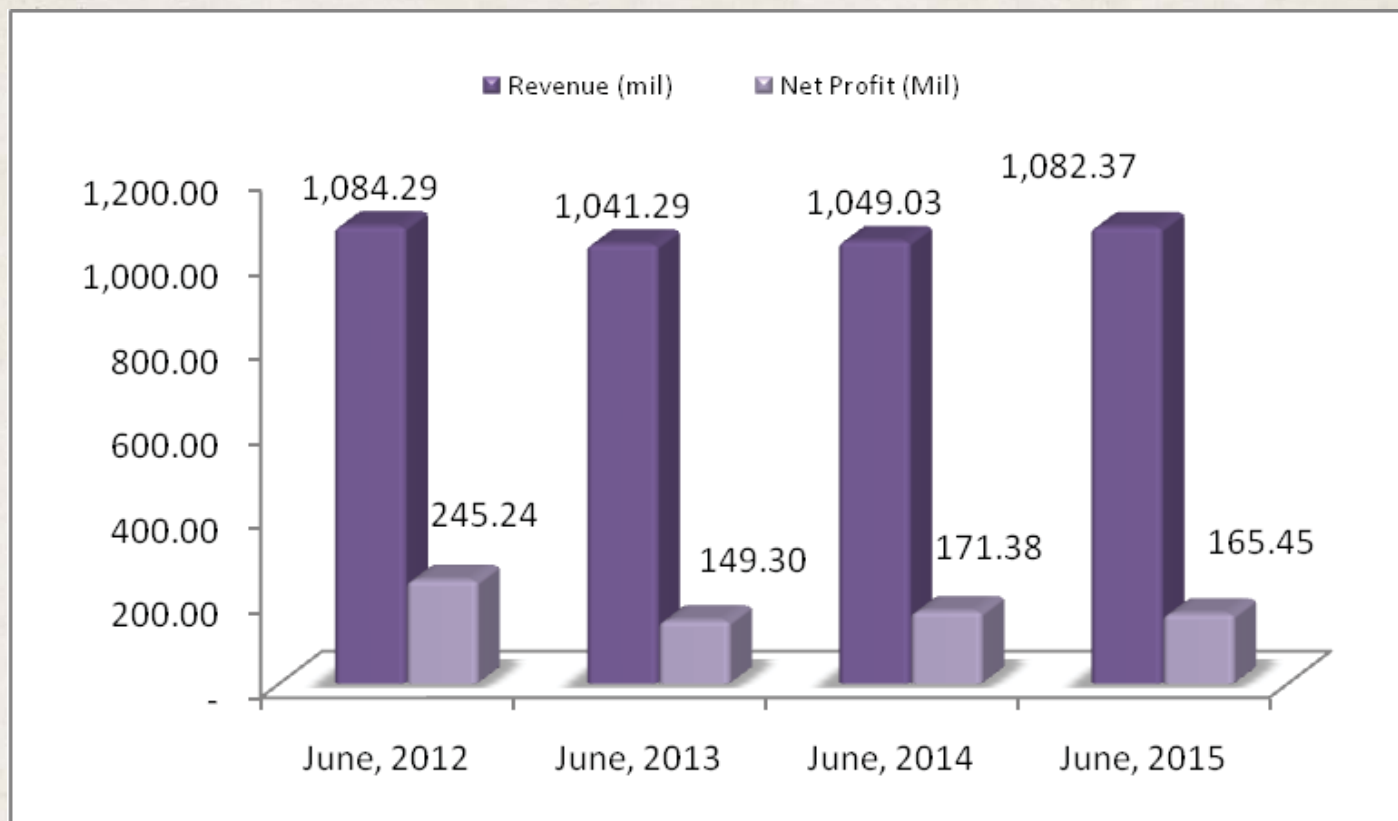
**Causes for any Material Change from Period to Period-**

(As per audited accounts)

Particulars	Consolidated		Individual		Consolidated		Individual	
	30.06.2015	30.06.2015	30.06.2014	30.06.2014	30.06.2013	30.06.2013	30.06.2013	30.06.2013
	Taka		Taka		Taka		Taka	
Revenue	1,082,372,595	1,082,372,595	1,049,028,427	1,049,028,427	1,041,291,215	1,041,291,215	1,041,291,215	1,041,291,215
Cost of sales	(646,369,722)	(646,369,722)	(626,027,545)	(626,027,545)	(612,226,355)	(612,226,355)	(612,226,355)	(612,226,355)
<b>Gross profit</b>	<b>436,002,873</b>	<b>436,002,873</b>	<b>423,000,882</b>	<b>423,000,882</b>	<b>429,064,860</b>	<b>429,064,860</b>	<b>429,064,860</b>	<b>429,064,860</b>
General administrative expenses	(67,818,455)	(67,818,455)	(62,034,551)	(62,034,551)	(67,986,789)	(67,986,789)	(67,986,789)	(67,986,789)
Pre Operating Expenses	(40,955,630)		(21,629,629)		(16,354,806)		-	
<b>Profit from operation</b>	<b>327,228,788</b>	<b>368,184,418</b>	<b>339,336,702</b>	<b>360,966,331</b>	<b>344,723,265</b>	<b>344,723,265</b>	<b>361,078,071</b>	<b>361,078,071</b>
Other income	383,312	383,312	374,450	374,450	3,304,879	3,304,879	3,304,879	3,304,879
Interest income	1,022,482	103,059	412,331	375,952	16,352,208	16,352,208	16,352,208	16,352,208
Financial expense	(194,769,046)	(194,769,046)	(181,210,500)	(181,210,500)	(212,128,857)	(212,128,857)	(212,128,857)	(212,128,857)
Loss on disposal of fixed assets					(3,476,561)	(3,476,561)	(3,476,561)	(3,476,561)
	<b>(193,363,252)</b>	<b>(194,282,675)</b>	<b>(180,423,719)</b>	<b>(180,460,098)</b>	<b>(195,948,331)</b>	<b>(195,948,331)</b>	<b>(195,948,331)</b>	<b>(195,948,331)</b>
<b>Net Profit before WPP and WF (5% on net profit)</b>	<b>133,865,536</b>	<b>173,901,743</b>	<b>158,912,983</b>	<b>180,506,233</b>	<b>148,774,934</b>	<b>148,774,934</b>	<b>165,129,740</b>	<b>165,129,740</b>
Contribution to WPP & WF	(8,281,035)	(8,281,035)	(8,862,955)	(8,862,955)	(9,371,419)	(9,371,419)	(9,371,419)	(9,371,419)
<b>Net profit before income tax</b>	<b>125,584,501</b>	<b>165,620,708</b>	<b>150,050,028</b>	<b>171,643,278</b>	<b>139,403,515</b>	<b>139,403,515</b>	<b>155,758,321</b>	<b>155,758,321</b>
Current tax	(492,028)	(170,230)	(275,374)	(262,641)	(6,455,937)	(6,455,937)	(6,455,937)	(6,455,937)
<b>Net profit after income tax</b>	<b>125,092,473</b>	<b>165,450,478</b>	<b>149,774,654</b>	<b>171,380,637</b>	<b>132,947,578</b>	<b>132,947,578</b>	<b>149,302,384</b>	<b>149,302,384</b>

Revenue pattern of the company was shown stable over the last couple of years though it was slightly higher in the financial year 2011-2012. Revenue of the company reduced slightly in the FY 2013-2014 due to overhauling of generators and in the FY 2012-2013 due to breakdown of one generator in Feni plant. Due to uninterrupted operation in the year 2014-2015 revenue increased by 3.18% compare to 2013-2014

Furthermore gross profit margin of the company decreased slightly over the last few years due to increased COGS as a percentage of revenue. COGS of the company increased mainly due to depreciation expense on revalued assets as well as restated depreciation expense for overhauling equipments.



### Seasonal Aspect of the Company's Business

The operation of the company is not, in general, affected by any seasonal variances but the demand for electricity usually severe in summer and irrigation season compare to the winter season.

### Known Trends, Events or Uncertainties

Known events that may affect the business operations of the company are:

- Government policy and natural disaster
- Technological advancement

### Changes in the Assets of the Company Used to Pay Off any Liabilities

No asset of the company used to pay off any liabilities.

### Loan Taken from Holding/Parent Company or Subsidiary Company

As on 30 June 2015, Doreen Power Generations and Systems Limited did not take any loan from its holding/parent Company or subsidiary company. However during the year an amount of Tk. 24,315,920 has been taken as loan from its sister concern "Doreen Power House and Technologies Limited". This includes temporary loan amount of Tk. 22,195,000 through bank account and Inventory items worth Tk. 2,120,920.

## Loan Given to Holding/Parent Company or Subsidiary Company

As on 30 June 2015 the company paid Tk. 35,280,200 as short term loan to its two subsidiary companies. Details of the loan are as follows:

Name of the Company	Amount (Tk.)
Dhaka Southern Power Generations Limited	8,846,000
Dhaka Northern Power Generations Limited	26,434,200
<b>Total</b>	<b>35,280,200</b>

## Future Contractual Liabilities

The company has no plan to enter into any contractual liabilities within next one year other than in the normal course of business.

## Future Capital Expenditure

No future capital expenditure is planned except as on 30 June 2015.

## VAT, Income Tax, Customs Duty or Other Tax Liability

### Income Tax

No Tax will be payable on the income from power generation because the company is exempted from tax for fifteen years from date of commercial production on 12 November 2008 under SRO no 114-AIN/1999 dated 26.05.1999 of NBR.

Year wise income tax status of the company for last five years is depicted below.

Assessment Year	Status
2009-2010	As per certificate given by DCT of Companies circle-14, Zone-05, Dhaka, dated 10.01.2011 the company's income tax assessment settled up to Assessment year 2009-2010.
2010-2011	As per certificate given by DCT of Companies circle-14, Zone-05, Dhaka, dated 21.09.2011 the company's income tax assessment settled up to Assessment year 2010-2011.
2011-2012	As per certificate given by DCT of Companies circle-266, Zone-13, Dhaka, dated 30.04.2012 the company's income tax assessment settled up to Assessment year 2011-2012.
2012-2013	Assessment Completed and partial payment of Tk. 6,325,838 is paid out of total demand Tk. 12,303,466
2013-2014	Assessment Completed and partial payment of Tk. 5,498,189 is paid out of total demand Tk. 6,455,937
2014-2015	Assessment in under process

## VAT

The Company has VAT registration number-19151052066. As per SRO dated 11 June 2009 the company is not under the scope of VAT. As such, there is no outstanding VAT claim up to the period ended 30 June 2015

## Customs Duty or Other Liabilities

No customs duty or similar liabilities of the company are outstanding as 30 June 2015 except in the normal course of business.

## Operating Lease Agreement

Doreen Power Generations and Systems Limited have one operating lease agreement with Rural Electrification Board as of 30 June 2015. Major features of this agreement are as follows:

a.	Lessor	: Rural Electrification Board( REB)
b.	Date	: 11 October 2007
c.	Site	: Narsinghdi
d.	Land Area	: 2.00 Acre (Approx)
e.	Rent	: 1,500,000 / per agreement year
f.	Term	: 17 anniversary of the commercial Operation Date

## Financial Lease Commitment

There is no financial lease commitment of the company during the last five years.

## Personnel Related Scheme

Presently there is no personnel related scheme except introduction of WPPF and Group Insurance. It was introduced since 2008-2009 and distribution of the fund was started from 2014-2015.

## Breakdown of Issue Expenses

The total IPO expenses are estimated as follows:

Particulars	Basis	Amount in TK.
Manager to the Issue Fee	Lump sum	2,000,000
VAT Against Manager to the Issue Fee	15%	300,000
<b>BSEC Fees</b>		
Application Fee	Fixed	10,000
Consent Fee	@ 0.15% on entire offer	870,000
<b>Fees Related for Listing with Stock Exchanges</b>		
Application fee for DSE & CSE	Fixed	100,000
Annual Fee for DSE & CSE	Fixed	800,000
Listing Fees of Stock Exchanges (DSE & CSE)	@ 0.25% on 10.00 crore and @ 0.15% for the rest amount of paid up capital But not more than 2 million each	2,600,000
<b>CDBL fees and expenses</b>		
Documentation fee		2,500
Security Deposit		500,000
Connection fee		6,000
Initial Public Offering fee	0.0175% of Issue Size + 0.0175% of Pre-IPO paid in Capital	206,500
Annual fee		100,000
<b>Commission Expenses</b>		
Underwriting Commission	0.50%	1,450,000
<b>Expenses related to Printing, Publication &amp; Lottery</b>		
Publication of Abridged version of Prospectus	Four National Dailies	900,000
Notice for Lottery, Refund etc.	Two National Dailies	300,000
Printing of Prospectus	2,500 pcs. X TK. 150 per Copy	375,000
Courier Expenses	Estimated (to be paid at actual)	200,000
Data Processing	Estimated (to be paid at actual)	9,000,000
Arrangement of Lottery	Estimated (to be paid at actual)	1,000,000
Stationeries and other expenses	Estimated (to be paid at actual)	300,000
<b>Total Estimated Expenses</b>		<b>21,020,000</b>

*N. B. The costs of the above mentioned Public Offer expenses may vary with above estimates and will be adjusted accordingly.*

## Revaluation of Assets

The Company has made revaluation of its Land and Land Development, Building and other Civil Constructions and Plant & Machineries in FY 2012-2013 which have been reflected in the financial Statements of the Company. Particulars of the valuer and summary of report are as follows:

Name of Valuer	: Rahman Mostafa Alam & Co, Chartered Accountants
Qualification	: A firm of Chartered Accountants
Date of Valuation	: 10 December 2012
Other major works done by the valuer	: As a CA firm it did valuation jobs in addition to normal audit works namely NCC Bank Limited, Confidence Cement Ltd , Sun life Insurance Co. Limited , National Cotton Mills Ltd.etc.
Reason for Revaluation	: To incorporate the fair present value of Land & Land Developments other Civil Constructions and Plant & Machineries of the company into the financial statements as per BAS-16.

## Summary of Valuation Report

Particulars	WDV as on 01.07.2012	Revalued Amount (Tk.)	Revaluation Surplus (Tk.)
Land & Land Development	69,787,683	105,750,000	35,962,317
Building & Premises	144,296,775	173,920,257	29,623,482
Power Plant	1,863,213,210	2,791,887,447	928,674,237
<b>Total (Tk)</b>	<b>2,355,386,168</b>	<b>3,071,557,704</b>	<b>994,260,036</b>

## Transaction with Subsidiary/Holding Company or Associate Companies

Dhaka Northern Power Generations Limited, Dhaka Southern Power Generations Limited is the Subsidiaries and Asian Entech Power Corporation Limited is the holding company of DPGSL. The transaction has been made during the last five years with holding/subsidiaries Company's are as follows:

Name of the parties	Relationship	Types of transactions	30June 2015	30June 2014	30June 2013	30June 2012	30June 2011
Asian Entech Power Corporation Limited	Holding	Equity Investment	Nil	Nil	Nil	564,904,500 (Bonus)	Nil
Dhaka Northern Power Generations Limited	Subsidiary	Investment		18,180,000	18,180,000	Nil	Nil
		Share Money Deposit	233,300,000	373,500,000	144,641,570		
		Loan Given	26,434,200				
Dhaka Southern Power Generations Limited	Subsidiary	Investment		18,180,000	18,180,000	Nil	Nil
		Share Money Deposit	265,000,000	159,250,000	39,263,440		
		Loan Given	8,846,000				

**AUDITORS' CERTIFICATE REGARDING ANY ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR ANY CONSIDERATION OTHER THAN IN CASH**

This is to certify that as per share register and other relevant records maintained by Doreen Power Generations and Systems Limited, the company did not allot any shares for consideration other than cash to any shareholders including its promoters and/or sponsor shareholders up to 31 March 2012 except 58,900,000 bonus share of Tk. 10 each totaling Tk. 589,000,000.

Dated, Dhaka  
21 July 2012

Sd/-  
**Syful Shamsul Alam & Co.**  
**Chartered Accountants**

**Material Information which is Likely to Have an Impact**

There is no other material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.



**SECTION VIII :  
DIRECTORS  
AND OFFICERS**

**DOREEN  
POWER**

4

**Information Regarding Directorship**

<b>SI No.</b>	<b>Name of Director</b>	<b>Position</b>	<b>Age (Years)</b>	<b>Qualification</b>	<b>Date of becoming Director for the first time</b>	<b>Date of expiration of current term</b>
1	Ms. Parveen Alam	Chairman & Director	58	BA	28.12.2010	Up to the AGM of the year 2016
2	Mr. Tahzeeb Alam Siddique Nominated by Asian Entech Power corporation Limited	Managing Director	39	Master in Public Administration (USA)	20.08.2007	Re-Appointed as Managing Director as on 18 August 12 for next five years
3	Mr. Tanzeer Alam Siddique Nominated by Asian Entech Power corporation Limited	Director	36	LLB (Queens Mary University London) LLM (West minister U.K)	20.08.2007	Re-Appointed as Director as on 14 December 2014. Expiration of current term 2017
4	Mrs. Anjabeen Alam Siddique Nominated by Asian Entech Power corporation Limited	Director	33	BBA (NSU)	28.12.2010	Up to the AGM of the year 2015



## Directors and Officers

### Directors' Involvement in Other Organization

Name of the Directors	Name of Companies	Position in Company
<p>**Tahzeeb Alam Siddique Nominated by Asian Entech Power corporation Limited</p>	<ol style="list-style-type: none"> <li>1. Doreen Fashions Ltd.</li> <li>2. Doreen Washing Plant Ltd.</li> <li>3. Doreen Apparels Ltd.</li> <li>4. Nurun Nahar Textile Ltd.</li> <li>5. Eastern Cement Industries Ltd.</li> <li>6. SOB Apparels Limited</li> <li>7. Doreen Power House and Technologies Ltd.</li> <li>8. Doreen Garments Limited</li> <li>9. Asian Entech Power Corporation Ltd.</li> <li>10. Saiham Power Plant Ltd.</li> <li>11. Dhaka Northern Power Generations Limited</li> <li>12. Dhaka Southern Power Generations Limited</li> </ol>	<p>Director Director Director Director Director Managing Director Director Managing Director Managing Director Managing Director Managing Director</p>
<p>Tanzeer Alam Siddique Nominated by Asian Entech Power corporation Limited</p>	<ol style="list-style-type: none"> <li>1. Doreen Washing Plant Ltd.</li> <li>2. Nurun Nahar Textiles Limited</li> <li>3. Eastern Cement Industries Ltd.</li> <li>4. Doreen Developments Ltd.</li> <li>5. Doreen Power house &amp; Technologies Ltd.</li> <li>6. Asian Entech Power Corporation Ltd.</li> <li>7. Saiham Power Ltd.</li> </ol>	<p>Director Director Director Managing Director Director Director Director</p>
<p>Parveen Alam</p>	<ol style="list-style-type: none"> <li>1. Doreen Fashions Ltd.</li> <li>2. Doreen Washing Plant Ltd.</li> <li>3. Doreen Apparels Ltd.</li> <li>4. Nurun Nahar Textile Ltd.</li> <li>5. Eastern Cement Industries Ltd.</li> <li>6. SOB Apparels Limited</li> <li>7. Doreen Power House and Technologies Ltd.</li> <li>8. Doreen Garments Limited</li> <li>9. Doreen Developments Ltd.</li> <li>10. Asian Entech Power Corporation Ltd.</li> <li>11. Saiham Power Ltd.</li> </ol>	<p>Director Director Director Director Director Director Director Director Director Director</p>
<p>Anjabeen Alam Siddique Nominated by Asian Entech Power corporation Limited</p>	<ol style="list-style-type: none"> <li>1. Doreen Power House and Technologies Ltd.</li> <li>2. Asian Entech Power Corporation Ltd.</li> <li>3. Saiham Power Plant Ltd.</li> <li>4. Dhaka Northern Power Generations Limited</li> <li>5. Dhaka Southern Power Generations Limited</li> </ol>	<p>Director Director Director Director Director</p>

\*\*Permission from the Ministry of Commerce has been obtained to act Mr. Tahzeeb Alam Siddique, as Managing Director of above mentioned 05 (five) Companies (Ref No: নং-বাস/ডিও-1/42/2013/107)

## Family Relationship among Directors and Top Five Officers

Name	Position	Relationship
Ms. Parveen Alam	Chairman	Mother of all Mr. Tahzeeb Alam Siddique and Mr. Tanzeer Alam Siddique and Mother in Law of Mrs. Anjabeen Alam Siddique
Mr. Tahzeeb Alam Siddique	Managing Director	Son of Mrs. Parveen Alam and brother of Mr. Tanzeer Alam Siddique and spouse of Mrs. Anjabeen Alam Siddique
Mr. Tanzeer Alam Siddique	Director	Son of Mrs. Parveen Alam and brother of Mr. Tahzeeb Alam Siddique.
Mrs. Anjabeen Alam Siddique	Director	Spouse of Mr. Tahzeeb Alam Siddique and Daughter in law of Ms. Parveen Alam

### Short Bio-Data of the Directors

#### Mrs. Parveen Alam – Chairman

Mrs. Parveen Alam, mother of Mr. Tahzeeb Alam Siddique, Managing Director aged 58 years. She has actively engaged in performing and managing the industrial as well as business activities. She has long experience in Marketing, Financial and Product Development. She has widely traveled about 30 countries including USA, Europe Australia, Far-East Asia for business purposes. She is the director of Doreen Power House and Technologies Ltd., Doreen Fashions Ltd., Doreen Apparels Ltd., SOB Apparels Limited and Managing Director of Eastern Cement Industries Ltd.

#### Mr. Tahzeeb Alam Siddique- Managing Director

Tahzeeb Alam Siddique, a Masters in Public Administration from Cornell University, USA aged 39 years, is the Managing Director of the company. He is a highly experienced in trade & industrial arena and renowned person in the society. He is very dynamic in performing and executing business activities. He has acquired vast experience and knowledge in diversified industrial ventures. He is a goal-oriented man with broader vision.

He is also Director of Doreen Power House & Technologies Ltd & Eastern Cement Industries Ltd., Doreen Fashion Ltd., Nurun Nehar Textiles Ltd. and Sob Apparels Ltd. Mr. Tahzeeb Alam Siddique is a renowned political leader, currently he is serving as MP of Jhenaidah-2.

#### Mr. Tanzeer Alam Siddique- Director

Mr Tanzeer Alam Siddique, an L.L.B from Queens Mary University, London & L.L.M from Westminster, U.K. Aged 36 years. He is highly experienced in trade & industrial arena and renowned person in the society. He is very dynamic in performing and executing business activities. Mr. Tanzeer is an ardent social worker and founder of many educational institutions like school, college, madrasa including philanthropic and religious organizations such as orphanage, mosque, etc. He is the Managing Director of Doreen Developments Ltd. and also the director of Doreen Power Generations & Systems Ltd., Eastern Cement Industries Ltd., M.N Nabi Textile Ltd., Doreen Washing Plant Ltd.

#### Mrs. Anjabeen Alam Siddique - Director

Mrs. Anjabeen Alam Siddique, wife of Mr. Tahzeeb Alam Siddique, aged 33 years. She has completed Bachelors of Business Administration (Finance) from North South University, Dhaka. She worked in Bank Asia before joining as a Director in Doreen Power Generations & Systems Ltd. She is also the Director of Asian Entech Power Corporation Ltd., Saiham Power Plant Ltd. and Doreen Power House and Technologies Ltd.

### Credit Information Bureau (CIB) Report

Neither the company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

## Description of Senior Executives and Department Heads

SLNo.	Name	Position	Educational Qualification	Date of joining in the company	Name of organization(s) where worked during the last five years
01.	Mr. Tahzeeb Alam Siddique	Managing Director	Master in Public Administration (USA)	20.08.2007	Doreen Garments Ltd., Eastern Cement Industries Ltd.
02.	Mr. Mostafa Moin	Director-Developments	MBA (USA)	01.08.2010	Doreen Developments Ltd., Eastern Cement Industries Ltd.
03.	Lt. Commander Fazle Elahi Khan	General Manager	M.Sc in Electrical and Electronics Engineering (KUET)	01.10.2010	Summit Power Limited
04.	Mr. Mustafizur Rahman	GM- Operation & Maintenance	B.Sc in Naval Architecture & Marine Engineering (BUET)	26.07.2009	Doreen Power Generations and Systems Limited
05.	Mr. Iqbal Hossain	GM - Admin & Commercial	MBA (Belgium)	01.05.2008	Doreen Power Generations and Systems Limited
06.	Mr. Afroz Alam	Chief Financial Officer	M, Com, CA- Inter	15.06.2009	Doreen Power Generations and Systems Limited
07.	Mr. Masudur Rahman Bhuiyan ACS	Company Secretary	M, Com, ACS	01.12.2011	Giant Group

## Involvement of Directors and Officer in Certain Legal Proceedings

No Director or Officer of the Company was involved in any of the following types of legal proceedings in the past ten years:

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

## Certain Relationships and Related Transactions

### Transaction with Related Parties

Neither any proposed transaction nor had any transaction during the last two years, between the issuer and any of the following persons:

- (a) Any director or executive officer of the issuer;
- (b) Any director or officer;
- (c) Any person owning 5% or more of the outstanding shares of the issuer;

- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- (e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of prospectus.
- (f) Any loan either taken or given from or to any director or any person connected with the director, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan.

Except the transaction mention in the following note regarding “**Related Party Disclosure**” in the financial statements as on 30 June 2015:

(Amount in Taka)

Name of Parties	Relationship	Nature of transaction	Net transaction during the period	Outstanding as on 30.06.2015	Outstanding as on 30.06.2014
Rupali Engineers and Traders Limited	Sister Concern	Investment in share	-	26,000	26,000
Doreen Power House & Technologies Limited	Common Directors	Temporary Loan	(22,195,000)	(22,195,000)	-
		Inventory Received	(1,728,248)	(2,120,920)	392,672
Dhaka Northern Power Generations Limited	Subsidiary Company	Temporary Loan	26,434,200	26,434,200	-
		Share Money Deposit	233,300,000	606,800,000	373,500,000
Dhaka Southern Power Generations Limited	Subsidiary Company	Temporary Loan	8,846,000	8,846,000	-
		Share Money Deposit	265,000,000	424,250,000	159,250,000
Directors' remuneration	Managing Director	Salary and Allowances	3,960,000	-	-
<b>Total</b>			<b>513,616,952</b>	<b>1,042,040,280</b>	<b>533,168,672</b>

### Directors Facilities

The Directors of Doreen Power Generations and Systems Limited does not enjoy any facilities other than remuneration received by Mr. Tahzeeb Alam Siddique, which is as under:

Sl. No.	Name of the Sponsors	Designation	As on 30 June 2015	As on 30 June 2014
1	Mr. Tahzeeb Alam Siddique	Managing Director	3,960,000	3,960,000

## Executive Compensation

### Remuneration Paid to Top Five Salaried Officers

Sl. No.	Name	Position	Remuneration (BDT per month)
01.	Mr. Tahzeeb Alam Siddique	Managing Director	300,000
02.	Mr. Mostafa Moin	Director- Developments	300,000
03.	Lt. Commander Fazle Elahi Khan	General Manager	210,000
04.	Mr. Mustafizur Rahman	GM- Operation & Maintenance	175,000
05.	Mr. Iqbal Hossain	GM Admin and Commercial	130,000

### Aggregate Amount of Remuneration Paid to Directors and Officers

(As per audited accounts)

Particulars	Remuneration, Salary and other Benefits	
	30 June 2015	30 June 2014
Directors	3,960,000	3,960,000
Officers and Staff	41,363,570	39,624,023
<b>Total</b>	<b>45,323,570</b>	<b>43,584,023</b>

### Remuneration paid to directors who was not an officer of the company

Any Directors, who was not an officer, of the company were not taken remuneration for performing extra services for the company.

### Future Compensation to Directors or Officers

There is no contract with any director or officer for future compensation.

### Pay Increase Intention

The company is yet to finalize its personnel policy. However, Periodical review of salaries and benefits of the employees will be made depending on the performance of the employee and growth of the company's operation.

### Options Granted to Directors, Officers and Employees

The company has not granted any option to directors, officers or employees.

### Transaction with the Directors and Subscribers to the Memorandum

A) The Directors and subscribers to the memorandum have not received any benefits directly or indirectly during the last six and half years except the following transactions:

Name	Position	Nature of Value Received	June 2010 to June 2015
Mr. Tahzeeb Alam Siddique Nominated by Asian Entech Power corporation Limited	Managing Director & Director	Dividend (Stock)	564,904,500
Mr. Tanzeer Alam Siddique Nominated by Asian Entech Power corporation Limited	Director		
Mrs. Anjabeen Alam Siddique Nominated by Asian Entech Power corporation Limited	Director		
Mr. Tahzeeb Alam Siddique	Managing Director	Salary & allowances	23,135,250
Mr. Arninda Gupta Nominee of OPG Energy Pvt. Limited	subscribers to the memorandum	Dividend (Stock)	535,500
Mrs. Parveen Alam	Chairman & Director	Dividend (Stock)	10,173,600
Mrs. Anjabeen Alam Siddique	Director	Dividend (Stock)	5,354,500

The issuer also has not received any assets, services or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

- B) No assets were acquired or to be acquired from the directors and subscribers to the memorandum.

### Tangible Assets per Share

Particulars	30 June 2015 (BDT)
Ordinary Share Capital	600,000,000
Revaluation reserve	822,361,303
Retained Earnings	796,879,632
<b>Net Tangible Assets</b>	<b>2,219,240,935</b>
<b>Number of Shares Outstanding</b>	<b>60,000,000</b>
<b>Net Tangible Assets Per Share (TK. 10 Per Share)</b>	<b>37.00</b>

## Ownership of the Company's Securities as on 30 June 2015

### Shares Held by Directors/Shareholders

Sl. No	Name	Address	Position	Share Capital	(%) of Share Capital
1	Tahzeeb Alam Siddique Nominated by Asian Entech Power corporation Limited	House No. 24, Road No. 36, Gulshan, Dhaka, Bangladesh.	Managing Director	57,545,450	95.91
	Tanzeer Alam Siddique Nominated by Asian Entech Power corporation Limited	House No. 24, Road No. 36, Gulshan, Dhaka, Bangladesh.	Director		
	Anjabeen Alam Siddique Nominated by Asian Entech Power corporation Limited	House No. 24, Road No. 36, Gulshan, Dhaka, Bangladesh.	Director		
2	Arvinda Gupta Nominee of OPG Energy Pvt. Limited	No-45 (New No-26), K D Dasan Teynampet, Chennai-60018, India	Shareholder	54,550	0.09
3	Parveen Alam	House No. 24, Road No. 36, Gulshan, Dhaka, Bangladesh.	Director	1,900,000	3.17
4	Anjabeen Alam Siddique*	House No. 24, Road No. 36, Gulshan, Dhaka, Bangladesh.	Director	491,810	0.82
5	Afza Hasnat	22/C, Block- E, Asad Avenue, Mohammadpur Dhaka	Shareholder	2,730	0.0046
6	Ali Akbar	Flat # F7, 476/D, DIT Road, Malibagh, Dhaka-1217.	Shareholder	2,730	0.0046
7	Hamida Matin	House No. 16, Road No-03, Sector-07, Uttara, dhaka	Shareholder	2,730	0.0046
<b>Total</b>				<b>60,000,000</b>	<b>100</b>

\*Mrs. Anjabeen Alam Siddique acts as a Director, nominated by Asian Entech Power Corporation Limited but personally she holds 491,810 no of shares.

### Shareholding structure for 5% or more as on 30 June 2015

Name of the Share Holders	Status	Total No. of Share Issued	Share holding Position
Asian Entech Power corporation Limited	Share holder	57,545,450	95.91%

### Securities Owned by the Officers

No officer of the company own shares of the company as on 30 June 2015.



**SECTION IX :  
FEATURES OF  
INITIAL PUBLIC  
OFFERING (IPO)**





**Determination of Offering Price**

Valuation Method	Offer Price BDT
1. a. Net Asset Value - Consolidated (With Revaluation)	36.00
b. Net Asset Value - Consolidated (Without Revaluation)	22.30
2. Earning based Value	37.41

The offer price of the common stock of Doreen Power Generations and Systems Limited has been set at BDT 29/- per share including premium of BDT 19/- per share. The Justification for the offering price is as follows:

**1. Net Asset Value ( as on 30 June 2015)**

Particulars	With Revaluation	Without Revaluation	With Revaluation (Consolidated)	Without Revaluation (Consolidated)
Ordinary Share Capital	600,000,000	600,000,000	600,000,000	600,000,000
Revaluation reserve	822,361,303	-	822,361,303	-
Retained Earnings	796,879,632	796,879,632	737,749,743	737,749,743
<b>Net Asset</b>	<b>2,219,240,935</b>	<b>1,396,879,632</b>	<b>2,160,111,046</b>	<b>1,337,749,743</b>
Number of Shares Outstanding	60,000,000	60,000,000	60,000,000	60,000,000
<b>Net Asset Value (TK. 10 Per Share)</b>	<b>36.99</b>	<b>23.28</b>	<b>36.00</b>	<b>22.30</b>

**2. Earning based Value**

Period	No. of Share	Weight	NPAT	Weighted Average
2014-2015 (Consolidated)	60,000,000	0.248859	125,092,473	31,130,437
2013-2014 (Consolidated)	60,000,000	0.248859	149,774,654	37,272,830
2012-2013 (Consolidated)	60,000,000	0.248859	132,947,578	33,085,254
2011-2012	60,000,000	0.248859	245,235,132	61,029,066
2010-2011	1,100,000	0.004562	271,436,438	1,238,408
<b>Total</b>	<b>241,100,000</b>	<b>100%</b>	<b>924,486,275</b>	<b>163,755,995</b>
No of share before IPO				60,000,000
<b>Weighted Average EPS</b>				<b>2.73</b>
DSE PE*				13.96
<b>Earning base value( DSE PE X EPS lower one of WAEPS and EPS for 30 June 2015)</b>				<b>37.41</b>

\*Calculation of relevant P/E multiple: (Source: DSE monthly review)

Month	Market P/E	Fuel & Power Sector P/E
June, 2015	15.9	13.63
July, 2015	16.71	14.38
August, 2015	16.44	13.87
<b>Average</b>	<b>16.35</b>	<b>13.96</b>
Relevant P/E Multiple (lower of three month average P/E of overall DSE and Fuel & Power Sector)		<b>13.96</b>

## Market for the Securities Being Offered

The issuer shall apply to the following two Stock Exchanges within 7 (seven) working days from the date of consent accorded by the BSEC to issue the prospectus.

The issuer will apply at:



Dhaka Stock Exchange Limited  
9/F, Motijheel C/A,  
Dhaka-1000

&



Chittagong Stock Exchange Limited  
CSE Building, 1080 Sk. Mujib Road  
Agrabad, Chittagong-4100

## Declaration about Listing of Shares with the Stock Exchange(s)

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

In case of non-refund of the subscription money within the aforesaid 15 (fifteen) days, the company directors, in addition to the issuer company, shall be collectively as well as separately liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The Issue Managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within 7 (seven) days of expiry of the aforesaid 15 (fifteen) days time allowed for refund of the subscription money.

## Trading and Settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

### *The Issue Shall Be Placed In "N" Category*

## Description of Securities Outstanding or Being Offered

### Dividend, Voting and Pre-emption Rights

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

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

## Conversion and Liquidation Rights

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

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

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

### Right for Transfer

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

### Dividend Policy

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

### Other Rights of Stockholders

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

### Debt Securities

BSEC approved private placement of 'Doreen Ijara Bond' through consent letter no. BSEC/CI/CPLC-416/2013/2797 date 12 November 2013 & BSEC/CI/CPLC-416/2013/394 date 05 June 2014 to raise Tk. 800 million at 17% yield and face value of Tk. 1,244.03 million. Subscription of the bonds was closed and proceeds of the bond were utilized fully. Basic Features of Ijara Bond is as follows:

Name of the Issuer	:	DOREEN POWER GENERATIONS AND SYSTEMS LIMITED
Mandated Lead Arranger	:	ALLIANCE FINANCIAL SERVICES LIMITED
Trustee	:	BANGLADESH GENERAL INSURANCE COMPANY LIMITED
Prospective Investors	:	Banks/Financial Institutions operating under Islamic principles.
Name of the debt instrument	:	Ijara Bond
Nature of Issue	:	Redeemable and Non- Convertible
Distribution	:	Private Placement
Fund to be raised	:	Up to BDT 800,000,000
Total Face Value	:	BDT 1,244,030,000
Effective Yield	:	Not more than 17.00 % per annum
Purpose	:	To finance Building, Foundation & Others construction including Pre-fab Steel Building and Substation (including 132 kv underground cable, switchgears, breakers, control systems), Electrical Cables for the proposed power plant at Mankgonj and Nababgonj under two SPCs.
Maturity	:	05 years (maturity commences from end of 13 <sup>th</sup> month and thereafter end of each month until 60 <sup>th</sup> month from the issue).
Form	:	Registered
Security	:	Registered Mortgage on 11.39 decimal personal Land located at Plot – 12, Road 50, Gulshan – 2, Dhaka -1212, Bangladesh owned by a Director of the Company under Lease Deed No – 8463.
Ownership of the Asset	:	Holders of Ijara Bond will own the assets acquired. Under Ijara contract you will use these assets and ownership will be transferred to them on full redemption basis under Ijara and Purchase under Shirkaul Melk principle of Shari'ah.
Listing	:	Unlisted
Documentation	:	Documentation will include but not be limited to the followings:- 1) Facility Arranger's Agreement 2) Ijara Bond Subscription Agreement 3) Trust Deed Any other instrument(s) relating to such transaction.
Grace/Moratorium Period	:	12 (twelve ) Months
Regulatory approval	:	Upon approval from the Bangladesh Securities and Exchange Commission DPGSL will issue the Ijara Bond as per the information memorandum.
Feature of the Ijara Bond	:	You will provide rent for using the assets to the holder of the bond as they own the assets acquired. you will pay monthly installments (rent on principal outstanding and partial principal) to the holder.
Redemption Mechanism	:	To be redeemed by 48- equal monthly installment basis with unequal principal and rent at actual on bank's equity (principal outstanding of the Ijara bond) and value addition during gestation period. First payment will fall due at the end of 13 <sup>th</sup> Month from the date of purchase of Ijara bond and each month thereafter in equal installments.
Early redemption	:	The Issuer may use the option of redeeming one or more series of the Ijara Bond before the maturity at regular redemption date. The early redemption can only be exercised at any agreed redemption date. The early redemption value shall be paid in cash fully. However, the Issuer shall communicate the early redemption information to the Investors at least 3 months before the exercise date.
Transferability	:	The Instrument will be transferable to any Bank/Financial Institutions operating under Islamic principles. There is no lock in provision.
Taxes	:	No specific tax provision is available relating to Ijara Bond



**SECTION X :  
ALLOTMENT,  
SUBSCRIPTION  
AND MARKET**



**DOREEN  
POWER**

**Lock-In on Sponsors' Shares**

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

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

The following table indicates the lock in status of the shareholders of Doreen Power Generations and Systems Limited.

Sl. No	Names of the Shareholders	Position	Shareholding Position		* Expiry of Lock in Period
			No. of Share	Percentage (%)	
1	Tahzeeb Alam Siddique Nominated by Asian Entech Power corporation Limited	MD	57,545,450	95.91	3 years
	Tanzeer Alam Siddique Nominated by Asian Entech Power corporation Limited	Director			
	Anjabeen Alam Siddique Nominated by Asian Entech Power corporation Limited	Director			
2	Arninda Gupta Nominee of OPG Energy Pvt. Limited	Shareholder	54,550	0.09	3 years
3	Parveen Alam	Director	1,900,000	3.17	3 years
4	Anjabeen Alam Siddique	Director (Nominated by Asian Entech Power Corporation Limited)	491,810	0.82	3 years
5	Afza Hasnat	Shareholder	2,730	0.0046	3 years
6	Ali Akbar	Shareholder	2,730	0.0046	3 years
7	Hamida Matin	Shareholder	2,730	0.0046	3 years
<b>Total</b>			<b>60,000,000</b>	<b>100</b>	

\*\* These shares will be locked in for three years from date of issuance of prospectus.

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

1. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
2. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
3. Stockbrokers/Merchant Bankers shall send the bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange and return the drafts submitted by unsuccessful applicants.
4. Stockbrokers/Merchant Bankers shall send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Stock Exchange, along with a list.
5. Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.
6. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange.

### Availability of Securities

#### The Offer

1. IPO offer of 20,000,000 Shares @ TK. 10/- each as per the Securities and Exchange Commission (Public Issue) Rules, 2006 - will be available as follows.

Particulars	No. of Shares	Amount (Tk.)
A. 20% of IPO of ordinary Shares are reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	4,000,000	116,000,000
B. 10% of IPO of Shares shall be reserved for Non Resident Bangladeshis (NRB)	2,000,000	58,000,000
C. 10% of IPO of Shares shall be reserved for Mutual Funds and Collective Investment schemes registered with the Commission	2,000,000	58,000,000
D. Remaining 60% of IPO of Shares shall be opened for subscription by The General Public.	12,000,000	348,000,000
<b>Total</b>	<b>20,000,000</b>	<b>580,000,000</b>

2. All securities as stated in sub-rule (1) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction which may be imposed, from time to time, by the BSEC.
3. In case of over-subscription under any of the categories mentioned in sub-rule (1), the Issue Managers shall conduct an open lottery of all applications received under each category separately in accordance with the letter of consent issued by the BSEC.

4. In case of under subscription under any of the 10% categories mentioned in sub-rule (1), the un-subscribed portion shall be added to the general public category and, if after such addition, there is over-subscription in the general public category, the issuer and the Issue Managers shall jointly conduct an open lottery of all the applicants added together.
5. In case of under subscription of the public offering, the un-subscribed portion of securities shall be taken up by the underwriters.
6. The lottery as stated in sub-rule (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

## ALLOTMENT

The company reserves the right of accepting any application, either in whole, or in part. Within 02 (two) working days of conducting lottery, the Issuer shall issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form. On the next working day, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format. The Stockbrokers/Merchant Bankers shall inform the successful applicants about allotment of securities.

### Application for Subscription

1. Application/buy instruction for shares may be made for a minimum lot for **200** Ordinary shares to the value of **Taka 5,800/- (Five Thousand Eight Hundred Only)**. Prospectus may be obtained from the registered office of the Company, Issue Manager, Underwriters and Stock Exchanges. Application/buy instruction must not be for less than **200** shares. Any application/buy instruction not meeting this criterion will not be considered for allotment purpose.
2. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. subscription closing date).
3. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant.
4. Application/buy instruction must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Application/buy instruction from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.
5. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
6. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.
7. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**
8. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application/buy instruction) is completed. If any



BO account mentioned in the application/buy instruction is found closed, the allotted security may be forfeited by BSEC

9. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares
10. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer/Mutual Fund for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
11. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus
12. The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the **Company's A/C No. 1501202461190001 Brac Bank Limited, Gulshan Branch**, Dhaka, Bangladesh for this purpose.
13. The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

SI No.	Name of the FC Accounts	Account No.	Bank & Branch	Currency
1	Doreen Power Generations and Systems Limited	1501202461190002	BRAC Bank Limited, Gulshan Branch	US Dollar
2	-do-	1501202461190003	-do-	EURO
3	-do-	1501202461190004	-do-	GBP

1. তালিকাভুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় আবেদন করতে পারবেন।”

**APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.**



**SECTION XI:  
PLAN OF  
DISTRIBUTION**



**DOREEN  
POWER**

**Underwriting of Shares**

Initial public Offering (IPO) is for 20,000,000 ordinary shares at an offer price of TK. 29/- each including a premium of Tk. 19/- per share totaling of TK. 580,000,000/-. As per BSEC’s Guideline 50% of the said amount i.e. 10,000,000 ordinary shares of TK. 29/- each amounting to TK. 290,000,000 has been underwritten by following instructions:

Sl. No.	Name and address of underwriters	No. of Share underwritten	BDT
1	ICB Capital Management Limited ( A Subsidiary of ICB, Green City Edge (5th & 6th Floor), 89, Kakrail, Dhaka - 1000	5,000,000	145,000,000
2	GSP Finance Investment Limited 1 Paribag, Mymensingh Road, Dhaka-1000.	2,140,000	62,060,000
3	PLFS Investments Limited Paramount Heights( 13 <sup>th</sup> Floor) 65/2/1 Box Culvert Road, Purana Paltan Dhaka-1000	1,430,000	41,470,000
4	One Bank Limited HRC Bhaban, 46 Kawran Bazar C/A Dhaka-1215	1,430,000	41,470,000
<b>Total</b>		<b>10,000,000</b>	<b>290,000,000</b>

**Principal Terms and Conditions of Underwriting Agreement**

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within 15(fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by an underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after the expiry of the aforesaid 15(fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.

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

#### **Underwriter's Right to represent in the Board of Directors of the Company**

The Underwriters shall not have any right to have any representatives in the Company's Board of Directors.

#### **Commission for Underwriters**

The Company shall pay to the underwriters an underwriting commission at the rate of 0.50% on 50% of Public Offering amount (i.e. TK. 290,000,000) of the issue value of shares underwritten by them out of the public issue.

#### **Right of Underwriters on Company's Board**

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

#### **Officer or Director of the Underwriters Acting as Director of the Company**

No officer or director of the underwriters acting as director of the company.



**SECTION XII:  
MATERIAL  
CONTRACTS  
AND OTHERS**



**DOREEN  
POWER**

**Issue Related Contract**

- a) Underwriting Agreement between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and Alliance Financial Services Limited and ICB Capital Management Limited.

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Office of the Company and the manager to the issue

**Managers to the Issue**

Alliance Financial Services Limited, Rahman Chamber (3<sup>rd</sup> Floor) 12-13 Motijheel C/A, Dhaka-1000 and ICB Capital Management Limited, Green City Edge (5th & 6th Floor), 89, Kakrail, Dhaka - 1000, are the Managers to the Issue. The Issue Managers will get Tk. 2,000,000 as issue management fee.

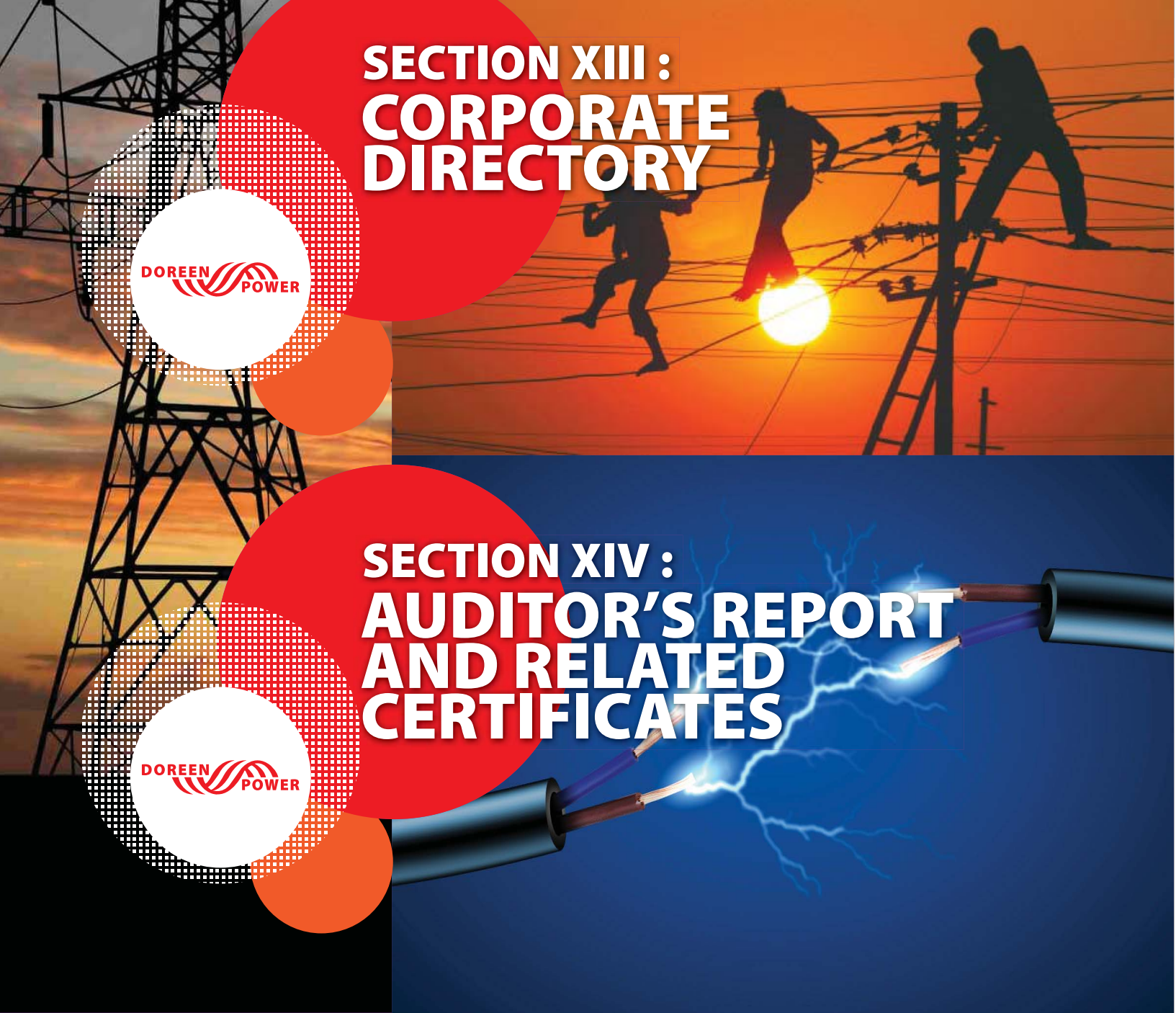



**SECTION XIII :  
CORPORATE  
DIRECTORY**

**DOREEN  
POWER**

**SECTION XIV :  
AUDITOR'S REPORT  
AND RELATED  
CERTIFICATES**

**DOREEN  
POWER**



<b>Company</b>	<p><b>Doreen Power Generations and Systems Ltd.</b>  192/A Eastern road (3rd floor), Lane-1, New DOHS, Mohakhali, Dhaka-1206,  Phone: +880-2-9860744  Fax: +880-2-9860766  Email: info@doreenpower.com  www.doreenpower.com</p>
<b>Issue Managers</b>	 <p><b>Alliance Financial Service Limited</b>  Rahman Chamber (3<sup>rd</sup> floor)  12-13 Motijheel C/A, Dhaka- 1000  Tel: 9515468,9515469  Fax: 880-2-9515467  Email: info@allfin.org Web: www.allfin.org</p>
	 <p><b>ICB Capital Management Limited</b>  ( A Subsidiary of ICB)  Green City Edge (5th &amp; 6th Floor), 89, Kakrail, Dhaka - 1000,  Phone: 880-2-8300555, 880-2-8300367, Fax: 880-2-8300396 ,  Web: www.icbcml.com.bd</p>
<b>Auditor's</b>	<p><b>ACNABIN</b>  Chartered Accountants  BDBL Bhaban (Level- 13 &amp; 14), 12 Kawran Bazar Commercial Area,  Dhaka-1215, Bangladesh, Phone: +880-2-8144347 to 52  Fax +880-2-8144353</p>
<b>Underwriters</b>	<p>ICB Capital Management Limited  GSP Investments Limited  PLFS Investments Limited  One Bank Limited</p>
<b>Credit Rating Company</b>	<p><b>Credit Rating Agency of Bangladesh Limited (CRAB)</b>  Sena Kalyan Bhaban, Suite No: 403, 4<sup>th</sup> floor  195 Motijheel Commercial Area, Dhaka-1000  Telephone: 880-2-9571497, 9571238, 7175368  Fax: 880-2-9563837  Email : info@crab.com.bd</p>
<b>Compliance Officer</b>	<p>Mr. Mostafa Moin  Director Development</p>



**Independent Auditor's Report****To the Shareholders of Doreen Power Generations and Systems Limited**

We have audited the accompanying consolidated financial statements of Doreen Power Generations and Systems Limited and its subsidiaries ("the Group"), as well as the financial statements of Doreen Power Generations and Systems Limited ("the Company"), which comprise the consolidated and the separate statements of financial Position as at 30 June 2015, and consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibilities for the Consolidated Financial Statements**

Management is responsible for the preparation of consolidated financial statements of the Group and also the separate financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and separate financial statements of the Company that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the group and separate financial statements of the Company. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of consolidated financial statements of the group and separate financial statements of the Company, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements of the group and separate financial statements of the Company that give a true and fair view 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 consolidated financial statements of the group and also separate financial statements of the Company.

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 consolidated financial statements of the Group and the separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2015, and consolidated and separate financial performance and consolidated and separate cash flows of the Group and the Company for the year then ended in accordance with Bangladesh Financial Reporting Standards.

## Report on Other Legal and Regulatory Requirements

We as required by the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulation further report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books;
- (c) the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income of the Group and the separate statement of financial position and separate statement of profit or loss and other comprehensive income of the Company dealt with by the report are in agreement with the books of account maintained by the Group and the Company and examined by us; and
- (d) The expenditure incurred was for the purpose of the business of the Group and the Company.

**Dhaka,**  
25 October 2015

Sd/-  
ACNABIN  
Chartered Accountants

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**

**Consolidated Statement of Financial Position**

**As at 30 June 2015**

	<b>Notes</b>	<b>30.06.2015</b> <b>Taka</b>	<b>30.06.2014</b> <b>Taka</b>	<b>01.07.2013</b> <b>Taka</b>
<b>ASSETS</b>			<u>Restated</u>	<u>Restated</u>
<b>Non-Current Assets</b>		<b>8,483,145,167</b>	<b>2,942,951,674</b>	<b>2,828,147,336</b>
Property, plant and equipments	4(a)	2,853,790,663	2,932,925,674	2,828,121,336
Capital work in progress	5	5,618,529,781	-	-
Investment	6(a)	10,824,723	10,026,000	26,000
<b>Preliminary Expenses</b>	7	-	<b>155,850</b>	<b>155,850</b>
<b>Current Assets</b>		<b>650,540,072</b>	<b>1,332,514,182</b>	<b>671,166,337</b>
Inventories	8(a)	158,951,853	233,805,287	195,404,025
Trade & other receivables	9	220,290,090	186,041,819	214,583,595
Advance, deposit & prepayments	10(a)	244,072,100	906,220,544	134,750,972
Short term loan		-	-	122,708,333
Cash and cash equivalent	12(a)	27,226,029	6,446,532	3,719,412
<b>TOTAL ASSETS</b>		<b>9,133,685,239</b>	<b>4,275,621,706</b>	<b>3,499,469,523</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>		<b>2,160,111,046</b>	<b>2,025,130,861</b>	<b>1,870,061,941</b>
Share capital	13	600,000,000	600,000,000	600,000,000
Revaluation surplus	14	822,361,303	867,963,700	916,529,417
Retained earnings	15(a)	737,749,743	557,167,161	353,532,524
Non- controlling interest	16	(7,388,904)	2,498,807	7,793,073
<b>Total Equity</b>		<b>2,152,722,142</b>	<b>2,027,629,668</b>	<b>1,877,855,014</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>		<b>4,205,682,739</b>	<b>1,623,056,501</b>	<b>1,054,356,313</b>
Long term bank loan net off current maturity	17(a)	3,555,682,739	1,373,056,501	1,054,356,313
Doreen Ijara bond net off current maturity	17.1	650,000,000	250,000,000	-
<b>Current Liabilities</b>		<b>2,775,280,357</b>	<b>624,935,536</b>	<b>567,258,196</b>
Trade payables	18(a)	116,031,706	117,033,048	77,785,145
Current portion of long term bank loan	19(a)	497,696,435	344,091,029	310,650,737
WPPF and WF Payable	20	59,753,754	60,672,719	51,814,764
Short term bank loan	21(a)	1,978,015,009	61,938,051	92,041,634
Current account with sister concern	22	24,315,920	-	-
Liabilities for expenses	23(a)	88,826,752	22,165,912	16,206,513
Provision for income tax	24(a)	10,640,781	19,034,777	18,759,403
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,133,685,239</b>	<b>4,275,621,706</b>	<b>3,499,469,523</b>

The annexed notes from 1 to 39 form an integral part of these Financial Statements.

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company Secretary**  
Sd/-

Dhaka,  
25 October 2015

**ACNABIN**  
**Chartered Accountants**

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2015**

	Notes	2014 -2015 Taka	2013 -2014 Taka
			<u>Restated</u>
Revenue	25	1,082,372,595	1,049,028,427
Less: Cost of sales	26	646,369,722	626,027,545
<b>Gross Profit</b>		<b>436,002,873</b>	<b>423,000,882</b>
Less: Operating expenses		<b>108,774,085</b>	<b>83,664,180</b>
General administrative expenses	27	67,818,455	62,034,551
Pre-operating revenue expenses of subsidiaries		40,955,630	21,629,629
<b>Gross Operating Profit for the year</b>		<b>327,228,788</b>	<b>339,336,702</b>
Less: Financial expense	30	194,769,046	181,210,500
<b>Net Operating Profit for the year</b>		<b>132,459,742</b>	<b>158,126,202</b>
Add: Non Operating Income			
Other income	28	383,312	374,450
Finance income	29(a)	1,022,482	412,331
<b>Profit before WPPF and WF</b>		<b>133,865,536</b>	<b>158,912,983</b>
Less: Provision for contribution to WPPF & WF		8,281,035	8,862,955
<b>Net Profit before income tax</b>		<b>125,584,501</b>	<b>150,050,028</b>
Less: Current tax	31(a)	492,028	275,374
<b>Net Profit after income tax</b>		<b>125,092,473</b>	<b>149,774,654</b>
<b>Other Comprehensive income</b>		-	-
<b>Total Comprehensive income</b>		<b>125,092,473</b>	<b>149,774,654</b>
<b>Attributable to:</b>			
Shareholder of the company		134,980,184	155,068,920
Non controlling interest		(9,887,711)	(5,294,266)
		<b>125,092,473</b>	<b>149,774,654</b>
<b>Earnings Per Share (EPS)</b>	32(a)	<b>2.25</b>	<b>2.58</b>

The annexed notes from 1 to 39 form an integral part of these Financial Statements.

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company Secretary**

This is the Consolidated Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,  
25 October 2015

Sd/-  
**ACNABIN**  
**Chartered Accountants**

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2015**

Particulars	(Amount in Taka)					
	Share capital	Revaluation surplus	Retained earnings	Sub-Total	Non controlling interest	Total
<b>Balance at 01 July 2012, as previously reported</b>	<b>600,000,000</b>	-	<b>233,894,349</b>	<b>833,894,349</b>	<b>7,793,073</b>	<b>841,687,422</b>
Impact of correction of error (Note: 15.1)	-	-	(69,716,330)	(69,716,330)	-	(69,716,330)
<b>Restated opening balance at 01 July 2012</b>	<b>600,000,000</b>	-	<b>164,178,019</b>	<b>764,178,019</b>	<b>7,793,073</b>	<b>771,971,092</b>
Addition of Revaluation Surplus during the year	-	1,002,443,948	-	1,002,443,948	-	1,002,443,948
Net profit for the year	-	-	124,209,981	124,209,981	-	124,209,981
Adjustment for transfer of land and land development to advance	-	(8,183,912)	-	(8,183,912)	-	(8,183,912)
Adjustment from Revaluation surplus for depreciation on replacement of spare parts for machine overhauling	-	(45,743,710)	33,157,615	(12,586,095)	-	(12,586,095)
Revaluation surplus realized (Depreciation on increase value of assets due to revaluation)	-	(31,986,909)	31,986,909	-	-	-
<b>Balance as at 30 June 2013</b>	<b>600,000,000</b>	<b>916,529,417</b>	<b>353,532,524</b>	<b>1,870,061,941</b>	<b>7,793,073</b>	<b>1,877,855,014</b>
<b>Balance as at 01 July 2013</b>	<b>600,000,000</b>	<b>916,529,417</b>	<b>353,532,524</b>	<b>1,870,061,941</b>	<b>7,793,073</b>	<b>1,877,855,014</b>
Net profit for the year ( Restated)	-	-	155,068,920	155,068,920	(5,294,266)	149,774,654
Adjustment for replacement of Spare Parts for machine overhauling	-	(16,578,808)	16,578,808	-	-	-
Revaluation surplus realized (Depreciation on increase value of assets due to revaluation)	-	(31,986,909)	31,986,909	-	-	-
<b>Balance as at 30 June 2014</b>	<b>600,000,000</b>	<b>867,963,700</b>	<b>557,167,161</b>	<b>2,025,130,861</b>	<b>2,498,807</b>	<b>2,027,629,668</b>
<b>Balance as at 01 July 2014</b>	<b>600,000,000</b>	<b>867,963,700</b>	<b>557,167,161</b>	<b>2,025,130,861</b>	<b>2,498,807</b>	<b>2,027,629,668</b>
Net Profit for the year	-	-	134,980,184	134,980,184	(9,887,711)	125,092,474
Adjustment for disposal of power plant	-	(14,533,866)	14,533,866	-	-	-
Revaluation surplus realized (Depreciation on increase value of assets due to revaluation) (Note: 15.2)	-	(31,068,531)	31,068,531	-	-	-
<b>Balance as at 30 June 2015</b>	<b>1,200,000,000</b>	<b>822,361,303</b>	<b>737,749,743</b>	<b>2,160,111,046</b>	<b>(7,388,904)</b>	<b>2,152,722,142</b>

Dhaka,  
25 October 2015

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**

**Consolidated Statement of Cash Flows**

**For the year ended 30 June 2015**

	<b>2014 -2015</b>	<b>2013 -2014</b>
	<b>Taka</b>	<b>Taka</b>
<b>A. Cash flows from operating activities</b>		
Receipt from customers	1,082,434,311	1,077,570,203
Payment to suppliers	(506,644,979)	(431,003,294)
Payment for direct expenses and administrative expenses	(96,668,827)	(65,131,285)
Payment for Commission on bank guarantee and Land mortgage expenses	(1,341,887)	(2,187,278)
Interest payments	(115,217,867)	(179,023,222)
Income Tax Payment	(8,886,024)	-
Other income	384,678	374,450
<b>Net cash flow from operating activities</b>	<b>354,059,405</b>	<b>400,599,574</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(98,650,076)	(1,059,954,229)
Investment in FDR	(798,723)	(10,000,000)
Interest received	1,264,657	412,331
Short term loan	(35,280,200)	122,708,333
Insurance Claim	8,000,000	-
Payment for Civil and Building Construction	(384,027,728)	-
Payment for Power Plant Machineries	(4,430,952,899)	(23,075,786)
Advance Payments for Land and Land Development	(24,341,000)	-
Payment for Office Renovation	(2,154,826)	-
<b>Net cash used in investing activities</b>	<b>(4,966,940,795)</b>	<b>(969,909,351)</b>
<b>C. Cash flows from financing activities</b>		
Receipt/(repayment) from short term bank loan	1,951,357,158	(30,103,583)
Receipt of Long Term bank loan	3,005,164,156	913,551,116
Repayment of long term bank loan	(347,176,348)	(311,410,636)
Loan received from Sister Concern	24,315,920	-
<b>Net cash flow from financing activities</b>	<b>4,633,660,886</b>	<b>572,036,897</b>
<b>D. Net increase/(decrease) in cash and cash equivalent (A+B+C)</b>	<b>20,779,497</b>	<b>2,727,120</b>
<b>E. Cash and cash equivalent at beginning of the year</b>	<b>6,446,532</b>	<b>3,719,412</b>
<b>F. Cash and cash equivalent at end of the year</b>	<b>27,226,029</b>	<b>6,446,532</b>
<b>Consolidated Net Operating Cash Flow Per Share (CNOCFPS)</b>	<b>5.90</b>	<b>6.68</b>

Dhaka,  
25 October 2015

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company Secretary**

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**

**Statement of Financial Position**

**As at 30 June 2015**

	Notes	30.06.2015 Taka	30.06.2014 Taka	01.07.2013 Taka
<b>ASSETS</b>			<u>Restated</u>	<u>Restated</u>
<b>Non-Current Assets</b>		<b>3,854,449,940</b>	<b>3,436,191,726</b>	<b>3,048,374,155</b>
Property, plant and equipments	4	2,787,013,940	2,867,055,726	2,828,083,145
Investment	6	1,067,436,000	569,136,000	220,291,010
<b>Current Assets</b>		<b>323,428,003</b>	<b>275,819,181</b>	<b>454,658,841</b>
Inventories	8	45,321,915	51,139,837	82,519,485
Trade & other receivables	9	220,290,090	186,041,819	214,583,595
Advance, deposit & prepayments	10	19,420,565	32,492,682	31,282,026
Current account with subsidiary	11	35,280,200	-	122,708,333
Cash and cash equivalent	12	3,115,233	6,144,843	3,565,402
<b>TOTAL ASSETS</b>		<b>4,177,877,943</b>	<b>3,712,010,907</b>	<b>3,503,032,996</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Equity</b>		<b>2,219,240,935</b>	<b>2,053,790,457</b>	<b>1,882,409,819</b>
Share capital	13	600,000,000	600,000,000	600,000,000
Revaluation surplus	14	822,361,303	867,963,700	916,529,417
Retained earnings	15	796,879,632	585,826,757	365,880,402
<b>Non-Current Liabilities</b>		<b>1,248,734,137</b>	<b>1,035,228,030</b>	<b>1,054,356,313</b>
Long term bank loan net off current maturity	17	598,734,137	785,228,030	1,054,356,313
Doreen Ijara Bond net off current maturity	17.1	650,000,000	250,000,000	-
<b>Current Liabilities</b>		<b>709,902,870</b>	<b>622,992,420</b>	<b>566,266,864</b>
Trade payable	18	116,031,706	117,033,048	77,785,145
Current portion of long term bank loan	19	361,652,411	344,091,029	310,650,737
WPPF and WF Payable	20	59,753,754	60,672,719	51,814,764
Short term bank loan	21	115,330,346	61,938,051	92,041,634
Current Account with Sister Concern	22	24,315,920	-	-
Liabilities for expenses	23	22,499,750	20,235,529	15,215,181
Provision for income tax	24	10,318,983	19,022,044	18,759,403
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,177,877,943</b>	<b>3,712,010,907</b>	<b>3,503,032,996</b>

The annexed notes from 1 to 39 form an integral part of these Financial Statements.

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company Secretary**

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,  
25 October 2015

Sd/-  
**ACNABIN**  
**Chartered Accountants**

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2015**

	Notes	2014 - 2015 Taka	2013 - 2014 Taka
			<u>Restated</u>
Revenue	25	1,082,372,595	1,049,028,427
Less: Cost of sales	26	646,369,722	626,027,545
<b>Gross Profit</b>		<b>436,002,873</b>	<b>423,000,882</b>
Less: Operating Expenses			
General administrative expenses	27	67,818,455	62,034,551
<b>Gross Operating Profit for the year</b>		<b>368,184,418</b>	<b>360,966,331</b>
Less: Financial expense	30	194,769,046	181,210,500
<b>Net Operating Profit for the year</b>		<b>173,415,372</b>	<b>179,755,831</b>
Add: Non Operating Income			
Other income	28	383,312	374,450
Finance income	29	103,059	375,952
<b>Profit before WPPF and Welfare Fund</b>		<b>173,901,743</b>	<b>180,506,233</b>
Less: Provision for contribution to WPPF & WF		8,281,035	8,862,955
<b>Net profit before income tax</b>		<b>165,620,708</b>	<b>171,643,278</b>
Current tax	31	(170,230)	(262,641)
<b>Net profit after income tax</b>		<b>165,450,478</b>	<b>171,380,637</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>165,450,478</b>	<b>171,380,637</b>
<b>Earning Per Share (EPS)</b>	32	<b>2.76</b>	<b>2.86</b>

The annexed notes from 1 to 39 form an integral part of these Financial Statements.

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company Secretary**

This is the statement of profit or loss and other comprehensive income referred to in our separate report of even date.

Dhaka,  
25 October 2015

Sd/-  
**ACNABIN**  
**Chartered Accountants**



**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**

**Statement of Changes in Equity  
For the year ended 30 June 2015**

(Amount in Taka)

Particulars	Share capital	Revaluation surplus	Retained earnings	Total
<b>Balance at 01 July 2012, as previously reported</b>	<b>600,000,000</b>	-	<b>233,894,349</b>	<b>833,894,349</b>
Impact of correction of error (Note: 15.1)	-	-	(69,716,330)	(69,716,330)
Restated opening balance	<b>600,000,000</b>	-	<b>164,178,019</b>	<b>764,178,019</b>
Addition of Revaluation Surplus during the year	-	1,002,443,948	-	1,002,443,948
Net profit for the year	-	-	136,557,859	136,557,859
Adjustment for transfer of land and land development to advance	-	(8,183,912)	-	(8,183,912)
Adjustment from Revaluation surplus for depreciation on replacement of spare parts for Machine overhauling	-	(45,743,710)	33,157,615	(12,586,095)
Revaluation surplus realized (Depreciation on increase value of assets due to revaluation)	-	(31,986,909)	31,986,909	-
<b>Balance as at 30 June 2013</b>	<b>600,000,000</b>	<b>916,529,417</b>	<b>365,880,402</b>	<b>1,882,409,819</b>
<b>Balance as at 01 July 2013</b>	<b>600,000,000</b>	<b>916,529,417</b>	<b>365,880,402</b>	<b>1,882,409,819</b>
Net profit for the year ( Restated)	-	-	171,380,637	171,380,637
Adjustment for replacement of spare parts for Machine Overhauling	-	(16,578,808)	16,578,808	-
Revaluation surplus realized (Depreciation on increase value of assets due to revaluation)	-	(31,986,909)	31,986,909	-
<b>Balance as at 30 June 2014</b>	<b>600,000,000</b>	<b>867,963,700</b>	<b>585,826,757</b>	<b>2,053,790,456</b>
<b>Balance as at 01 July 2014</b>	<b>600,000,000</b>	<b>867,963,700</b>	<b>585,826,757</b>	<b>2,053,790,456</b>
Net Profit for the year	-	-	165,450,478	165,450,478
Adjustment for disposal of power plant	-	(14,533,866)	14,533,866	-
Revaluation surplus realized (Depreciation on increase value of assets due to revaluation) (Note: 15.2)	-	(31,068,531)	31,068,531	-
<b>Balance as at 30 June 2015</b>	<b>1,200,000,000</b>	<b>822,361,303</b>	<b>796,879,632</b>	<b>2,219,240,935</b>

Dhaka,  
25 October 2015

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**

**Statement of Cash Flows**

**For the year ended 30 June 2015**

	<b>2014-2015</b>	<b>2013-2014</b>
	<b>Taka</b>	<b>Taka</b>
<b>A. Cash flows from operating activities</b>		
Receipt from customers	1,082,434,311	1,077,570,203
Payment to suppliers	(506,644,979)	(431,003,294)
Payment for administrative expenses	(64,850,443)	(44,741,421)
Payment for Commission on bank guarantee and Land mortgage expenses	(1,341,887)	(2,187,278)
Interest payments	(115,217,867)	(179,023,222)
Income Tax Payment	(8,873,291)	-
Other income	383,312	374,450
<b>Net cash generated from operating activities</b>	<b>385,889,157</b>	<b>420,989,438</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(94,217,034)	(176,857,718)
Interest received	346,600	375,952
Insurance claim received	8,000,000	-
Payment of Short term loan	(35,280,200)	122,708,333
Investment in sub sidiaries	(498,300,000)	(348,844,990)
<b>Net cash used in investing activities</b>	<b>(619,450,634)</b>	<b>(402,618,423)</b>
<b>C. Cash flows from financing activities</b>		
Receipt/(repayment) from short term bank loan	53,392,295	(30,103,583)
Receipt of long term bank loan	500,000,000	325,722,645
Loan received from sister -concern	24,315,920	-
Repayment of long term bank loan	(347,176,348)	(311,410,636)
<b>Net cash outflow from financing activities</b>	<b>230,531,867</b>	<b>(15,791,574)</b>
<b>D. Net increase/(decrease) in cash and bank balances (A+B+C)</b>	<b>(3,029,610)</b>	<b>2,579,441</b>
E. Cash and bank balances at beginning of the year	6,144,843	3,565,402
<b>F. Cash and bank balances at the end of the year</b>	<b>3,115,233</b>	<b>6,144,843</b>
Net operating cash flow per share (NOCFPS)	<b>6.43</b>	<b>7.02</b>

Dhaka,  
25 October 2015

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company Secretary**

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**  
**Notes to the Consolidated & Separate Financial Statements**  
**For the year ended 30 June 2015**

**1. Reporting entity**

**1.1 Corporate history**

Doreen Power Generations and Systems Limited ("the Company") was incorporated on 20 August 2007 as a private company limited by shares and converted into a public limited company on 31 October 2011. Asian Entech Power Corporation Limited and OPG Energy (pvt.) Limited was participated in a bidding process of three power plants through joint venture agreement and win the bids. Then they formed Doreen Power Generations and Systems Limited to implement the 3 (three) power plants and the company has done all that was necessary as per Contract with Government of Bangladesh "Supply, Installation and Putting in Commercial Operation of 22 MW Gas Fired Power Plant at Feni, Tangail and Narsingdi each on BOO basis for a term of 15 years". The Project was approved by Bangladesh Power Development Board and Rural Electrification Board vide Memo No. 199-BPDB (Sectt.)/ (Dev.)/ Feni/175 dated 23 March 2009 and Memo No. 1030-BPDB (Sectt.)/ (Dev.) Tangail / 175 dated 17 December 2008 and Memo No. REB/SE (G)/100.01 (2.03) Narshinghdi/193 dated 20 January 2009.

The registered office of the Company is situated at Walsow Tower (16th floor), 21, Kazi Nazrul Islam Avenue, Dhaka-1000 and the operational Headquarters is located at (11th Floor) 82. Mohakhali C/A, Dhaka.

Dhaka Northern Power Generations Limited & Dhaka Southern Power Generations Limited are the subsidiaries of Doreen Power Generations and Systems Limited (DPGSL) having 75.50% holding in paid up capital of each company. Both were incorporated on 25.06.2012 and have signed an agreement for developing 55 MW power plant at Manikgang and Nababganj respectively and signed power purchase agreement with BPDB on 07 January 2013. Paid up capital at the reporting date of each company stands at Tk. 24,080,000 (240,800 shares @ Tk 100 each).

Information regarding statutory auditors and accounting period of these subsidiary companies is set out below:

SI	Name of Company	Accounting Period	Statutory Auditor
1	Dhaka Northern Power Generations Limited	July-June	MABS & J Partners
2	Dhaka Southern Power Generations Limited	July-June	Chartered Accountants

**1.2 Nature of business**

The principle activity of the Company is to set up power plants for generation and supply of electricity. Operational details of the Company are as under:

Location of Plant	Licensed Capacity by BERC (Net) (MW)	Saleable Capacity by PPA (Net) (MW)	Installed Capacity (MW)	Commissioned Capacity (MW)	Date of Commercial operation
Feni	23.216	22	23.216 (100%)	22	16 February 2009
Tangail	23.216	22	23.216 (100%)	22	12 November 2008
Narshinghdi	23.216	22	23.216 (100%)	22	21 December 2008
<b>Total</b>	<b>69.648</b>	<b>66</b>	<b>69.648</b>	<b>66</b>	

### **1.3 Power purchase agreement (PPA)**

The Company has signed two power supply agreements with Bangladesh Power Development Board (BPDB) vide agreement # 09681 dated 11 October 2007 for 22 MW power from Feni plant and agreement # 09683 dated 11 October 2007 for 22 MW power from Tangail Plant. Another agreement was signed with Rural Electrification Board (REB) on 11 October 2007 for 22 MW for supply of Electricity from Narsingdi plant. All the agreements are for a term of 15 years to provide 44 MW net electrical power to BPDB and 22 MW net electrical power to REB.

These agreements are effective upon signing and shall terminate after 15 years from the date of commercial operation, unless extended or earlier terminated in pursuant of the provision of the agreements. The purpose of these agreements is to supply of electrical power and energy by the Company to BPDB and REB under the terms and conditions provided in the agreements. For this purpose, the Company will build, operate and maintain the facility, all of its own expenses and responsibility in accordance with the provisions of the agreements and within the technical limits and each of the schedules that are parts of those agreements.

The Power Purchase Agreements (PPA) stipulates two elements tariff as provided in schedule -5 of the agreements for the purchase of dependable capacity and net energy output which is specific for each year throughout the term. Each annual reference tariff is composed of two components:

- a. Reference capacity price; and
- b. Reference energy price

From and after the commercial operations date, the capacity payment and energy payment payable to the Company for dependable capacity and net energy output in any period during the term shall be calculated based on the reference capacity price and the reference energy price respectively.

### **1.4 Gas supply agreements**

The Company has signed three gas supply agreements for its three plants with Titas Gas Transmission and Distribution Company Limited (TGTDCL) and Bakhrabad Gas Systems Limited for Tangail -22 MW power Plant, Narsingdi- 22 MW Power plant and Feni- 22 MW Power Plant for a term of 15 years.

These agreements are effective upon signing and shall continue subject to the other provisions of those agreements for the period that ends on the expiry date which is the expiration date of the terms of the power purchase agreements. Subject to the terms and condition of those agreements and availability of gas, TGTDCL and BGSL shall sell and supply gas to all the plants of the Company's requirements for gas for the facility during the terms hereof to meet start up, commissioning and operation of the plants of the Company shall accept, receive and pay for gas seller at a gas price set by the Government or any authority assigned by it from time to time.

## **2. Basis of preparation of the financial statements**

### **2.1 Statement of compliance**

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

### **2.2 Other regulatory compliance**

The group entities are also required to comply with the following statutes:

The Income Tax Ordinance, 1984;

The Income Tax Rules, 1984;

The Value Added Tax Act, 1991;

The Value Added Tax Rules, 1991;

The Customs Act, 1969;

Bangladesh Labour Act (Amendment 2013), 2006, etc.

### **2.3 Basis of measurement**

These financial statements have been prepared under the historical cost convention and on a going concern basis except for some classes of property, plant and equipment which are measured at revalued amount assuming that the contract with the Government will be renewed after expiry of the tenure of existing contract.

## 2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is also the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest integer.

## 2.5 Use of estimates and judgments

The preparation of the consolidated financial statements of the group and the separate financial statements of the company requires management to make and apply consistently the judgments, estimates and assumptions for records and balances that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note: 4 Property, plant and equipment

Note: 8 Inventories

Note: 9 Trade and other receivables

## 2.6 Reporting Period

These financial period of the company covers one year from 1 July to 30 June and is being followed consistently.

## 2.7 Applicable accounting standards

The Company's status of compliance with applicable Financial Reporting Standards is as under:

BAS	Title	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
18	Revenue	Complied
19	Employee Benefits	Complied
21	The Effect of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
27	Consolidated and Separate Financial Statement	Complied
32	Financial Instrument: Presentation	Complied
33	Earnings Per Shares (EPS)	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
39	Financial Instrument: Recognition and Measurement	Complied

BFRS	Title	Remarks
3	Business Combination	Complied
7	Financial Instrument: Disclosures	Complied
10	Consolidated Financial Statements	Complied
12	Disclosure of Interest in Other Entities	Complied

### **3. Summary of significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by Group entities.

#### **3.1 Basis of consolidation**

##### *(a) Subsidiary*

Subsidiary is an enterprise controlled by the parent entity. Control exists when the parent entity has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Dhaka Northern Power Generations Ltd and Dhaka Southern Power Generations Ltd are partially (75.5% each) owned subsidiaries of Doreen Power Generations and Systems Limited.

##### *(b) Transactions eliminated on consolidation*

Intra-Group balances, transactions and any unrealized gains arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

#### **3.2 Property, plant and equipment**

##### **3.2.1 Recognition and measurement**

Items of property, plant and equipment are measured at historical cost except land & land development, building and premises and power plant which are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any, in accordance with the requirements of Bangladesh Accounting Standard 16: Property, Plant and Equipment. Historical cost includes expenditures that are directly attributable to the acquisition of the items of property, plant and equipment.

##### **3.2.2 Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.

The cost of overhauling for replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. As the benefits of such major overhauling will be consumed over 5 years, the cost of such has been recognized separately in the carrying amount of respective power plant in accordance with BAS 16: Property, Plant and Equipment. The company underwent the second phase of its expected major overhauling in 2012-13 of its plant and machinery. However, the carrying amount of the replaced capital spare parts relating to major overhauling has to be derecognized. Previously, the related assets were not segregated and were thus depreciated over the life of the plant which was 30 years. Now the useful life has been changed to 5 years and required adjustments were provided in the financial statements.

##### **3.2.3 Revaluation of assets**

Financial statement of the company have been prepared on historical cost basis. However, the prices of assets have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of Doreen Power Generations and Systems Limited decided to determine fair market value of the assets and liabilities through revaluation. The company revaluated its land and land development, building & premises and power plants as on 30 June 2012 by Rahman Mostafa Alam & Co., Chartered Accountants and the revaluation surplus has been incorporated in the financial statement as on 1 July 2012.

### 3.2.4 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is provided using straight line method to allocate the costs over their estimated useful lives. Items of Property, Plant and Equipment (PPE) are depreciated from immediately following month in which the asset comes into use or capitalized. In case of disposals, no depreciation is charged for the month of disposal. The annual depreciation rates applicable to different category of PPE are as follows:

Category of PPE	Rate of depreciation (%)
Buildings & Premises	5%
Office Decoration & Renovation	20%
Power Plant	3.33%
Machine Overhauling	20%
Furniture and Fixture	20%
Office Equipments	20%
Office Car /Vehicle	20%

### 3.3 Pre-operating revenue and preliminary expenses

Preliminary expenses of subsidiaries have been shown in the consolidated statement of financial position of the Group. Pre-operating revenue and preliminary expenses of the subsidiaries have been charged in the statement of profit or loss and other comprehensive income of the subsidiaries and in the consolidated statement of Profit or Loss and Other Comprehensive Income of the Group.

### 3.4 Inventories

#### 3.4.1 Nature of inventories

Inventories comprises of spare parts, lube oil, greese, nalcool 2000 etc. These are used for in the operation and maintenance of power plants.

#### 3.4.2 Valuation of the inventories

Inventories are stated at the lower of cost or net realizable value in accordance with BAS 2 "Inventories" after making due allowances for any obsolete or slow moving items, if any. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Cost is calculated on First in First out (FIFO) method.

### 3.5 Financial assets

The group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the group/company becomes a party to the contractual provisions of the instrument.

The group derecognizes a financial asset when the contractual rights to 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 and other receivable, advances, deposits and prepayments, loan to related companies and cash and bank balances etc.

#### 3.5.1 Trade and other receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful debts, if any, based on a review of all outstanding amounts at the period end.

#### 3.5.2 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.

### **3.6 Financial liabilities**

The group recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade creditors and other financial obligations.

#### **3.6.1 Trade and other payables**

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

#### **3.6.2 Loans and borrowings**

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.

#### **3.6.3 Provisions**

A provision is recognized on the date of financial position if, as a result of past events, the company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

### **3.7 Impairment**

#### **Financial assets**

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets, and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably. As at 30 June 2015, the assessment of indicators of impairment reveals that impairment testing is not required for the group.

#### **Non financial assets**

The carrying amount of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment, if any and such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

### **3.8 Contingent liabilities and assets**

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

### **3.9 Employee benefits**

The Company recognizes a provision for Workers' Profit Participation and Welfare funds @ 5% of net profit before tax as per Bangladesh Labour Act (Amendment 2013), 2006.

### **3.10 Revenue**

Revenue is recognized in the statement of profit or loss and other comprehensive income upon supply of electricity, quantum of which is determined by survey of meter reading at the end of each month. Revenue is measured at fair value of consideration received or receivable.

### **3.11 Taxation**

No provision is required for income tax on the Company's profits as the company is exempted from tax for a period of fifteen years from start of its commercial production on 12 November 2008 vide SRO no.188-AIN/AIKOR/2009 dated 01 July 2009 of NBR. However adequate provision is being calculated for income arising from other source as per Income Tax Ordinance 1984.

### **3.12 Deferred tax**

As there is considerable uncertainty with regard to the taxation of such companies after expiry of



the tax exemption period, the management feels it is not possible to make a reasonable estimate of deferred tax assets/liabilities at this stage.

### **3.13 Non-controlling interest**

Non-controlling interest is that portion of the profit or loss and net assets of the subsidiaries (Dhaka Northern Power Generations Ltd. and the Dhaka Southern Power Generations Ltd.) attributable to equity interests that are not owned, directly or indirectly through subsidiaries by the parent (Doreen Power Generations and Systems Limited)

### **3.14 Transactions in foreign currencies**

Foreign currency transactions are translated into Bangladesh taka at the rates ruling on the date of transaction. All foreign currency monetary assets and liabilities at the date of financial position are retranslated using rates prevailing on that day. Exchange differences at the date of financial position are charged/credited to the statement of profit or loss and other comprehensive income.

### **3.15 Finance income and expenses**

Finance income comprises interest income on funds invested and bank deposits. Interest income is recognized using accrual principle.

Finance expenses comprise interest expenses on loan, overdraft, mortgage charges, trustee fees, interest on ijara bond and commission on bank guarantee. All borrowing costs are recognized in the statement of Profit or Loss and other comprehensive income using effective interest rate method.

### **3.16 Earnings per share**

The company presents basic and diluted (when dilution is applicable) Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

### **3.17 Events after the reporting period**

Events after the reporting period that provide additional information about the Company's positions at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. There are no material events that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements.

### **3.18 Comparative information**

Comparative information has been disclosed in respect of the period in accordance with BAS-1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

### **3.19 General**

Previous year's figures have been restated/rearranged where required.

	30.06.2015 Taka	30.06.2014 Taka	01.07.2013 Taka
<b>4. Property, plant and equipments of the Company</b>		<u>Restated</u>	<u>Restated</u>
<b>A. Cost/revaluation</b>			
Opening Balance	3,148,677,936	3,084,617,344	2,385,841,880
Add: Addition during the year	104,848,922	176,857,718	1,022,603,111
	3,253,526,858	3,261,475,062	3,408,444,991
Less: Disposal during the year	96,636,058	112,797,126	323,827,647
	<u>3,156,890,800</u>	<u>3,148,677,936</u>	<u>3,084,617,344</u>
<b>(B) Accumulated depreciation</b>			
Opening Balance as reported	281,622,210	256,534,199	57,234,903
Add: Impact of correction of error (Note: 4.1)	-	-	69,716,330
Restated opening balance	281,622,210	256,534,199	126,951,233
Add: Charged during the year	141,189,395	137,885,137	155,584,551
	422,811,606	394,419,336	282,535,784
Less: Adjustment for disposal	52,934,746	112,797,126	26,001,585
	<u>369,876,860</u>	<u>281,622,210</u>	<u>256,534,199</u>
<b>(C) Written down value (A - B)</b>	<u><b>2,787,013,940</b></u>	<u><b>2,867,055,726</b></u>	<u><b>2,828,083,145</b></u>

(Schedule of property, plant and equipment and Statement of Land are given in annexure - A & B respectively)

- 4.1** Figure for 2012-13 has been restated because overhauling equipments were initially depreciated at the rate of 3.33%. In the year 2012-2013 the management of the company has reviewed the useful lives of overhauling equipments as property, plant and equipments and revised the depreciation rates for fair presentation of the carrying amount of assets of the company. The effect of this change has been accounted for by restating the accounts as per BAS-8. The effect of the change has been made retrospectively on revaluation reserve as if the error/change had not been occurred. Considering the nature and useful life, the depreciation rate now has been changed to 20%.

**4. (a) Consolidated Property, plant and equipments**

Doreen Power Generations and Systems Limited	2,787,013,940	2,867,055,726	2,828,083,145
Dhaka Northern Power Generations Limited	1,426,039	-	-
Dhaka Southern Power Generations Limited	65,350,684	65,869,948	38,191
	<u><b>2,853,790,663</b></u>	<u><b>2,932,925,674</b></u>	<u><b>2,828,121,336</b></u>

30.06.2015  
Taka

30.06.2014  
Taka

**5. Capital Work In Progress**

Doreen Power Generations and Systems Limited	-	-
Dhaka Northern Power Generations Limited	2,573,238,917	-
Dhaka Southern Power Generations Limited	3,045,290,864	-
	<u><b>5,618,529,781</b></u>	<u><b>-</b></u>

**6. Investment of the Company**

Investment in Rupali Engineers and Traders Limited (Note : 6.1)		26,000	26,000
Investment in Subsidiaries (Note: 6.2)		36,360,000	36,360,000
Share money deposit in subsidiaries (Note: 6.3)		1,031,050,000	532,750,000
		<b>1,067,436,000</b>	<b>569,136,000</b>

**6.1** 100 shares of Rupali Engineers and Traders Limited has been purchased at par value of Tk. 1,000. The shares were allotted in the name of Doreen Power Generations and Systems Limited on 6 May 2012. Subsequently, out of 100 shares 49 shares were transferred to Abu Syed al Mahmud Swapon who is the chairman of Rupali Engineers and Traders Limited on 22 July 2012, and 25 share transferred to Candid Proctor Ltd on 25 March 2013.

<b>30.06.2015</b>	<b>30.06.2014</b>
<b>Taka</b>	<b>Taka</b>

**6.2 Investment in subsidiaries**

Dhaka Northern Power Generations Limited (Note: 6.2.1)		18,180,000	18,180,000
Dhaka Southern Power Generations Limited (Note: 6.2.2)		18,180,000	18,180,000
		<b>36,360,000</b>	<b>36,360,000</b>

**6.2.1** Dhaka Northern Power Generations Limited was incorporated on 25 July 2012. The Authorized share capital of the Company is 10,000,000 ordinary shares @ Tk 100 each totaling Tk. 1,000,000,000 and the Paid up capital is 240,800 shares @ Tk 100 each totaling Tk. 24,080,000. Doreen Power Generations and Systems Limited subscribed 181,800 @ Tk 100 totaling Tk. 18,180,000 representing 75.50% of share capital.

Dhaka Southern Power Generations Limited was incorporated on 25 July 2012. The Authorized share capital of the Company is 10,000,000 ordinary shares @ Tk 100 each totaling Tk. 1,000,000,000 and the Paid up capital is 240,800 shares @ Tk 100 each totaling Tk. 24,080,000. Doreen Power Generations and Systems Limited subscribed 181,800 @ Tk 100 totaling Tk. 18,180,000 representing 75.50% of share capital.

**6.3 Share money deposit in subsidiaries**

Dhaka Northern Power Generations Limited (Note: 6.3.1)		606,800,000	373,500,000
Dhaka Southern Power Generations Limited (Note: 6.3.2)		424,250,000	159,250,000
		<b>1,031,050,000</b>	<b>532,750,000</b>

**6.3.1** 3,735,000 Ordinary Shares of Taka 100 each at par for an amount of Taka 373,500,000 out of total Share money deposit of Taka 606,800,000 was issued by Dhaka Northern Power Generations Limited in favor to Doreen Power Generations and Systems Limited on 14 September 2015 after getting approval from BSEC.

**6.3.2** 1,592,500 Ordinary Shares of Taka 100 each at par for an amount of Taka 159,250,000 out of total Share money deposit of Taka 424,250,000 was issued by Dhaka Southern Power Generations Limited in favor to Doreen Power Generations and Systems Limited on 14 September 2015 after getting approval from BSEC.

**6(a) Consolidated investment**

Doreen Power Generations and Systems Limited (Note: 6)		1,067,436,000	569,136,000
Dhaka Northern Power Generations Limited		10,798,723	10,000,000
Dhaka Southern Power Generations Limited		-	-
		<b>1,078,234,723</b>	<b>579,136,000</b>
Less: Investment in subsidiaries (Note: 6.2)		36,360,000	36,360,000
Share money deposit in subsidiaries (Note: 6.3)		1,031,050,000	532,750,000
		<b>10,824,723</b>	<b>10,026,000</b>

## 7. Preliminary Expenses

Doreen Power Generations and Systems Limited	-	-
Dhaka Northern Power Generations Limited	-	77,925
Dhaka Southern Power Generations Limited	-	77,925
	-	<b>155,850</b>

Amount of preliminary Expenses of Dhaka Southern Power Generations Limited and Dhaka Northern Power Generations Limited have been written off during the period 2014-2015.

## 8. Inventories of the Company

Spare parts (Maintenance)	43,414,915	48,373,657
Lube oil	1,872,000	2,695,680
Greese	35,000	50,500
Nalcool 2000	-	20,000
	<b>45,321,915</b>	<b>51,139,837</b>

All the items are fast moving and use in the plant regularly in normal course of business.

Movement of Inventory items is given below:

(Amount in Taka)

Inventory	Balance as at 1 July 2014	Purchase during the year	Consumption during the year	Balance as at 30 June 2015
Spare parts (Maintenance)	48,373,657	73,570,548	78,529,290	43,414,915
Lube Oil	2,695,680	38,822,700	39,646,380	1,872,000
Greese	50,500	255,000	270,500	35,000
Nalcool 2000	20,000	624,100	644,100	-
	<b>51,139,837</b>	<b>113,272,348</b>	<b>119,090,270</b>	<b>45,321,915</b>

### 8(a) Consolidated inventories

Doreen Power Generations and Systems Limited	(Note: 8)	45,321,915	51,139,837
Dhaka Northern Power Generations Limited	(Note: 8.1)	9,833,130	109,000,000
Dhaka Southern Power Generations Limited	(Note: 8.1)	103,796,808	73,665,450
		<b>158,951,853</b>	<b>233,805,287</b>

8.1 Inventories of Dhaka Northern Power Generations Limited and Dhaka Southern Power Generations Limited includes sand, concrete, cement, MS Bar, etc., and held for the purpose of Civil construction and Building at Plant premises in Manikgonj and Nababgonj.

## 9. Trade and other receivables

Bangladesh Power Development Board (BPDB)	124,342,463	120,197,130
Rural Electrification Board (REB)	61,001,427	65,208,476
Insurance claim receivables	34,946,200	-
Doreen Power House and Technologies Limited	-	392,672
Interest receivable	-	243,541
	<b>220,290,090</b>	<b>186,041,819</b>

Receivable amount (claim) of Taka 26,000,000 from insurance company has been realized subsequently vide cheque # 7901112 dated 13 July 2015, 7901125 dated 05 August 2015, 7901131 dated 26 August 2015, 7901134 dated 08 September 2015 and 7901139 dated 22 September 15 and rest of the amount will be realized within 31 December 2015.

### I. Debt considered good in respect of which the company is fully secured

Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. All the receivables from BPDB and REB were subsequently received by the company.

### II. Debt considered good for which the company hold no security

Receivables are unsecured but considered good.

### III. Debt due by directors or other officers of the company

There is no such trade debtors due by or to directors or other officers of the Company.

### IV. Debt considered doubtful or bad

Management considered the trade debtors are collectable and thus no provision had been made for any doubtful receivable.

### V. The maximum amount due by directors or other officers of the company

There are no such debt in this respect as on 30 June 2015.

The aging of above trade and other receivables as at the statement of financial position date was:

	30.06.2015 Taka	30.06.2014 Taka
Past due 0-30 days	87,110,670	87,196,936
Past due 31-90 days	98,233,220	97,307,540
Past due more than 90 days	34,946,200	1,537,343
	<b>220,290,090</b>	<b>186,041,819</b>

## 10. Advance, deposit and prepayments of the Company

Advance	(Note: 10.1)	12,297,007	25,607,335
Deposits	(Note: 10.2)	4,564,118	4,501,638
Prepayments	(Note: 10.3)	2,559,440	2,383,709
		<b>19,420,565</b>	<b>32,492,682</b>

<b>10.1</b>	<b>Advance</b>		
	Advances to staff & others	1,443,835	1,249,064
	Advance tax and VAT	292,587	1,387,114
	LC Margin for spare parts	3,560,585	6,439,269
	Advance against Financial Advisory Fee	6,000,000	4,900,000
	Advance against IPO expenses	1,000,000	1,000,000
	Advance for Land & Land Developments	-	10,631,888
		<b>12,297,007</b>	<b>25,607,335</b>
<b>10.2</b>	<b>Deposits</b>		
	Falcon Securities Limited	200,718	200,718
	Margin on bank guarantee	4,363,400	4,300,920
		<b>4,564,118</b>	<b>4,501,638</b>
<b>10.3</b>	<b>Prepayment</b>		
	Bangladesh Energy Regulatory Commission license fee	250,000	250,000
	Commission on bank guarantee	715,540	680,996
	Insurance premium	1,564,466	1,452,713
	Group Insurance Premium	29,434	-
		<b>2,559,440</b>	<b>2,383,709</b>
<b>10 (a)</b>	<b>Consolidated advance, deposits and prepayments</b>		
	Doreen Power Generations and Systems Limited (Note: 10)	19,420,565	32,492,682
	Dhaka Northern Power Generations Limited	216,704,740	262,589,274
	Dhaka Southern Power Generations Limited	7,946,795	611,138,588
		<b>244,072,100</b>	<b>906,220,544</b>

The aging of Advances, Deposits & Prepayments as at the statement of financial position date was as follows:

Past due 0-30 days	1,745,855	3,643,359
Past due 31-90 days	3,289,237	6,224,432
Past due 91-180 days	1,653,066	2,427,112
Past due more than 180 days	12,732,407	20,197,779
	<b>19,420,565</b>	<b>32,492,682</b>

The details breakup of Advance, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act. 1994 stated below:

	30.06.2015 Taka	30.06.2014 Taka
Advance, Deposit and Prepayments exceeding 6 months	12,732,407	20,197,779
Advance, Deposit and Prepayments not exceeding 6 months	6,688,158	12,294,903
Other Advance, Deposits & Prepayments less provision	7,123,558	6,885,347
Advance, Deposits and Prepayments considered Good and Secured	19,420,565	32,492,682
Advance, Deposits and Prepayments considered Good without Security	19,420,565	32,492,682
Advance, Deposits and Prepayments considered Doubtful or Bad	-	-
Advance, Deposits and Prepayments due by Directors	-	-
Advance, Deposits and Prepayments due by Other Officers (against Salary)	-	-
Advance, Deposits and Prepayments due from Companies under same management	-	-
Maximum Advance, Deposits & Prepayments due by Directors	-	-

**11. Current account with subsidiary**

Dhaka Southern Power Generations Limited	8,846,000	-
Dhaka Northern Power Generations Limited	26,434,200	-
	<b>35,280,200</b>	<b>-</b>

The amount paid to Dhaka Southern Power Generations Limited and Dhaka Northern Power Generations Limited as short term loan to meet the current requirement of construction period. The loan is given without interest and repayment will be made by the subsidiaries immediately after commercial operation start. No agreement was made for the short term loan.

**11 (a) Consolidated short term loan**

Doreen Power Generations and Systems Limited	(Note: 11) 35,280,200	-
Dhaka Northern Power Generations Limited	-	-
Dhaka Southern Power Generations Limited	-	-
	35,280,200	-
Less: Intercompany Transaction	(35,280,200)	-

**12. Cash and cash equivalent**

Cash in hand		90,626	274,772
Cash at Bank	(Note: 12.1)	3,024,607	5,870,071
		<b>3,115,233</b>	<b>6,144,843</b>

**12.1 Cash at bank**

<u>Name of the Bank</u>	<u>Branch Name</u>	<u>Account</u>	3,024,607	1,956,022
Bank Asia Limited	Corporate Branch	CD A/C 000233011084	10,405	8,202
Bank Asia Limited	Shantinagar Branch	CD A/C 03533000260	4,875	5,450
NCC Bank Limited	Mojjheel Branch	CD A/C 0210014963	2,868,662	1,646,545
Dhaka Bank Limited	Baridhara Branch	CD A/C 218-100-2671	13,839	90,590
NCC Bank Limited	Mojjheel Branch	STD A/C 0002-0325000920	13,999	15,647
NCC Bank Limited	Mojjheel Branch	STD A/C 0002-0325000911	6,361	11,327
NCC Bank Limited	Mojjheel Branch	STD A/C 0002-0325000902	28,195	8,916
Islami Bank Bangladesh Ltd	HOCorporate	AWCA # 205021301001818	76,064	50,424
Prime Bank Limited	Mohakhali Branch	CD A/C 11011080011964	2,207	118,921
Fixed Deposit Receipts (FDR) at NCC Bank Limited			-	3,914,049
			<b>3,024,607</b>	<b>5,870,071</b>

**12 (a) Consolidated cash and cash equivalent**

		<b>30.06.2015</b> Taka	<b>30.06.2014</b> Taka
Doreen Power Generations and Systems Limited	(Note: 12)	3,115,233	6,144,843
Dhaka Northern Power Generations Limited		10,932,853	89,370
Dhaka Southern Power Generations Limited		13,177,943	212,319
		<b>27,226,029</b>	<b>6,446,532</b>



**13. Share capital**

**Authorised capital**

200,000,000 ordinary shares of Taka 10 each 2,000,000,000 2,000,000,000

**Issued, Subscribed and Paid up Capital**

60,000,000 ordinary shares of Taka 10 each  
issued for cash 600,000,000 600,000,000

**A distribution schedule of the above shares is given below:**

Name of shareholders	% of Holding	No. of shares		Amount in Taka	
		30.06.2015	30.06.2014	30.06.2015	30.06.2014
Asian Entech Power Corporation Ltd.	95.91	57,545,450	57,545,450	575,454,500	575,454,500
OPG Energy Pvt. Ltd.	0.0909	54,550	54,550	545,500	545,500
Mrs. Parveen Alam	3.1667	1,900,000	1,900,000	19,000,000	19,000,000
Mrs. Anjabeen Alam Siddique	0.8197	491,810	491,810	4,918,100	4,918,100
Mr. Md. Ali Akbar	0.0046	2,730	2,730	27,300	27,300
Mrs. Hamida Matin	0.0046	2,730	2,730	27,300	27,300
Mrs. Afza Hasnat	0.0046	2,730	2,730	27,300	27,300
	<b>100</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>600,000,000</b>	<b>600,000,000</b>

**14. Revaluation surplus**

	30.06.2015 Taka	30.06.2014 Taka	01.07.2013 Taka
		Restated	Restated
<b>Opening Balance</b>	867,963,700	916,529,417	-
Add: Addition of Revaluation Surplus during the year	-	-	1,002,443,948
	867,963,700	916,529,417	1,002,443,948
Less: Transfer to depreciation of revalued asset	31,068,531	31,986,909	31,986,909
Adjustment for transfer of land and land development to advance	-	-	8,183,912
Adjustment for disposal of power plant	14,533,866	16,578,808	45,743,710
	45,602,397	48,565,717	85,914,531
	<b>822,361,303</b>	<b>867,963,700</b>	<b>916,529,417</b>

	30.06.2015 Taka	30.06.2014 Taka	01.07.2013 Taka
<b>15. Retained earnings</b>		<u>Restated</u>	<u>Restated</u>
<b>Opening Balance as reported</b>	585,826,757	365,880,402	233,894,349
Impact of correction of error (Note: 15.1)	-	-	(69,716,330)
<b>Restated Opening Balance</b>	<b>585,826,757</b>	<b>365,880,402</b>	<b>164,178,019</b>
Net Profit for the Year	165,450,478	171,380,637	136,557,859
Add: Adjustment from Revaluation surplus for depreciation on replacement of spare parts for Machine overhauling	-	16,578,808	33,157,615
Revaluation surplus realized (Note: 15.2)	31,068,531	31,986,909	31,986,909
Adjustment for revaluation surplus for disposed asset	14,533,866	-	-
	<b>796,879,632</b>	<b>585,826,757</b>	<b>365,880,402</b>

**15 (a) Consolidated retained earnings**

Opening Balance as reported	557,167,161	353,532,524	233,894,349
Impact of correction of error (Note: 15.1)	-	-	(69,716,330)
<b>Restated Opening Balance</b>	<b>557,167,161</b>	<b>353,532,524</b>	<b>164,178,019</b>
Add: Net Profit for the Year	134,980,184	155,068,920	124,209,981
Add: Adjustment from Revaluation surplus for depreciation on replacement of spare parts for Machine overhauling	-	16,578,808	33,157,615
Revaluation surplus realized (Note: 15.2)	31,068,531	31,986,909	31,986,909
Adjustment for revaluation reserve for disposed asset	14,533,866	-	-
	<b>737,749,743</b>	<b>557,167,161</b>	<b>353,532,524</b>

**15.1** Figure for 2012-13 has been restated because overhauling equipments were initially depreciated at the rate of 3.33%. In the year 2012-2013 the management of the company has reviewed the useful lives of overhauling equipments as property, plant and equipments and revised the depreciation rates for fair presentation of the carrying amount of assets of the company. The effect of this change has been accounted for by restating the accounts as per BAS-8. The effect of the change has been made retrospectively on revaluation reserve as if the error/change had not been occurred. Considering the nature and useful life, the depreciation rate now has been changed to 20%.

**15.2** Revaluation surplus amounting to Tk. 31,068,531 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost as per the requirement of BAS-16." Property, Plant and Equipment"

		30.06.2015 Taka	30.06.2014 Taka
<b>16.</b>	<b>Non - Controlling Interest</b>		
	Dhaka Southern Power Generations Limited (Note: 16.1)	(5,051,734)	654,741
	Dhaka Northern Power Generations Limited (Note: 16.2)	(2,337,170)	1,844,065
		<b>(7,388,904)</b>	<b>2,498,807</b>
<b>16.1</b>	<b>Dhaka Southern Power Generations Limited</b>		
	Paid up capital	24,080,000	24,080,000
	Retained loss	(44,699,322)	(21,409,219)
	<b>Total net assets</b>	<b>(20,619,322)</b>	<b>2,670,781</b>
	Non -controlling interest @ 24.50%	<b>(5,051,734)</b>	<b>654,741</b>
		30.06.2015 Taka	30.06.2014 Taka
<b>16.2</b>	<b>Dhaka Northern Power Generations Limited</b>		
	Paid up capital	24,080,000	24,080,000
	Retained loss	(33,619,472)	(16,551,570)
	<b>Total net assets</b>	<b>(9,539,472)</b>	<b>7,528,430</b>
	Non - controlling interest@ 24.50%	<b>(2,337,170)</b>	<b>1,844,065</b>
<b>17.</b>	<b>Long term bank loan net off current maturity</b>		
	<u>Loan for power plant</u>		
	NCC bank term loan - Tangail	20,887,679	54,095,772
	NCC bank term loan - Narsingdi	-	8,356,784
	NCC bank term loan - Feni	-	21,626,873
	NCC bank term loan (IPFF) - Tangail	254,229,614	324,611,758
	NCC bank term loan (IPFF) - Narsingdi	249,209,977	315,998,970
	NCC bank term loan (IPFF) - Feni	257,815,442	328,347,501
	NCC bank term loan - Tangail	-	25,969,438
	NCC bank term loan - Narsingdi	-	24,123,277
	NCC bank term loan - Feni	-	26,188,686
	IDCP on Ijara Bond	78,243,836	-
		860,386,548	1,129,319,059
	Less: Current portion of long term loan (Note: 17)	261,652,411	344,091,029
		<b>598,734,137</b>	<b>785,228,030</b>

The above loan facilities from National Credit and Commerce Bank Limited (NCC) under the following terms and conditions:

	Branch Name	Sanctioned Limit	Tenor	Nature	Purpose
NCC bank term loan (IPFF) - Tangail	Motijheel	60 Crore	10 Years	Term Loan	22 MW Power Plant
NCC bank term loan (IPFF) - Narsingdi		58.40 Crore	10 Years	Term Loan	22 MW Power Plant
NCC bank term loan (IPFF) - Feni		60 Crore	10 Years	Term Loan	22 MW Power Plant
NCC bank term loan - Narsingdi		5.35 Crore	1.75 years	Term Loan	Overhauling parts import

***Rates of interest on above loans were as follows:***

Rate of interest on IPPF term loan has been reset at 8.75% per annum with effect from 01 October 2015 (earlier rate was 10%) and interest rate of term loan taken from NCC Bank Limited has been reset at 13.0% per annum with effect from 1st October 2014 (earlier it was 15%).

***Security details***

*The loans are secured by:*

- 1) The assignment of Bills to be received or receivable from BPDB (for Feni & Tangail)/REB (for Narsingdi) or other Govt. agencies on account of power sale;
- 2) Registered mortgage of project land measuring 2.41 acres at Tangail and 1.25 acres at Feni and building to be constructed over the land;
- 3) Personal guarantee from all the Directors;
- 4) Corporate guarantee from sister concerns; and
- 5) Post dated cheques.

	30.06.2015 Taka	30.06.2014 Taka
<b>17 (a) Consolidated long term bank loan-net off current maturity</b>		
Doreen Power Generations and Systems Limited (Note: 17)	598,734,137	785,228,030
Dhaka Northern Power Generations Limited	455,396,199	-
Dhaka Southern Power Generations Limited	2,501,552,403	587,828,471
	<b><u>3,555,682,739</u></b>	<b><u>1,373,056,501</u></b>
<b>17.1 Doreen Ijara Bond net off current maturity</b>		
Ijara Bond	750,000,000	250,000,000
Less: Current portion of Ijara Bond	100,000,000	-
	<b><u>650,000,000</u></b>	<b><u>250,000,000</u></b>

This amount was disbursed by Islami Bank Bangladesh Limited, the sole subscriber of the Ijara bond. The bond was approved for issue on 12 November 2013 by Bangladesh Securities and Exchange Commission (BSEC) for Taka 800,000,000 and relevant trust deed was duly signed by the company with Bangladesh General Insurance Company.

***Security details***

*The Ijara Bond are secured by:*

- 1) Registered Mortgage on 6 Khata 14 Chatak personal Land located at Plot No- 12, Road- 50, Gulshan- 2, Dhaka owned by a Director of the company;
- 2) Creation on 2nd charge on the present and future assets (fixed and floating) including Book-debts of the company in favor of the Bank with the Registered of Joint Stock Companies & Firms;
- 3) Personal guarantee from all the Directors; and
- 4) Post dated cheques.

**18. Trade payables**

Gas bill payable to Titas Gas Transmission Limited	62,740,946	66,314,452
Gas bill payable to Bakhrabad Gas Systems Limited	31,858,631	29,873,950
Lubricant bill payable to MJL Bangladesh Limited	17,427,790	20,844,646
RANKS Petroleum Limited	4,004,339	-
	<b>116,031,706</b>	<b>117,033,048</b>

Aging of the above payables is given below:

Past due 0-30 days	33,921,928	30,901,348
Past due 31-90 days	57,645,210	67,612,622
Past due over 91 days	24,464,568	18,519,078
	<b>116,031,706</b>	<b>117,033,048</b>

All the trade payables are regular in payments.

**18 (a) Consolidated trade payables**

Doreen Power Generations and Systems Limited`	(Note: 18) 116,031,706	117,033,048
Dhaka Northern Power Generations Limited	-	-
Dhaka Southern Power Generations Limited	-	-
	<b>116,031,706</b>	<b>117,033,048</b>

**19. Current portion of long term loan of the Company**

For power plant

NCC Bank Limited term loan - Tangail	20,887,679	36,315,125
NCC Bank Limited term loan - Narsingdi	-	8,356,785
NCC Bank Limited term loan - Feni	-	21,626,873
NCC Bank Limited term loan (IPFF) - Tangail	78,210,890	66,516,965

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NCC Bank Limited term loan (IPFF) - Narsingdi	82,920,755	66,453,247
NCC Bank Limited term loan (IPFF) - Feni	78,459,429	68,540,633
NCC Bank Limited term loan - Tangail	-	25,969,438
NCC Bank Limited term loan - Narsingdi	-	24,123,277
NCC Bank Limited term loan - Feni	-	26,188,686
Islami Bank Bangladesh Limited Ijara Bond	1,173,658	-
	261,652,411	344,091,029
Current portion of Doreen Ijara Bond	100,000,000	-
	<b>361,652,411</b>	<b>344,091,029</b>

**19 (a) Consolidated current portion of long term loan**

Doreen Power Generations and Systems Limited	(Note: 19)	361,652,411	344,091,029
Dhaka Northern Power Generations Limited		8,699,930	-
Dhaka Southern Power Generations Limited		127,344,095	-
		<b>497,696,435</b>	<b>344,091,029</b>

**20. WPPF and WF Payable**

Opening balance	60,672,719	51,814,764
Add: Addition during the year	8,281,035	8,862,955
	68,953,754	60,677,719
Less: Paid during the year	9,200,000	5,000
	<b>59,753,754</b>	<b>60,672,719</b>

**21. Short term bank loan of the Company**

Liabilities against LCs	53,510,323	-
NCC Bank Limited, SOD(G) -0002-0140000879	20,623,626	20,687,725
NCC Bank Limited, SOD(G) -0002-0140000897	20,609,970	20,595,708
NCC Bank Limited, SOD(G) -0002-0140000888	20,586,427	20,654,618
	<b>115,330,346</b>	<b>61,938,051</b>

The above loan facilities are from National Credit and Commerce Bank Limited under the following terms and conditions:

Particulars	Sanctioned Limit	Tenor	Nature	Interest rate	Status
NCC Bank Limited-SOD	6.00 crore	1 year	Working capital	13% with effect from 1 October 2014 (earlier it was 15%)	Revolving

Security details:

(i) The assignment of Bills to be received or receivable from BPDB (for Feni & Tangail)/REB (for Narsingdi), (ii) Personal guarantee of all directors and (iii) Usual charge documents

**21 (a) Consolidated short term bank loan**

Doreen Power Generations and Systems Limited	(Note: 21)	115,330,346	61,938,051
Dhaka Northern Power Generations Limited		1,704,605,635	-
Dhaka Southern Power Generations Limited		158,079,028	-
		<b>1,978,015,009</b>	<b>61,938,051</b>
		<b>30.06.2015</b>	<b>30.06.2014</b>
		<b>Taka</b>	<b>Taka</b>

**22. Current account with sister concern**

Doreen Power House and Technologies Limited	<b>24,315,920</b>	-
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During the year 2014-2015, Doreen Power Generations and Systems Limited has taken loan of Tk. 24,315,920 and it includes temporary loan amount of Tk.22,195,000 through bank account and inventory items worth Tk. 2,120,920.

**23. Liabilities for expenses**

Staff salary	5,247,764	5,180,799
Land lease rent payable to REB	375,000	375,000
Security bill payable to Falcon Security Limited & ISS	937,652	567,824
Printing Bill payable (Creative Communication)	82,129	46,470
Payable against Turbocharger Kit	139,300	212,750
Withholding Tax & VAT payable	279,846	247,111
Withholding Tax on Salary & allowance	326,250	326,262
Turbo charger & servicing bill payable to ABB Limited	-	1,231,040
Service bill payable to Clark Energy	2,438,005	6,628,169
Service bill payable to Orient Energy Limited	704,819	704,819
Service Bill payable to Jackson International	381,400	736,000
Telephone bill payable	1,804	1,612
Other utilities	369,850	99,676
Audit fee payable	230,000	230,000
Internet bill payable	113,620	92,000
Maxi guard bill payable	362,750	466,250
Spare Parts Bill payable to Atlas Energy	-	92,419
Sensor bills payable	-	278,000
Service Bill for Air Filter	1,928,000	-
Car Maintenance Bill payable	60,000	-
Professional & legal fee payable	-	34,500
Credit rating fee payable	162,500	143,750
C & F expenses bill payable	588,822	391,204
Coolant bills payable	897,875	785,200
Spare Parts Bill payable to Active Energy	67,800	67,800
C & F bill payable	42,150	42,150
Office rent payable	-	1,239,724
Carrying Expenses payable	307,000	15,000
Plant House rent payable	138,000	-
Environment expenses payable	63,800	-
Uniform bill payable	110,500	-
Liquidated damage Payable	6,143,114	-
	<b>22,499,750</b>	<b>20,235,529</b>

a) All accrued expenses are paid on regular basis; and

b) Salary and Allowances for the month of June 2015 has been paid in subsequent month.

**23 (a) Consolidated liabilities for expenses**

Doreen Power Generations and Systems Limited	(Note: 23)	22,499,750	20,235,529
Dhaka Northern Power Generations Limited		30,216,590	728,139
Dhaka Southern Power Generations Limited		36,110,412	1,202,244
		<b>88,826,752</b>	<b>22,165,912</b>

		<b>30.06.2015</b> Taka	<b>30.06.2014</b> Taka
<b>24.</b>	<b>Provision for income tax of the</b>		
	Opening balance	19,022,043	18,759,404
	Provision made during the year (Note: 31)	170,230	262,640
		19,192,273	19,022,044
	Less: Paid during the year	8,873,290	-
		<b>10,318,983</b>	<b>19,022,044</b>

**24 (a) Consolidated provision for income tax**

Doreen Power Generations and Systems Limited	(Note: 24)	10,318,983	19,022,044
Dhaka Northern Power Generations Limited		321,320	-
Dhaka Southern Power Generations Limited		478	12,733
		<b>10,640,781</b>	<b>19,034,777</b>

		<b>2014-2015</b> Taka	<b>2013-2014</b> Taka
<b>25.</b>	<b>Revenue</b>		
	Bangladesh Power Development Board (BPDB)	727,125,341	698,195,807
	Rural Electrification Board (REB)	355,247,254	350,832,620
		<b>1,082,372,595</b>	<b>1,049,028,427</b>

**Plant wise details:**

Tangail Plant	365,413,979	348,644,932
Narsingdi Plant	355,247,254	350,832,620
Feni Plant	361,711,362	349,550,875
	<b>1,082,372,595</b>	<b>1,049,028,427</b>

Quantity wise schedule of sales relating to the financial statements for the year ended 30 June 2015 as required under Schedule XI, Part-II of the Companies Act 1994 is given:

Particulars	From 01.07.14 to 01.06.15		From 01.07.13 to 01.06.14	
	Killowat	Amount (Taka)	Killowat	Amount (Taka)
Bangladesh Power Development Board	297,500,259	727,125,341	270,691,516	698,195,807
Rural Electrification Board	141,884,532	355,247,254	136,839,684	350,832,620
<b>Total</b>	<b>439,384,791</b>	<b>1,082,372,595</b>	<b>407,531,200</b>	<b>1,049,028,427</b>

**26. Cost of sale**

Gas consumption	(Note: 26.1)	350,248,905	331,586,431
Direct expenses	(Note: 26.2)	296,120,817	294,441,114
		<b>646,369,722</b>	<b>626,027,545</b>



## 26.1 Plant wise details of Gas consumption

Tangail Plant	115,576,514	105,000,021
Narsingdi Plant	120,143,064	119,590,216
Feni Plant	114,529,327	106,996,194
	<b>350,248,905</b>	<b>331,586,431</b>

**2014-2015**  
**Taka**

**2013-2014**  
**Taka**

Disclosure as per requirement of Schedule XI, Part II, Para 8 of the Companies Act 1994:

Consumption during the year	From 01.07.14 to 30.06.15	
	Cubic feet	Amount
Tangail Power Plant	40,984,579	115,576,514
Narsingdi Power Plant	42,603,924	120,143,064
Feni Power Plant	40,613,237	114,529,327
	<b>124,201,740</b>	<b>350,248,905</b>

## 26.2 Direct Expenses

		Restated
Lubricants Expenses	39,646,380	42,625,440
Direct labour charge	42,310	15,785
Spare parts	78,529,290	84,722,558
Salary & allowance	28,944,465	24,411,957
Operational & maintenance exp.	15,969,655	15,558,018
Land lease rent to REB	1,500,000	1,500,000
Depreciation*	131,488,717	125,607,356
	<b>296,120,817</b>	<b>294,441,114</b>

\* Figure of the prior year i.e. 2013 -14 has been restated because overhauling equipments were initially depreciated at the rate of 3.33%. In the year 2012 -2013 the management of the company has reviewed the useful lives of overhauling equipments as property, plant and equipments and revised the depreciation rates for fair presentation of the carrying amount of assets of the company.

**27. General administrative expenses**

Salaries & allowances	16,379,105	19,172,066
Audit fee	230,000	230,000
Other utility bill	576,034	853,230
Office maintenance	539,353	323,516
Office rent	2,092,800	2,485,200
Fooding bill for staffs	499,414	423,889
Environment compliance cost	295,600	232,200
Surcharge	6,008,684	4,372,312
Rent, rates & taxes	2,412	5,461
Plant staff house rent	800,997	940,579
Fuel expenses (car)	1,559,791	1,358,974
Carrying expenses	1,635,875	1,231,763
Travelling and conveyance allowance	1,305,069	1,279,498
Medical expense	61,988	9,671
Car maintenance expense	1,506,952	1,414,878
Telephone & mobile bill	489,219	574,420
Entertainment expenses	877,345	760,854
Survey Expense	-	15,468
Web Site Expense	6,200	38,200
Internet bill	254,186	248,675
Printing & stationery	462,243	410,310
Overtime	67,262	74,713
Postage	56,472	13,516
Group Insurance Premium	34,786	-
Consultancy and professional fee	143,250	69,000

	<b>2014-2015</b>	<b>2013-2014</b>
	<b>Taka</b>	<b>Taka</b>
Credit rating fee	143,750	172,500
Security service bill	2,235,648	2,790,282
Software expense	80,000	38,000
Repair & maintenance	102,885	203,241
BERC license Fee	1,500,000	1,500,000
Licenses and other fees	375,194	100,245
Uniform expenses	213,700	16,500
Insurance premium	6,930,580	6,358,579
Corporate social resp onsibility	1,100,000	795,000
Consent Fee for Bond Issue	-	1,244,030
Advertisement	133,200	-
Liquidated Damage	9,214,670	-
Loss on disposal of fixed asset	203,113	-
Depreciation	9,700,679	12,277,781
	<b><u>67,818,455</u></b>	<b><u>62,034,551</u></b>

**28. Other income**

Empty drum sale	<u>383,312</u>	<u>374,450</u>
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**29. Finance income**

Interest from short term loan	-	84,670
Interest income from STD & FDR accounts	103,059	291,282
	<u>103,059</u>	<u>375,952</u>

**29(a) Consolidated Finance Income**

Doreen Power Generations and Systems Limited (Note: 29)	103,059	375,952
Dhaka Southern Power Generations Limited	1,366	36,379
Dhaka Northern Power Generations Limited	918,057	-
	<u>1,022,482</u>	<u>412,331</u>

**30. Finance expenses**

Interest on overdraft loan account	7,939,674	10,119,623
Commission on bank guarantee	1,307,343	1,187,054
Land mortgage expenses	-	1,000,224
Bank charge	256,527	444,890
Trustee Fees	550,000	55,000
Interest on long term loan and Ijara Bond	184,715,502	168,403,709
	<u>194,769,046</u>	<u>181,210,500</u>

**31. Provision for Income Tax**

Interest from short term loan	-	84,670
Interest income from STD & FDR accounts	103,059	291,282
Other income	383,312	374,450
Total interest income and other income	486,371	750,402
<b>Provision for Income Tax @ 35%</b>	<u>170,230</u>	<u>262,641</u>

<b>2014-2015</b>
<b>Taka</b>

<b>2013-2014</b>
<b>Taka</b>

**31(a) Consolidated Provision for Tax**

Doreen Power Generations and Systems Limited (Note: 31)	170,230	262,641
Dhaka Southern Power Generations Limited	478	12,733
Dhaka Northern Power Generations Limited	321,320	-
	<u>492,028</u>	<u>275,374</u>

### 32. Earning per share

Net Profit attributable to the ordinary shareholders (Taka)	165,450,478	171,380,637
Weighted average number of shares outstanding (Number)	60,000,000	60,000,000
Earning per share (EPS)	<u>2.76</u>	<u>2.86</u>

Earning per share has been calculated in accordance with BAS-33 "Earning Per Share (EPS)."

EPS for the year 2013 -2014 has been restated for changes in profit after tax for the said year to provide prior year adjustments required for overhauling of machine.

### 32(a) Consolidated earning per share

Net Profit attributable to the ordinary shareholders (Taka)	134,980,184	155,068,920
Weighted average number of shares outstanding (Number)	60,000,000	60,000,000
Earning per share (EPS)	<u>2.25</u>	<u>2.58</u>

### 33. Net operating cash flow per share (NOCFPS)

Net operating cash flows (A)	385,889,157	420,989,438
Weighted average number of ordinary shares (B)	60,000,000	60,000,000
Net operating cash flows per shares (A/B)	<u>6.43</u>	<u>7.02</u>

### 34. Consolidated Net operating cash flow per share (CNOCFPS)

Net operating cash flows (A)	354,059,405	400,599,574
Weighted average number of ordinary shares (B)	60,000,000	60,000,000
Net operating cash flows per shares (A/B)	<u>5.90</u>	<u>6.68</u>

### 35. Financial risk management

Bangladesh Financial Reporting Standard BFRS 7: Financial Instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the companies policies for controlling risks and exposures. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

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

### 35.1 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 and investment securities. The company's sales are made to Government entity, Rural Electrification Board (REB) and Bangladesh Power Development Board (BPDB) under the conditions of the long term Power Purchase Agreement (PPA).

#### Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

	<b>30.06.2015</b> Taka	<b>30.06.2014</b> Taka
Trade and other receivables	220,290,090	186,041,819
Advance, deposit & prepayments	19,420,565	32,492,682
Short term loans	35,280,200	-
Cash and bank balance	3,115,233	6,144,843
	<b>278,106,088</b>	<b>224,679,344</b>

#### (a) Aging of trade and other receivables

Past due 0 -30 days	87,110,670	87,196,936
Past due 31-90 days	98,233,220	97,307,540
Past due more than 90 days	34,946,200	1,537,343
	<b>220,290,090</b>	<b>186,041,819</b>

#### (b) Credit exposure by credit rating

	<b>As at 30 June 2015</b>	
	<b>Amount</b>	<b>(%)</b>
Trade receivables	220,290,090	79.21%
Advance, deposit & prepayments	19,420,565	6.98%
Short term loans	35,280,200	12.69%
<b>Cash and bank balance</b>		
Cash on hand	<b>90,626</b>	<b>0.03%</b>
Cash at bank	<b>3,024,607</b>	<b>1.09%</b>
Bank Asia Limited	15,280	0.0055%
NCC Bank Limited	2,917,217	1.0490%
Dhaka Bank Limited	13,839	0.0050%
Islami Bank Bangladesh Limited	76,064	0.0274%
Prime Bank Limited	2,207	0.0008%

## 35.2 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.

The following are the contractual maturities of financial liabilities as at 30 June 2015

Particulars	Carrying Amount	Maturity period	Nominal interest rate	Within 6 months or less	Within 6-12 months	More than 1 year
	Taka	Taka	%	Taka	Taka	Taka
Long term loan	1,248,734,137	-	10-15	-	-	1,248,734,137
Trade payable	116,031,706	Aug-15	0%	116,031,706	-	-
Current portion of long term loan	361,652,411	Jun-16	10-15	136,191,560	225,460,851	-
Short term bank loan	115,330,346	Dec-15	13%	115,330,346	-	-
WPP & welfare fund	59,753,754	Jun-16	0%	51,472,719	8,281,035	-
Current account with sister concern	24,315,920	N/A	0%	24,315,920	-	-
Liabilities for expenses	22,499,750	Sep-15	0%	22,499,750	-	-
Provision for Income Tax	10,318,983	Oct-15	0%	5,547,718	3,278,916	1,492,349
	<b>1,958,637,008</b>			<b>471,389,719</b>	<b>237,020,802</b>	<b>1,250,226,486</b>

## 35.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## 35.4 Currency risk

The Company is exposed to currency risk on purchases of spare parts of plant and machinery that are denominated in a currency other than the functional currency primarily Euro and U. S. Dollars. The effects of foreign purchase are insignificant to the Company. The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 June 2015. There are no foreign currency monetary assets and liabilities as at 30 June 2015 resulting net exposure to foreign currency risk is nil.

## 35.5 Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local currency loans 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.

	30.06.2015 Taka	30.06.2014 Taka
<b>36. Contingent liabilities/ Off balance sheet items</b>		
<b>36.1 Commitments</b>		
<u>Letter of credit</u>		
NCC Bank Limited	<u>35,605,850</u>	<u>64,392,690</u>
<b>36.2 Contingent liabilities</b>		
<u>Bank guarantee</u>		
NCC Bank Limited	<u>86,087,880</u>	<u>86,025,400</u>
(See Annexure -C for details)		

**37. i) Related party transactions**

During the year, the company carried out a number of transactions with related parties the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

(Amount in Taka)

Name of Parties	Relations hip	Nature of transaction	Net transaction during the period	Outstanding as on 30.06.2015	Outstanding as on 30.06.2014
Rupali Engineers and Traders Limited	Sister Concern	Investment in share	-	26,000	26,000
Doreen Power House & Technologies Limited	Common Directors	Temporary Loan	(22,195,000)	(22,195,000)	-
		Inventory Received	(1,728,248)	(2,120,920)	392,672
Dhaka Northern Power Generations Limited	Subsidiary Company	Temporary Loan	26,434,200	26,434,200	-
		Share Money Deposit	233,300,000	606,800,000	373,500,000
Dhaka Southern Power Generations Limited	Subsidiary Company	Temporary Loan	8,846,000	8,846,000	-
		Share Money Deposit	265,000,000	424,250,000	159,250,000
Directors' remuneration	Managing Director	Salary and Allowances	3,960,000	-	-
<b>Total</b>			<b>513,616,952</b>	<b>1,042,040,280</b>	<b>533,168,672</b>

ii) Particulars of Directors of Doreen Power Generations and Systems Limited as at 30 June 2015:

Name of Directors	BOD of Doreen Power Generations and Systems Limited	Entities where they have interests
Tahzeeb Alam Siddique	Managing Director	Doreen Fashions Ltd.
		Doreen Washing Plant Ltd.
		Doreen Apparels Ltd.
		Nurun Nahar Textile Ltd.
		Eastern Cement Industries Ltd.
		SOB Apparels Limited
		Doreen Power House and Technologies Ltd.
		Doreen Garments Limited
		Asian Entech Power Corporation Ltd.
		Saiham Power Plant Ltd.
		Dhaka Northern Power Generations Limited
		Dhaka Southern Power Generations Limited
Tanzeer Alam Siddique	Director	Doreen Washing Plant Ltd.
		Doreen Hotel and Resorts Limited
		Nurun Nahar Textiles Limited
		Eastern Cement Industries Ltd.
		Doreen Developments Ltd.
		Doreen Power house & Technologies Ltd.
		Asian Entech Power Corporation Ltd.
Saiham Power Ltd.		
Parveen Alam	Chairman	Doreen Fashions Ltd.
		Doreen Washing Plant Ltd.
		Doreen Apparels Ltd.
		Nurun Nahar Textile Ltd.
		Eastern Cement Industries Ltd.
		SOB Apparels Limited
		Doreen Power House and Technologies Ltd .
		Doreen Garments Limited
		Doreen Developments Ltd.
		Asian Entech Power Corporation Ltd.
Saiham Power Ltd.		
Anjabeen Alam Siddique	Director	Doreen Power House and Technologies Ltd.
		Asian Entech Power Corporation Ltd.
		Saiham Power Plant Ltd.
		Dhaka Northern Power Generations Limited
		Dhaka Southern Power Generations Limited



### 38. Number of employees

The company had 138 permanent employees as at 30 June 2015 and 143 permanent employees as at 30 June 2014 and a varying number of seasonal and temporary workers as required. All permanent employees receive remuneration in excess of Tk. 36,000 per annum each.

	2014 -2015 Number of Staff	2013 -2014 Number of Staff
Head Office Staff	28	33
Plant Staff	110	110
	<b>138</b>	<b>143</b>

	2014 -2015 Taka	2013 -2014 Taka
<b>Directors' emolument</b>		
Salary & benefits	<b>3,960,000</b>	<b>3,960,000</b>

### 39. Capacity and production

Name of Plant	Capacity (Kwh)	Actual Production (Kwh)		Capacity Utilization	
		2015	2014	2015	2014
Tangail Power Plant	192,720	151,300	135,377	79%	70%
Narsingdi Power Plant	192,720	152,713	136,840	79%	71%
Feni Power Plant	192,720	146,200	135,434	76%	70%

Dhaka,  
25 October 2015

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company Secretary**

**DOREEN POWER GENERATIONS AND SYSTEMS LIMITED**  
**Schedule of Property, plant and Equipments**

Annexure-A

As at 30 June 2015

(Amount in Taka)

Sl #	Category of assets	Cost			Rate (%)	Depreciation			Written Down Value as on 30 June 2015
		Balance as on 01 July 2014	Addition during the Year	Disposal/ adjustment		Balance as on 30 June 2015	Disposal/ adjustment	Addition during the Year	
<b>a. Freehold Assets</b>									
1	Land & land development	69,787,683	10,631,888	-	-	-	-	-	80,419,571
2	Building & premises	144,616,771	848,353	-	5%	14,457,678	7,252,048	21,709,726	123,755,398
3	Office decoration & renovation	8,407,490	59,569	-	20%	8,117,169	249,982	8,367,151	99,908
4	Power plant	1,771,880,860	37,285,467	65,822,942	3.33%	134,571,103	57,535,999	155,451,606	1,587,891,779
5	Machine overhauling	176,807,457	55,949,795	-	20%	16,714,099	44,365,361	61,079,460	171,677,792
6	Furniture & fixture	1,877,680	-	-	20%	1,740,916	63,611	1,804,527	73,153
7	Office equipment	5,791,403	73,850	-	20%	4,946,521	183,697	5,130,218	735,035
8	Office car / vehicle	15,413,583	-	-	20%	14,943,416	470,167	15,413,583	-
<b>Sub Total</b>		<b>2,194,582,927</b>	<b>104,848,922</b>	<b>65,822,942</b>		<b>195,490,902</b>	<b>110,120,865</b>	<b>268,956,271</b>	<b>1,964,652,636</b>
<b>b. Revalued Assets</b>									
1	Land & land development	35,962,317	-	-	-	-	-	-	35,962,317
2	Building & premises	29,623,482	-	-	5%	2,962,348	1,481,174	4,443,522	25,179,960
3	Power plant	888,509,210	-	30,813,116	3.33%	83,168,961	29,587,357	96,477,068	761,219,026
<b>Sub Total</b>		<b>954,095,009</b>	<b>-</b>	<b>30,813,116</b>		<b>86,131,309</b>	<b>31,068,531</b>	<b>16,279,250</b>	<b>822,361,303</b>
<b>Grand Total as of 30 June 2015</b>		<b>3,148,677,936</b>	<b>104,848,922</b>	<b>96,636,058</b>		<b>281,622,210</b>	<b>141,189,395</b>	<b>52,934,746</b>	<b>2,787,013,940</b>
<b>Grand Total as of 30 June 2014</b>		<b>3,084,617,344</b>	<b>176,857,718</b>	<b>112,797,126</b>		<b>256,534,199</b>	<b>137,885,137</b>	<b>112,797,126</b>	<b>2,867,055,726</b>

Figures in disposal/adjustments columns in cost and revaluation head represent adjustment required on revaluation of the respective items, derecognition of parts of equipments on overhauling of power plants.

a) Depreciation of power plant has been charged as direct expenses  
b) Other depreciation has been charged as administrative expenses

131,488,717  
9,700,679  
141,189,395

**Note:** Land and land development, building & premises and power plant have been revalued at 01 July 2012 by an independent valuer

i) **Name of Valuer :** Rahman Mostafa Alam & Co., Chartered Accountants

ii) **Valuation method :** Market value approach for land and land development replacement cost approach for building & premises and power plant

iii) **Date of Capitalization:** Revaluation surplus capitalized on 1 July 2012

Sl. No.	Deed No.	Date of Registration	Land Area (Decimals)	Deed Value of Land (Taka)	Registration	Mutation (Area)	
						Applied for	Completed
1	10324	31.12.07	16.00	600,000	√	16.00	16.00
2	333	13.01.08	17.00	340,000	√	17.00	17.00
3	306	15.01.08	17.00	340,000	√	17.00	17.00
4	1799	25.02.08	15.00	1,950,000	√	15.00	15.00
5	1798	25.02.08	11.00	1,320,000	√	11.00	11.00
6	3397	07.04.08	15.00	450,000	√	15.00	15.00
7	2693	29.04.08	164.57	2,000,000	√	164.57	164.57
8	3511	05.06.08	55.00	800,000	√	55.00	55.00
9	7325	13.10.11	21.43	1,500,000	√	21.43	21.43
10	9196	01.11.09	8.00	760,000	√	8.00	8.00
11	9575	19.11.09	10.00	360,000	√	10.00	10.00
12	9574	19.11.09	16.00	1,520,000	√	16.00	16.00
13	10726	30.12.12	6.64	1,460,000	√	6.64	6.64
			<b>372.64</b>	<b>13,400,000</b>		<b>372.64</b>	<b>372.64</b>
Add: Registration, development and other cost				67,019,571			
<b>Total</b>				<b>80,419,571</b>			

All the lands, except the land in the serial # 9 -13, have been kept as mortgage against loans taken from National Credit and Commerce Bank Limited.

## Doreen Power Generations and Systems Limited

## List of Bank Guarantee

Annexure-C

Bank Guarantee #	Date	Expiry Date	In favor of	Purpose	Name of Power Plant	BG Amount (Taka)
291/2008	08.10.2008	07.10.2015	Titas Gas Transmission & Distribution Company Limited	As "security deposit" to gas supplying authority for taking gas connection to Power Plant	Tangail Power Plant	16,449,160
349/2008	03.11.2008	02.11.2015	Titas Gas Transmission & Distribution Company Limited	As "security deposit" to gas supplying authority for taking gas connection to Power Plant	Narsingdi Power Plant	16,449,160
24/2009	21.01.2009	20.01.2016	Bakhrabad Gas Systems Limited	As "security deposit" to gas supplying authority for taking gas connection to Power Plant	Feni Power Plant	16,449,160
241/2009	20.07.2009	20.07.2010	Rural Electrification Board	As "Operational Bond"	Narsingdi Power Plant	36,677,920
67/2015	27.05.2015	26.11.2015	The Chief Controller of Import & Export		Head Office	62,480
<b>TOTAL</b>						<b>86,087,880</b>

## DIRECTORS' REPORT

To The Shareholders for the Year Ended 30 June 2015

**DEAR SHAREHOLDERS, COLLEAGUE, LADIES & GENTLEMEN,  
ASSALAMU ALAIKUM,**

The directors are pleased to present their report on the activities of the company together with the Audited Accounts of the company for the period from 01 July 2014 to 30 June 2015.

### REFFERAL:

In terms of provisions of section 184 of the Companies Act, 1994, rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and BAS 1 (Bangladesh Accounting Standards-1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure for the Board of Directors to submit its report to the Shareholders for the period 01 July 2014 to 30 June 2015 in the following paragraphs.

### BACKGROUND:

Dhaka Northern Power Generations Ltd. was incorporated on 25th June 2012 as a private company limited by shares. The company has signed Implementation Agreement with Power Division, The Ministry of Power, Energy and Mineral Resources, Power Purchase Agreement with Bangladesh Power Development Board (BPDB) and Land Lease Agreement with Rural Electrification Board (REB) on 7th January 2012 for developing a 55MW HFO Fired Power Plant at Singair, Manikgonj on BOO basis for a term of 15 years".

The registered office of the company is situated at Walsow Tower (16th Floor), 21, Kazi Nazrul Islam avenue, Dhaka-1000.

The Authorized Capital is Tk. 1,000,000,000 (Taka One Hundred Crore) divided into 10,000,000 Shares of Tk. 100 each. The paid-up capital as on 30 June 2015 stood at Tk 24,080,000/- consisting of 240,800 ordinary shares of Tk. 100/- each.

**Doreen Power Generations and Systems Limited** holds 75.50% shares of Dhaka Northern Power Generations Ltd.

### COMPANYS OPERATIONS:

The position of its performance for the year ended 30 June 2015 is given bellow:

Particulars	30 -06 -2015
	Taka
Shareholders' Equity	597,260,528
Long Term Liabilities	455,396,199
Short Term Liabilities	1,770,277,675
Total Equity & Liabilities	2,822,934,402
Fixed assets at cost - less depreciation	2,585,463,679
Net current asset	237,470,723
Total assets	2,822,934,402
Net Sales	-
Gross profit	-
Net income/(loss) after tax	(17,067,902)

**APPOINTMENT OF AUDITORS:**

Existing Auditor, MABS & J Partners, Chartered Accountants will retire at this Annual General Meeting and being eligible, offered themselves for re-appointment as external auditors for the year 2015-2016.

**BOARD MEETINGS:**

During the year (01 July 2014 to 30 June 2015) 06 (number of) Board Meetings were held. The attendance record of the Directors is as follows:

<b>Name of the Directors</b>	<b>Position</b>	<b>Number of the Meetings held</b>	<b>Number of attendance</b>
Abu Sayeed Al Mahmood Swapan, Nominated By Rupali engineers & Traders Ltd.	Chairman	6	4
Tahzeeb Alam Siddique, Nominated By Doreen Power Generations & Systems Ltd.	Managing Director	6	6
Anjabeen Alam Siddique, Nominated By Doreen Power Generations & Systems Ltd.	Director	6	6

**ACKNOWLEDGEMENT:**

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Suppliers, Workers and Employees of the company without whose active support the result would not have been possible.

Looking forward for a bright future for all of us

Thanking you,

Sd/-

Tahzeeb Alam Siddique

Managing Director

**AUDITORS' REPORT TO THE SHAREHOLDERS  
OF  
DHAKA NORTHERN POWER GENERATIONS LIMITED**

We have audited the accompanying financial statements of **DHAKA NORTHERN POWER GENERATIONS LIMITED**, which comprise the Statement of Financial Position as at 30 June 2015 and Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the period then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations. The responsibilities 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.

**Auditors' Responsibility**

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

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

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

**Opinion:**

In our opinion, the financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of **DHAKA NORTHERN POWER GENERATION LIMITED** as at 30 June 2015 and (of) its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), comply with the Companies Act 1994 and other applicable Laws and Regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred and payments made were for the purposes of the Company's business

Dhaka

Date: 30 September 2015

Sd/-

**MABS & J Partners**  
Chartered Accountants

**DHAKA NORTHERN POWER GENERATIONS LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2015**

Particulars	Notes	30 June 2015 Taka	30 June 2014 Taka
<b>ASSETS</b>			
<b>Non -current Assets</b>		<b>2,585,463,679</b>	<b>10,077,925</b>
Property, Plant & Equipment	5.00	1,426,039	-
Capital Work in Progress	6.00	2,573,238,917	-
Investment In FDR	7.00	10,798,723	10,000,000
Preliminary Expenses		-	77,925
<b>Current assets</b>		<b>237,470,723</b>	<b>371,678,644</b>
Building Construction Materials	8.00	9,833,130	109,000,000
Advance, deposit & prepayments	9.00	216,704,740	262,589,274
Cash and bank balance	10.00	10,932,853	89,370
<b>TOTAL ASSETS</b>		<b><u>2,822,934,402</u></b>	<b><u>381,756,569</u></b>
<b>Shareholders' Equity</b>		<b>597,260,528</b>	<b>381,028,430</b>
Issued, Subscribed and Paid up Capital		24,080,000	24,080,000
Retained Earnings		(33,619,472)	(16,551,570)
Share Money Deposits		606,800,000	373,500,000
<b>Non -current liabilities</b>		<b>455,396,199</b>	<b>-</b>
Long term bank loan	12.00	455,396,199	-
<b>Current Liabilities:</b>		<b>1,770,277,675</b>	<b>728,139</b>
Liabilities for Expenses	13.00	30,216,590	728,139
Current Portion of Long Term Loan	14.00	8,699,930	-
Short Term Loan	15.00	1,704,605,635	-
Loan from Parent company		26,434,200	-
Provision for Income Tax		321,320	-
<b>Total Equity and Liabilities</b>		<b><u>2,822,934,402</u></b>	<b><u>381,756,569</u></b>

The accompanying notes from 01 to 19 and Annexure 'A' form an integral part of these financial statements.

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company secretary

Dhaka  
Dated: 30 September 2015

Sd/-  
MABS & J Partners  
Chartered Accountants



**DHAKA NORTHERN POWER GENERATIONS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the period from 01 July 2014 to 30 June 2015

Particulars	Notes	01 July 2014 - 30 June 2015	01 July 2013 - 30 June 2014
Turnover		Nil	Nil
<b>Operating Expenses :</b>			
Pre-Operating Revenue Expenses	16.00	<u>(17,664,639)</u>	<u>8,540,967</u>
Net Profit / (Loss) Before Interest & Tax		(17,664,639)	8,540,967
Add: Financial Income		<u>918,057</u>	<u>-</u>
Net Profit / (Loss) Before Income Tax		(16,746,582)	8,540,967
Less: Income Tax		<u>321,320</u>	<u>-</u>
<b>Net Profit / (Loss) After Tax</b>		<b><u><u>(17,067,902)</u></u></b>	<b><u><u>8,540,967</u></u></b>

The accompanying notes from 01 to 19 and Annexure 'A' form an integral part of these financial statements

Sd/ -  
**Managing Director**

Sd/ -  
**Director**

Sd/ -  
**Company secretary**

Signed in term our separate report annexed.

**Dhaka**  
**Dated: 30 September 2015**

Sd/ -  
**MABS & J Partners**  
Chartered Accountants

**DHAKA NORTHERN POWER GENERATIONS LIMITED****STATEMENT OF CHANGES IN EQUITY**

For the period from 01 July 2014 to 30 June 2015

<b>Particulars</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance as at 01 July 2014	24,080,000	(16,551,570)	7,528,430
Share Capital issued	-	-	-
Net Profit/(Loss) for the year		(17,067,902)	(17,067,902)
<b>Balance as at 30 June 2015</b>	<b>24,080,000</b>	<b>(33,619,472)</b>	<b>(9,539,472)</b>

<b>Balance as at 30 June 2014</b>	<b>24,080,000</b>	<b>(16,551,570)</b>	<b>7,528,430</b>
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The accompanying notes from 01 to 19 and Annexure 'A' form an integral part of these financial statements.

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company secretary**

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Signed in term our separate report annexed.

**Dhaka**  
**Dated: 30 September 2015**

Sd/-  
**MABS & J Partners**  
Chartered Accountants

**DHAKA NORTHERN POWER GENERATIONS LIMITED**

**STATEMENT OF CASH FLOWS**

For the period from 01 July 2014 to 30 June 2015

Particulars	30 June 2015 Taka	30 June 2014 Taka
<b>A. Cash Flows From Operating Activities</b>	<b>(17,441,880)</b>	<b>(6,581,065)</b>
Payment against Revenue Expenses	(17,441,880)	(6,581,065)
<b>B. Cash Flows From Investing Activities</b>	<b>(2,400,150,601)</b>	<b>(222,232,224)</b>
Advance Payment for Construction Advances	-	(23,075,786)
Acquisition of Furniture and Office Equipment	(1,584,488)	-
Payment for Civil and Building Construction	(146,116,734)	-
Payment for Power Plant Machineries	(2,227,804,773)	-
Payment as advance against Land Purchase	(24,341,000)	(182,522,540)
Payment as advance against LC Margin for Machineries	-	(6,633,898)
Advance paid for Demand Note	(422,940)	-
Investment in FDR	(798,723)	(10,000,000)
Interest Income	918,057	-
<b>C. Cash Flows From Financing Activities</b>	<b>2,428,435,964</b>	<b>228,858,430</b>
Proceed against Share Money Deposit	233,300,000.00	228,858,430
Proceed from Long Term Loan	464,096,129.00	-
Proceed from Short Term Loan	1,731,039,835	-
<b>D. Net Inflows/ (Outflows) of Cash and Cash Equivalents</b>	<b>10,843,483</b>	<b>45,141</b>
Add: Cash and Cash Equivalents at Opening	89,370	44,229
<b>E. Cash and Cash Equivalents at Closing</b>	<b>10,932,853</b>	<b>89,370</b>

The accompanying notes from 01 to 19 and Annexure 'A' form an integral part of these financial statements.

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Company secretary**

Signed in term our separate report annexed.

**Dhaka**  
**Dated: 30 September 2015**

Sd/-  
**MABS & J Partners**  
Chartered Accountants

# DHAKA NORTHERN POWER GENERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2015

### 1.00 Reporting Entity

#### 1.01 Corporate History

Dhaka Northern Power Generations Limited was incorporated on 25 June 2012 as a private company limited by shares. The company has signed Implementation Agreement with Power Division, The Ministry of Power, Energy and Mineral Resources, Power Purchase Agreement with Bangladesh Power Development Board (BPDB) and Land Lease Agreement with Rural Electrification Board (REB) on 7 January 2012 for developing a 55MW HFO Fired Power Plant at Singair, Manikgonj on BOO basis for a term of 15 years".

The registered office of the company is situated at Walsow Tower, 21, Kazi Nazrul Islam Avenue, Dhaka-1000 and the operational Headquarters is located at House # 426, Flat # D, Road # 30, New DOHS, Mohakhali, Dhaka-1206.

#### 1.02 Nature of Business

The principle activity of the Company is to set up power plants for generation and supply of electricity.

#### 1.03 Power Purchase Agreement (PPA)

The company has signed a power supply agreements no. 09859 with Bangladesh Power Development Board (BPDB) on 07 January 2013. The agreements are for a term of 15 years to provide 55 MW net electrical power to BPDB. These are effective upon signing and shall terminate after 15 years from the date of commercial operation, unless extended or earlier terminated pursuant to the provision of the agreement. The purpose of these agreements is to supply of electrical power and energy by the company to BPDB under the terms and conditions provided in the agreements.

The Power Purchase Agreement (PPA) stipulates two elements tariff as provided in Schedule-5 of the agreements for the purchase of dependable capacity and net energy output which is specific for each year throughout the term. Each annual reference tariff is composed of two components:

- a. Reference capacity price ; and
- b. Reference energy price

From and after the commercial operations date, the capacity payment, energy payment payable to the company for dependable capacity and net energy output in any period during the term shall be calculated based on the reference capacity price and the reference energy price respectively

### 2.00 Basis of Preparation of the Financial Statements

#### 2.01 Statement of Compliance

The Financial Statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) respectively, Companies Act 1994 and other applicable laws and regulations.

#### 2.02 Other Regulatory Compliance

Along with the companies Act 1994, the following major laws and regulations as applicable in Bangladesh have also been complied with:

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991  
The Value Added Tax Rules, 1991  
The Customs Act, 1969  
Securities and Exchange Commission Ordinance, 1969  
Securities and Exchange Commission Rules, 1987  
Securities and Exchange Commission Act, 1993

#### 2.03 **Basis of Measurement**

These Financial Statements have been prepared on historical cost convention and going concern basis assuming that the contract with the Government will be renewed after expiry of the tenure of existing contract.

#### 2.04 **Functional and Presentation Currency**

These Financial Statements are prepared in Bangladesh Taka (Taka/ TK.), which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

#### 2.05 **Use of Estimates and Judgments**

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of Assets, Liabilities, Income and Expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### 2.06 **Reporting Period**

These Financial Statements cover the period from 01 July 2014 to 30 June 2015.

#### 2.07 **Applicable Accounting Standards**

The following BASS/ BFRS are applicable for the Financial Statements for the period under review:

- BAS - 1 Presentation of Financial Statements
- BAS - 2 Inventories
- BAS - 7 Statement of Cash Flows
- BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS - 10 Events after the Reporting Period
- BAS - 12 Income Taxes
- BAS - 16 Property, Plant and Equipment
- BAS - 18 Revenue
- BAS - 21 The Effect of Changes in Foreign Exchange Rates
- BAS - 23 Borrowing Costs
- BAS - 24 Related Party Disclosures
- BAS - 32 Financial Instruments: Presentation
- BAS - 36 Impairment of Assets
- BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS - 39 and BFRS-7 Recognition and Measurements and Disclosures.

### **3.00 Components of the Financial Statements**

According to the International Accounting Standard IAS-1 as adopted by ICAB as BAS-1 "Presentation of Financial Statements", the complete set of Financial Statements includes the following components:

- (i) Statement of Financial Position as at 30 June 2015
- (ii) Statement of Comprehensive Income for the period from 01 July 2014 to 30 June 2015.
- (iii) Statement of Changes in Equity for the period from 01 July 2014 to 30 June 2015
- (iv) Statement of Cash Flows for the period from 01 July 2014 to 30 June 2015
- (v) Notes to the Financial Statements for the year ended 30 June 2015.

### **4.00 Summary of Significant Accounting Policies**

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

#### **4.01 Property, Plant and Equipment**

##### **4.01.1 Recognition and Measurement**

Items of property, plant and equipment are measured in accordance with the requirements of BAS-16: Property, Plant and Equipment. Historical cost includes expenditures that are directly attributable to the acquisition of the items of property, plant and equipment.

##### **4.01.2 Subsequent Costs**

The cost of replacing a part of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they incurred.

#### **4.02 Pre-operating Revenue Expenses**

Pre-operating revenue have been charged in the statement of comprehensive income of the company.

#### **4.03 Inventories**

##### **4.03.1 Nature of Inventories**

Inventories comprises of Construction materials I.e. Ms Bar, Cement, Crick, sand, etc.

##### **4.03.2 Valuation of the Inventories**

Inventories are stated at the lower of cost or net realizable value in accordance with BAS 2 "Inventories" after making due allowances for any obsolete or slow moving items, if any. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Cost is calculated on First in First out (FIFO) method.

#### **4.04 Financial Assets**

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial asset when the contractual rights to 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 and other receivable, advances, deposits and prepayments, loan to related companies and cash and bank balances etc.

#### **4.05 Cash and Cash Equivalents**

It includes cash in hand, bank deposit and other short term high liquid investments with original maturities of three months were held and available for use by the Company without any restriction, and there is insignificant risk of changes in value of these current assets.

#### **4.06 Financial Liabilities**

The company recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade creditors and other financial obligations.

#### **4.07 Trade and Other Payables**

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

#### **4.08 Loans and Borrowings**

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.

#### **4.09 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, 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. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

#### **4.10 Impairment**

##### **Financial Assets**

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

##### **Non Financial Assets**

The carrying amount of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment, if any and such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

#### **4.11 Contingent Liabilities and Assets**

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

#### **4.12 Taxation**

No provision is required for income tax on the Company's profits as the company is exempted from tax for a period of fifteen years from start of its commercial production on 12 November 2008 vide SRO no.188-AIN/AIKOR/2009 dated 01.07.2009 of NBR. However adequate provision is being calculated for income arising from other source as per Income Tax Ordinance 1984.

#### **4.13 Deferred Tax**

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

#### **4.14 Share Capital**

Paid up capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all share holders.

#### **4.15 Transactions in Foreign Currencies**

Foreign currency transactions are translated into Bangladesh taka at the rates ruling on the date of transaction. All foreign currency monetary assets and liabilities at the date of financial position are retranslated using rates prevailing on that day. Exchange differences at the date of financial position are charged/credited to the statement of comprehensive income.

#### **4.16 Finance Income and Expenses**

Finance income comprises interest income on funds invested. Interest income is recognized using accrual principle.

Finance expenses comprise interest expenses on loan, overdraft, mortgage charges and commission on bank guarantee. All borrowing costs are recognized in the statement of comprehensive income using effective interest rate method.

#### **4.17 Events after the Reporting Period**

Events after the reporting period that provide additional information about the Company's positions at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

#### **4.18 Comparative Information**

Comparative information has been disclosed in respect of the period in accordance with BAS-1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

#### **4.19 General**

Previous year's figures have been restated/rearranged where required



	30 June 2015 Taka	30 June 2014 Taka
<b>5.00 Property, Plant and Equipment</b>		
<b>A. Written Down Value</b>		
Furniture and Fixture	111,180	-
Office Equipment	1,473,308	-
	<b>1,584,488</b>	-
<b>B. Accumulated depreciation</b>	158,449	-
<b>C. Written down value (A-B)</b>	<b>1,426,039</b>	-
<b>6.00 Capital Work In Progress</b>	<b>2,573,238,917</b>	-
Civil and Building Construction	332,063,524	-
Plant and Machineries	2,241,175,393	-
<b>7.00 Investment in FDR</b>	<b>10,798,723</b>	<b>10,000,000</b>
Trust Bank Ltd. Ac no.# 0014-0330055626	10,798,723	10,000,000
<b>8.00 Building Construction Materials</b>	<b>9,833,130</b>	<b>109,000,000</b>
Building Construction Materials	9,833,130	109,000,000
These materials includes Sand, Concrete, cement, MS Bar, etc., purchased by Dhaka Northern Power Generation Limited and held for the purpose of construction of a Building, at Plant premises in Manikgonj.		
<b>9.00 Advances &amp; Deposits</b>	<b>216,704,740</b>	<b>262,589,274</b>
Advances (9.01)	211,281,800	257,589,274
Deposits (9.02)	5,422,940	5,000,000
<b>9.01 Advances</b>	<b>211,281,800</b>	<b>257,589,274</b>
Advance to Staff	498,179	1,257,050
Advance Source Tax	119,334	-
Advance for Civil Construction & Building Construction	-	44,055,786
Advance for Civil Construction (Boundary Wall)	-	23,000,000
Advance paid against Land Purchase	206,863,540	182,522,540
Advance to C & F Agent	470,310	-
Bank Guarantee Commission	811,556	-
Advance to Adroit Environment Consultant	-	120,000
Advances Paid for LC Margin For Machineries	2,518,881	6,633,898
<b>9.02 Deposits against ( Bank Guarantee) Margin</b>	<b>5,422,940</b>	<b>5,000,000</b>
Margin on Bank Guarantee (NCC Bank Ltd.)	5,000,000	5,000,000
Demand Note (Palli bidut samity)	422,940	-

Aging of the above advances, deposits and prepayments is given below:

	up to 1 month	1-3 months	Above 3 Months	Total
Advances to staff	491,436	6,743	-	498,179
Advance tax	69,584	-	49,750	119,334
Advance against Land Purchase	14,850,000	-	192,013,540	206,863,540
Advance paid to C & F Agent	470,310	-	-	470,310
Bank Guarantee Commission	811,556	-	-	811,556
Advance for LC Margin for Machineries	545,227	111,744	1,861,910	2,518,881
Margin on Bank Guarantee	-	-	5,000,000	5,000,000
Demand Note (Palli Biddut Samity)	-	-	422,940	422,940
<b>Total</b>	<b>17,238,113</b>	<b>118,487</b>	<b>199,348,140</b>	<b>216,704,740</b>

	30 June 2015 Taka	30 June 2014 Taka
<b>10.00 Cash and Cash Equivalentents</b>	<b>10,932,853</b>	<b>89,370</b>
Cash in Hand	316,193	16,833
Cash at Bank Note-10.1	10,616,660	72,537
<b>10.01 Cash at Bank</b>	<b>10,616,660</b>	<b>72,537</b>
NCC Bank Ltd., CD A/C 002-0210026718	10,470,466	66,519
Trust Bank Ltd., CD A/C 0014210012407	135,703	3,568
One Bank Ltd., CD A/C 01210200000894	1,300	2,450
Dutch Bangla Bank Ltd. A/C # 1031100031550	9,191	-
<b>11.00 Shareholder's Equity</b>	<b>597,260,528</b>	<b>381,028,430</b>
Issued, Subscribed and Paid up Capital (11.02)	24,080,000	24,080,000
Retained Earnings	(33,619,472)	(16,551,570)
Share Money Deposit	606,800,000	373,500,000

3,735,500 Ordinary Shares of Tk. 100 each at par for the amount of Tk. 373,500,000 out of total Share money deposit of Tk. 606,800,000 was issued in favor to Doreen Power Generations and Systems Limited. A Consent Letter ref. no. BSEC/CI/CPLC(Pvt.)-654/2015/422 dated September 01, 2015 was issued by BSEC regarding the raising of paid up capital.

<b>11.01 Authorized Capital</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>
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Authorized Capital is TK. 1,000,000,000 divided into 10,000,000 ordinary shares of TK.100/= each.

<b>11.02 Issued, Subscribed and Paid up Capital</b>	<b>24,080,000</b>	<b>24,080,000</b>
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The paid up capital of the company is TK. 24,080,000 divided into 240,800 ordinary shares of TK.100/= each issued for cash and fully subscribed and paid up.

### 11.03 Share Holding Position

The composition of shareholders at balance sheet date were as follows:

Name of Sponsors	30 June 2015		30 June 2015
	Number	Face Value per Share	Total Amount
Rupali Engineers and Traders Ltd.	59,000	100	5,900,000
Doreen Power Generations and Systems Ltd.	181,800	100	18,180,000
<b>Total</b>	<b>240,800</b>	<b>100</b>	<b>24,080,000</b>

30 June 2015	30 June 2014
Taka	Taka

### 12.00 Long Term Loan

Trust Bank Term Loan A/C # 0014 -0660000757	58,110,467	-
Trust Bank Term Loan A/C # 0014 -0660000800	2,645,588	-
Trust Bank Term Loan A/C # 0014 -0660000819	38,680,454	-
Trust Bank Term Loan A/C # 0014 -0660000846	20,105,250	-
Trust Bank Term Loan A/C # 0014 -0660000855	45,673,604	-
Trust Bank Term Loan A/C # 0014 -0660000864	182,337,849	-
Trust Bank Term Loan A/C # 0014 -0660000837	60,639,692	-
Trust Bank Term Loan A/C # 0014 -0660000828	55,903,225	-
<b>Less: Current portion of Loang Term Loan</b>	<b>(8,699,930)</b>	-
	<b>455,396,199</b>	-

The above loan facilities from Trust Bank Limited under the following terms and conditions:

Name of Institution	Sanctioned Limit	Tenor	Nature	Purpose
Trust bank term loan	59.20 Crore	7 Years	Term loan	For Procuring Capital Machinery.

#### **Rates of interest on above loans were as follows:**

Rate of interest on term loan has been set at 15.00% per annum with effect from the disbursement. Interest rate shall be reviewed half-yearly basis.

### Security details

The loans are secured by:

- 1) The assignment of Bills to be received or receivable from BPDB or other Govt. agencies on account of power sale.
- 2) Fast Ranking Charges with RJSC by way registered mortgage over project land and building (Present & Future).
- 2) Registered mortgage of project land and building to be constructed over the land.
- 3) Personal guarantee from all the Directors.
- 4) Corporate guarantee from sister concerns.
- 5) Post dated Cheques.

<b>13.00 Liabilities for Expenses</b>	<b>30,216,590</b>	<b>728,139</b>
Salary & allowances	1,305,906	510,710
Office Rent Payable	65,758	-
Audit fee	62,500	23,000
Bank Guarantee Commission Payable	-	68,444
Printing Bill Payable	12,850	2,400
AIT payable	78,400	123,585
Payable against supply of construction Materials	18,965,263	-
Payable against carrying expenses bill	3,726,405	-
Payable against consultancy bill	605,508	-
Payable against supply of Poontoon	5,394,000	-

Aging of the above payables is given below:

Particulars	up to 1 month	1-3 months	Above 3 Months	Total
Salary & allowances	1,305,906			1,305,906
Office Rent Payable	65,758			65,758
Audit fee	62,500			62,500
Printing Bill Payable	12,850			12,850
AIT payable	17,400	34,800	26,200	78,400
Payable against supply of construction Materials	3,796,057	15,169,206		18,965,263
Payable against carrying expenses bill	3,726,405			3,726,405
Payable against consultancy bill			605,508	605,508
Payable against supply of Poontoon		5,394,000		5,394,000
<b>Total</b>	<b>8,986,876</b>	<b>20,598,006</b>	<b>631,708</b>	<b>30,216,590</b>

All the payables are regular in payments.

	<b>30 June 2015</b> <b>Taka</b>	<b>30 June 2014</b> <b>Taka</b>
<b>14.00 Current Portion of Long Term Loan:</b>	<b>8,699,930</b>	-
Trust Bank Term Loan A/C # 0014 -0660000757	2,795,295	-
Trust Bank Term Loan A/C # 0014 -0660000800	77,569	-
Trust Bank Term Loan A/C # 0014 -0660000819	756,573	-
Trust Bank Term Loan A/C # 0014 -0660000846	196,847	-
Trust Bank Term Loan A/C # 0 014-0660000855	905,902	-
Trust Bank Term Loan A/C # 0014 -0660000864	1,802,247	-
Trust Bank Term Loan A/C # 0014 -0660000837	1,192,888	-
Trust Bank Term Loan A/C # 0014 -0660000828	972,609	-
<b>15.00 Short Term Loan:</b>	<b>1,704,605,635</b>	-
Trust Bank Term Loan A/C # 0014 -0670008178	1,164,894,331	-
Liability against UPAS LCs	539,711,304	-
<b>16.00 Pre-Operating Revenue Expenses</b>	<b>17,664,639</b>	<b>8,540,967</b>
Salary and Allowances	5,791,265	2,728,430
Trade License and Other Fees	73,944	315,948
Office Rent	366,646	299,475
Office Utility Expenses	231,429	42,058
Car Fuel Expenses	347,417	166,180
Car Maintenance Expenses	50,000	-
Environmental Impact Analysis	1,219,955	-
Travelling & Conveyance	1,021,947	670
Printing and Stationeries	50,985	7,600
Entertainment Expenses	115,577	12,441
Office Maintenance	28,769	-
Sign Board Expenses	-	3,100
Audit fee	57,500	23,000
Bank Charges	54,079	6,501
Bank Guarantee Commission, VAT and Other Charges	1,760,000	68,444
BERC License Application Fee	300,000	-
Capital Increase Fee	5,000	414,620
Legal, Professional Fee	-	77,500
Loan Processing Fee	5,625,000	4,375,000
Mobile Bill	44,234	-
Survey Expenses	284,518	-
Preliminary Expenses written off	77,925	-
Depreciation	158,449	-
<b>17.00 Contingent liabilities</b>	<b>100,000,000</b>	<b>100,000,000</b>
NCC Bank Limited against Bank Guarantee	100,000,000	100,000,000

## 18.00 Related party transactions

During the year, the company carried out a number of transactions with related parties the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

<b>Name of Parties</b>	<b>Relationship</b>	<b>Net transaction during the period</b>	<b>Outstanding as on 30.06.2015</b>	<b>Outstanding as on 30.06.2014</b>
Doreen Power Generations and Systems Limited	Holding Company	26,434,200	26,434,200	-

## 19.00 Director Remuneration

Company did not pay any Director's remuneration during the period.

**DHAKA NORTHERN POWER GENERATIONS LIMITED****Fixed Asset Schedule****Annexure-A****For the year ended 30 June 2015**

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2015
	Balance as on 01.07.2014	Addition during the period	Balance as on 30.06.2015		Balance as on 01.07.2014	Addition during the period	Balance as on 30.06.2015	
Furniture and Fixture	-	111,180	111,180	20%	-	11,118	11,118	100,062
Office Equipment	-	1,473,308	1,473,308	20%	-	147,331	147,331	1,325,977
<b>Total</b>	<b>-</b>	<b>1,584,488</b>	<b>1,584,488</b>		<b>-</b>	<b>158,449</b>	<b>158,449</b>	<b>1,426,039</b>

## DIRECTORS' REPORT

To The Shareholders for the Year Ended 30 June 2015

**DEAR SHAREHOLDERS, COLLEAGUE, LADIES & GENTLEMEN,  
ASSALAMU ALAIKUM,**

The directors are pleased to present their report on the activities of the company together with the Audited Accounts of the company for the period from 01 July 2014 to 30 June 2015.

### REFFERAL:

In terms of provisions of section 184 of the Companies Act, 1994, rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and BAS 1 (Bangladesh Accounting Standards-1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure for the Board of Directors to submit its report to the Shareholders for the period 01 July 2014 to 30 June 2015 in the following paragraphs.

### BACKGROUND:

Dhaka Southern Power Generations Ltd. was incorporated on 25th June 2012 as a private company limited by shares. The company has signed Implementation Agreement with Power Division, The Ministry of Power, Energy and Mineral Resources, Power Purchase Agreement with Bangladesh Power Development Board (BPDB) and Land Lease Agreement with Rural Electrification Board (REB) on 7th January 2012 for developing a 55MW HFO Fired Power Plant at Daulatpur, Nababganj on BOO basis for a term of 15 years".

The registered office of the company is situated at Walsow Tower (16th Floor), 21, Kazi Nazrul Islam avenue, Dhaka-1000.

The Authorized Capital is Tk. 1,000,000,000 (Taka One Hundred Crore) divided into 10,000,000 Shares of Tk. 100 each. The paid-up capital as on 30 June 2015 stood at Tk 24,080,000/- consisting of 240,800 ordinary shares of Tk. 100/- each.

**Doreen Power Generations and Systems Limited** holds 75.50% shares of Dhaka Southern Power Generations Ltd.

### COMPANYS OPERATIONS:

The position of its performance for the year ended 30 June 2015 is given bellow:

Particulars	30-06-2015
	Taka
Shareholders' Equity	403,630,678
Long Term loan	2,501,552,403
Short Term Loan	330,380,013
Total Equity & Long Term Liabilities	3,235,563,094
Fixed assets at cost-less depreciation	3,110,641,548
Net current asset	124,921,546
Total assets	3,235,563,094
Net Sales	-
Gross profit	-
Net income/(loss) after tax	(23,290,103)



**APPOINTMENT OF AUDITORS:**

Existing Auditor, MABS & J Partners, Chartered Accountants will retire at this Annual General Meeting and being eligible, offered themselves for re-appointment as external auditors for the year 2015-2016.

**BOARD MEETINGS:**

During the year (01 July 2014 to 30 June 2015) 05 (number of) Board Meetings were held. The attendance record of the Directors is as follows:

Name of the Directors	Position	Number of the Meetings held	Number of attendance
Abu Sayeed Al Mahmood Swapan, Nominated By Rupali Engineers & Traders Ltd.	Chairman	5	3
Tahzeeb Alam Siddique, Nominated By Doreen Power Generations & Systems Ltd.	Managing Director	5	5
Anjabeen Alam Siddique, Nominated By Doreen Power Generations & Systems Ltd.	Director	5	5

**ACKNOWLEDGEMENT:**

The Directors are pleased to record with appreciation and gratitude the co-operation and support provided by Shareholders, Customers, Bankers, Suppliers, Workers and Employees of the company without whose active support the result would not have been possible.

Looking forward for a bright future for all of us

Thanking you,

Sd/-

Tahzeeb Alam Siddique  
Managing Director

**AUDITORS' REPORT TO THE SHAREHOLDERS  
OF  
DHAKA SOUTHERN POWER GENERATIONS LIMITED**

We have audited the accompanying financial statements of **DHAKA SOUTHERN POWER GENERATIONS LIMITED**, which comprise the Statement of Financial Position as at 30 June 2015 and Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the period then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations. The responsibilities 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.

**Auditors' Responsibility**

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

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

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

**Opinion:**

In our opinion, the financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of **DHAKA SOUTHERN POWER GENERATION LIMITED** as at 30 June 2015 and (of) its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), comply with the Companies Act 1994 and other applicable Laws and Regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred and payments made were for the purposes of the Company's business

**Dhaka**  
**Date: 30 September 2015**

Sd/-  
**MABS & J Partners**  
**Chartered Accountants**

**DHAKA SOUTHERN POWER GENERATIONS LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2015**

Particulars	Notes	30 June 2015 Taka	30 June 2014 Taka
<b>ASSETS</b>			
<b>Non-current Assets</b>			
		<b>3,110,641,548</b>	<b>65,947,872</b>
Property, plant and equipment	5.00	65,350,684	65,869,947
Capital Work in Progress	6.00	3,045,290,864	-
Preliminary Expenses		-	77,925
<b>Current assets</b>			
		<b>124,921,546</b>	<b>685,016,357</b>
Building Construction Materials	7.00	103,796,808	73,665,450
Advance, deposit & prepayments	8.00	7,946,795	611,138,588
Cash and bank balance	9.00	13,177,943	212,319
<b>TOTAL ASSETS</b>		<b><u>3,235,563,094</u></b>	<b><u>750,964,229</u></b>
<b>Shareholders' Equity</b>			
	10.00	<b>403,630,678</b>	<b>161,920,781</b>
Issued, Subscribed and Paid up Capital		24,080,000	24,080,000
Retained Earnings		(44,699,322)	(21,409,219)
Share Money Deposits		424,250,000	159,250,000
<b>Non-current liabilities</b>			
		<b>2,501,552,403</b>	<b>587,828,471</b>
Long term bank loan	11.00	2,501,552,403	587,828,471
<b>Current Liabilities:</b>			
		<b>330,380,013</b>	<b>1,214,977</b>
Liabilities for Expenses	12.00	36,110,412	1,202,244
Current Portion of Long Term Loan	13.00	127,344,095	-
Short Term Loan	14.00	158,079,028	-
Loan from Parent company		8,846,000	-
Income Tax Payable	16.00	478	12,733
<b>Total Equity and Liabilities</b>		<b><u>3,235,563,094</u></b>	<b><u>750,964,229</u></b>

The accompanying notes from 01 to 19 and Annexure 'A' form an integral part of these financial statements.

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company secretary

Signed in term our separate report annexed.

Dhaka  
Dated: 30 September 2015

Sd/-  
MABS & J Partners  
Chartered Accountants

**DHAKA SOUTHERN POWER GENERATIONS LIMITED****STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2015

Particulars	Notes	01 July 2014 - 30 June 2015	01 July 2013 - 30 June 2014
Turnover		-	-
<b>Operating Expenses :</b>			
Pre- Operating Revenue Expenses	15.00	<u>(23,290,991)</u>	<u>(13,088,662)</u>
<b>Profit / (Loss) Before Interest and Tax</b>		<b>(23,290,991)</b>	<b>(13,088,662)</b>
Add: Financial Income		1,366	36,379
<b>Profit / (Loss) Before Tax</b>		<b>(23,289,625)</b>	<b>(13,052,283)</b>
Less: Income Tax Provision	16.00	(478)	(12,733)
<b>Net Profit / (Loss) After Tax</b>		<b><u>(23,290,103)</u></b>	<b><u>(13,065,016)</u></b>

The accompanying notes from 01 to 19 and Annexure ' A ' form an integral part of these financial statements.

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company secretary

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Signed in term our separate report annexed.

Dhaka  
Dated: 30 September 2015

Sd/-  
MABS & J Partners  
Chartered Accountants

**DHAKA SOUTHERN POWER GENERATIONS LIMITED****STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2015

Amounts in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at 01 July 2014	24,080,000	(21,409,219)	2,670,781
Net Profit/(Loss) for the year		(23,290,103)	(23,290,103)
<b>Balance as at 30 June 2015</b>	<b>24,080,000</b>	<b>(44,699,322)</b>	<b>(20,619,322)</b>

<b>Balance as at 30 June 2014</b>	<b>24,080,000</b>	<b>(21,409,219)</b>	<b>2,670,781</b>
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The accompanying notes from 01 to 19 and Annexure 'A' form an integral part of these financial statements.

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company secretary

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Signed in term our separate report annexed.

Dhaka  
Dated: 30 September 2015

Sd/-  
MABS & J Partners  
Chartered Accountants

**DHAKA SOUTHERN POWER GENERATIONS LIMITED**

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2015

Particulars	30 June 2015 Taka	30 June 2014 Taka
<b>A. Cash Flows From Operating Activities</b>	<b>(13,964,931)</b>	<b>(13,808,799)</b>
Payment against revenue expenditure	(13,953,564)	(13,808,799)
Interest Income	1,366	-
Income Tax Paid	(12,733)	-
<b>B. Cash Flows From Investing Activities</b>	<b>(2,446,062,500)</b>	<b>(693,903,694)</b>
Payment for Civil and Building Construction	(237,910,994)	-
Payment for Power Plant Machineries	(2,203,148,126)	-
Payment for Office Renovation	(2,154,826)	-
Advance Payment against Construction	-	(69,780,910)
Payment for acquisition of Property, Plant and Equipment	(2,848,554)	(446,010)
Payment for addition of Civil Construction	-	(21,469,544)
Advance payment against LC Margin for Machinery	-	(602,243,609)
Interest Received	-	36,379
<b>C. Cash Flows From Financing Activities</b>	<b>2,472,993,055</b>	<b>707,815,031</b>
Share Capital Received	-	-
Proceed against Share Money Deposits	265,000,000	119,986,560
Proceed from Long Term Loan	2,041,068,027	587,828,471
Proceed from Short Term Loan	166,925,028	-
<b>D. Net Inflows/(Outflows) of Cash and Cash Equivalents</b>	<b>12,965,624</b>	<b>102,538</b>
Add: Cash and Cash Equivalents at Opening	212,319	109,781
<b>E. Cash and Cash Equivalents at Closing</b>	<b>13,177,943</b>	<b>212,319</b>

The accompanying notes from 01 to 19 and Annexure 'A' form an integral part of these financial statements.

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company secretary

Signed in term our separate report annexed.

Dhaka  
Dated: 30 September 2015

Sd/-  
MABS & J Partners  
Chartered Accountants

## DHAKA SOUTHERN POWER GENERATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2015

#### 1.00 Reporting Entity

##### 1.01 Corporate History

Dhaka Southern Power Generations Limited. Was incorporated on 25 June 2012 as a private company limited by shares. The company has signed Implementation Agreement with Power Division, The Ministry of Power, Energy and Mineral Resources, Power Purchase Agreement with Bangladesh Power Development Board (BPDB) and Land Lease Agreement with Rural Electrification Board (REB) on 7 January 2012 for developing a 55MW HFO Fired Power Plant at Singair, Manikgonj on BOO basis for a term of 15 years".

The registered office of the company is situated at Walsow Tower, 21, Kazi Nazrul Islam Avenue, Dhaka-1000 and the operational Headquarters is located at House # 426, Flat # D, Road # 30, New DOHS, Mohakhali, Dhaka-1206.

##### 1.02 Nature of Business

The principle activity of the Company is to set up power plants for generation and supply of electricity.

##### 1.03 Power Purchase Agreement (PPA)

The company has signed a power supply agreements no. 09859 with Bangladesh Power Development Board (BPDB) on 07 January 2013. The agreements are for a term of 15 years to provide 55 MW net electrical power to BPDB. These are effective upon signing and shall terminate after 15 years from the date of commercial operation, unless extended or earlier terminated pursuant to the provision of the agreement. The purpose of these agreements is to supply of electrical power and energy by the company to BPDB under the terms and conditions provided in the agreements.

The Power Purchase Agreement (PPA) stipulates two elements tariff as provided in Schedule-5 of the agreements for the purchase of dependable capacity and net energy output which is specific for each year throughout the term. Each annual reference tariff is composed of two components:

- a. Reference capacity price ; and
- b. Reference energy price

From and after the commercial operations date, the capacity payment, energy payment payable to the company for dependable capacity and net energy output in any period during the term shall be calculated based on the reference capacity price and the reference energy price respectively.

#### 2.00 Basis of Preparation of the Financial Statements

##### 2.01 Statement of Compliance

The Financial Statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) respectively, Companies Act 1994 and other applicable laws and regulations.

## **2.02 Other Regulatory Compliance**

Along with the companies Act 1994, the following major laws and regulations as applicable in Bangladesh have also been complied with:

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Customs Act, 1969

Securities and Exchange Commission Ordinance, 1969

Securities and Exchange Commission Rules, 1987

Securities and Exchange Commission Act, 1993

## **2.03 Basis of Measurement**

These Financial Statements have been prepared on historical cost convention and going concern basis assuming that the contract with the Government will be renewed after expiry of the tenure of existing contract.

## **2.04 Functional and Presentation Currency**

These Financial Statements are prepared in Bangladesh Taka (Taka/ TK.), which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

## **2.05 Use of Estimates and Judgments**

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of Assets, Liabilities, Income and Expenses. Actual results may differ from these estimates.

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

## **2.06 Reporting Period**

These Financial Statements cover the period from 01 July 2014 to 30 June 2015.

## **2.07 Applicable Accounting Standards**

The following BASS/ BFRS are applicable for the Financial Statements for the period under review:

BAS - 1 Presentation of Financial Statements

BAS - 2 Inventories

BAS - 7 Statement of Cash Flows

BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors

BAS - 10 Events after the Reporting Period

BAS - 12 Income Taxes

BAS - 16 Property, Plant and Equipment



- BAS - 18 Revenue
- BAS - 21 The Effect of Changes in Foreign Exchange Rates
- BAS - 23 Borrowing Costs
- BAS - 24 Related Party Disclosures
- BAS - 32 Financial Instruments: Presentation
- BAS - 36 Impairment of Assets
- BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS - 39 and BFRS-7 Recognition and Measurements and Disclosures.

### **3.00 Components of the Financial Statements**

According to the International Accounting Standard IAS-1 as adopted by ICAB as BAS-1 "Presentation of Financial Statements", the complete set of Financial Statements includes the following components:

- (i) Statement of Financial Position as at 30 June 2015
- (ii) Statement of Comprehensive Income for the period from 01 July 2014 to 30 June 2015.
- (iii) Statement of Changes in Equity for the period from 01 July 2014 to 30 June 2015
- (iv) Statement of Cash Flows for the period from 01 July 2014 to 30 June 2015
- (v) Notes to the Financial Statements for the year ended 30 June 2015.

### **4.00 Summary of Significant Accounting Policies**

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

#### **4.01 Property, Plant and Equipment**

##### **4.01.1 Recognition and Measurement**

Items of property, plant and equipment are measured in accordance with the requirements of BAS-16: Property, Plant and Equipment. Historical cost includes expenditures that are directly attributable to the acquisition of the items of property, plant and equipment.

##### **4.01.2 Subsequent costs**

The cost of replacing a part of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they incurred.

##### **4.01.3 Depreciation**

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is provided on straight line method to allocate the costs over their estimated useful lives. Items of Property, plant and equipment are depreciated from the month immediately following the month on which the asset comes into use or capitalized. In case of disposals, no depreciation is charged for the month of disposal. The annual depreciation rates applicable to different category of PPE are as follows:

Category of PPE	Rate of depreciation (%)
Buildings	5%
Furniture and equipment	20%
Office equipments	20%

#### 4.02 Pre-operating Revenue

Pre-operating revenue have been charged in the statement of comprehensive income of the company.

#### 4.03 Inventories

##### 4.03.1 Nature of Inventories

Inventories comprises of Construction materials I.e. Ms Bar, Cement, Crick, sand, etc.

##### 4.03.2 Valuation of the Inventories

Inventories are stated at the lower of cost or net realizable value in accordance with BAS 2 "Inventories" after making due allowances for any obsolete or slow moving items, if any. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Cost is calculated on First in First out (FIFO) method.

#### 4.04 Financial Assets

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial asset when the contractual rights to 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 and other receivable, advances, deposits and prepayments, loan to related companies and cash and bank balances etc.

##### 4.04.1 Cash and Cash Equivalents

It includes cash in hand, bank deposit and other short term high liquid investments with original maturities of three months were held and available for use by the Company without any restriction, and there is insignificant risk of changes in value of these current assets.

#### 4.05 Financial Liabilities

The company recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade creditors and other financial obligations.

#### 4.06 Trade and Other Payables

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

#### **4.07 Loans and Borrowings**

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.

#### **4.08 Provisions**

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, 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. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

#### **4.09 Impairment**

##### **Financial Assets**

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

##### **Non Financial Assets**

The carrying amount of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment, if any and such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

#### **4.10 Contingent Liabilities and Assets**

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

#### **4.11 Taxation**

No provision is required for income tax on the Company's profits as the company is exempted from tax for a period of fifteen years from start of its commercial production on 12 November 2008 vide SRO no.188-AIN/AIKOR/2009 dated 01.07.2009 of NBR. However adequate provision is being calculated for income arising from other source as per Income Tax Ordinance 1984.

#### **4.12 Deferred Tax**

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

#### **4.13 Share Capital**

Paid up capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue

of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all share holders.

#### 4.14 Transactions in Foreign Currencies

Foreign currency transactions are translated into Bangladesh taka at the rates ruling on the date of transaction. All foreign currency monetary assets and liabilities at the date of financial position are retranslated using rates prevailing on that day. Exchange differences at the date of financial position are charged/credited to the statement of comprehensive income.

#### 4.15 Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized using accrual principle.

Finance expenses comprise interest expenses on loan, overdraft, mortgage charges and commission on bank guarantee. All borrowing costs are recognized in the statement of comprehensive income using effective interest rate method.

#### 4.16 Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's positions at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

#### 4.17 Comparative Information

Comparative information has been disclosed in respect of the period in accordance with BAS-1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

#### 4.18 General

Previous year's figures have been restated/rearranged where required.

	30 June 2015	30 June 2014
	Taka	Taka
<b>5.00 Property, Plant and Equipment</b>		
<b>A. Written Down Value</b>		
Civil Construction	65,419,544	65,419,544
Furniture and Fixture	2,875,350	446,010
Office Equipment	457,404	38,190
	<b>68,752,298</b>	<b>65,903,744</b>
B. Accumulated depreciation	3,401,614	33,797
<b>C. Written down value (A-B)</b>	<b>65,350,684</b>	<b>65,869,947</b>

<b>6.00 Capital Work In Progress</b>	<b>3,045,290,864</b>	<b>-</b>
Civil and Building Construction	221,823,686	-
Plant and Machineries	2,821,132,352	-
Office Decoration and Renovation	2,334,826	-

<b>7.00 Construction Materials</b>	<b>103,796,808</b>	<b>73,665,450</b>
<b>Civil and Building Materials</b>	<b>1,584,907</b>	<b>73,665,450</b>
	<b>1,584,907</b>	<b>73,665,450</b>
<b>Machine in Transit:</b>		
<b>Power Plant Machineries in Transit</b>	<b>102,211,901</b>	<b>-</b>
	<b>102,211,901</b>	<b>-</b>

These materials includes Sand, Concrete, cement, MS Bar, etc., purchased by Dhaka Southern Power Generation Limited and held for the purpose of Civil construction, at Plant premises in Nababgonj.

<b>8.00 Advances &amp; Deposits</b>	<b>7,946,795</b>	<b>611,138,588</b>
Advances (8.01)	2,522,371	606,013,488
Deposits (8.02)	5,424,424	5,125,100

<b>8.01 Advances</b>	<b>2,522,371</b>	<b>606,013,488</b>
Advance to Employees	772,608	1,012,066
Advance for Transformer Rent	10,800	10,800
Advance paid Bank Guarantee Commission	811,556	1,691,556
Advance to Adroit Environment Consultant	-	650,000
Advance to Interspace Ltd.	-	400,000
Source Tax	678	5,457
Advances Paid for LC Margin	926,729	602,243,609

<b>8.02 Deposits</b>	<b>5,424,424</b>	<b>5,125,100</b>
Margin on Bank Guarantee (NCC Bank Ltd.)	5,000,000	5,000,000
Palli Biddut Samity	424,424	125,100

30 June 2015	30 June 2014
Taka	Taka

Aging of the above advances, deposits and prepayments is given below:

Particulars	up to 1 month	1-3 months	Above 3 Months	Total
Advances to staff	299,448	473,160	-	772,608
Advance tax	-	-	10,800	10,800
Bank Guarantee	811,556	-	-	811,556
Commission	-	-	-	-
Source Tax	54	-	624	678
Advance for LC	-	-	-	-
Margin for Machinerics	909,145	17,584	-	926,729
Margin on Bank Guarantee	-	-	5,000,000	5,000,000
Demand Note (Palli Biddut Samity)	299,324	-	125,100	424,424
<b>Total</b>	<b>2,319,527</b>	<b>490,744</b>	<b>5,136,524</b>	<b>7,946,795</b>

**9.00 Cash and Cash Equivalentents** **13,177,943**      **212,319**

Cash in Hand		373,263	13,899
Cash at Bank	note-9.01	12,804,680	198,420

**9.01 Cash at Bank** **12,804,680**      **198,420**

NCC Bank Ltd., CD A/C 002-0210028270	12,717,657	86,095
Dutch Bangla Bank Ltd. A/C # 1031100031545	58,695	-
NCC Bank Ltd., CD A/C 002-0210018106	4,918	78,953
NCC Bank Ltd. SND0002-0315000109	22,110	30,922
One Bank Ltd., CD A/C-01210200000883	1,300	2,450

**10.00 Shareholder's Equity** **403,630,678**      **161,920,781**

Issued, Subscribed and Paid up Capital (10.02)	24,080,000	24,080,000
Retained Earnings	(44,699,322)	(21,409,219)
Share Money Deposit	424,250,000	159,250,000

1,592,500 Ordinary Shares of Tk. 100 each at par for the amount of Tk. 159,250,000 out of total Share money deposit of Tk. 424,250,000 was issued in favor to Doreen PowerGentions and Systems Limited. A Consent Letter ref.no.BSEC/CI/CPLC(Pvt.)-653/2015/418 dated August 27, 2015 was issued by BSEC regarding the raising of paid up capital.

**10.01 Authorized Capital** **1,000,000,000**    **1,000,000,000**

Authorized Capital is TK. 1,000,000,000 divided into 10,000,000 ordinary shares of TK.100/= each.

**10.02 Issued, Subscribed and Paid up Capital** **24,080,000**    **24,080,000**

The paid up capital of the company is TK. 24,080,000 divided into 240,800 ordinary shares of TK.100/= each issued for cash and fully subscribed and paid up.

**30 June 2015**    **30 June 2014**

**Taka**    **Taka**

**10.03 Share Holding Position**

The composition of shareholders at balance sheet date were as follows:

Name of Sponsors	30 June 2015		30 June 2014
	Number	Face Value per Share	Total Amount
Rupali Engineers and Traders Ltd.	59,000	100	5,900,000
Doreen Power Generations and Systems Ltd.	181,800	100	18,180,000
<b>Total</b>	<b>240,800</b>	<b>100</b>	<b>24,080,000</b>

**11.00 Long Term Loan:**

NCC Bank term Loan - IPFF	2,138,942,824	587,828,471
NCC Bank term Loan - Non-IPFF	489,953,674	-
	<b>2,628,896,498</b>	<b>587,828,471</b>
Less: Current portion of long term loan ( <b>note 13.00</b> )	(127,344,095)	-
	<b>2,501,552,403</b>	<b>587,828,471</b>

The above loan facilities from National Credit and Commerce Bank Ltd under the following terms and conditions:

Name of the Institute	Sanctioned Limit	Tenor	Nature	Purpose
NCC bank term loan (IPFF)	222.32	10 Years	Term loan	For Procuring Capital Machinery for 55 MW Power Plant
NCC bank term loan (Non-IPFF)	55.59	7 Years	Term loan	For Procuring Capital Machinery for 55 MW Power Plant

**Rates of interest on above loans were as follows:**

Rate of interest on IPPF term loan has been reset at 3.25% per annum with effect from 15th June 2015 (earlier it was 3.153%) and interest rate on term loan of NCC Bank has been charged at 15.50% per annum with effect from its disbursement.

**Security details**

The loans are secured by:

- 1) The assignment of Bills to be received or receivable from BPDB or other Govt. agencies on account of power sale.
- 2) Fast Ranking Charges with RJSC by way registered mortgage over project land and building (Present & Future).
- 3) Personal guarantee from all the Directors.
- 4) Corporate guarantee from sister concerns.
- 5) Post dated Cheques.

	30 June 2015	30 June 2014
	Taka	Taka
<b>12.00 Liabilities for Expenses</b>	<b>36,110,412</b>	<b>1,202,244</b>

Salary & allowances	1,302,623	827,009
Audit fee	57,500	23,000
Office Rent Payable	9,000	9,000
Printing Bill Payable	9,780	18,450
Civil Design Bill Payable	-	150,000
Avant Logistics	-	3,900
Tubewell Bill Payable	20,825	47,300
AIT & ATV payable	3,179,288	123,585
Payable against supply of Construction Materials	14,044,050	-
Payable against C&F Expenses	3,179,299	-
Payable against Office Renovation Bill	180,000	-
Outstanding bill of Carrying Bills	8,358,047	-
Payable against supply of Poontoon	5,130,000	-
Outstanding bill of Consultancy bills	640,000	-



**Aging of the above payables is given below:**

<b>Particulars</b>	<b>up to 1 month</b>	<b>1-3 months</b>	<b>Above 3 Months</b>	<b>Total</b>
Salary & allowances	1,302,623			1,302,623
Office Rent Payable	9,000			9,000
Audit fee	57,500			57,500
Printing Bill Payable	9,780			9,780
Tubewell bills payable			20,825	20,825
AIT & ATV payable	3,179,288			3,179,288
Payable against supply of Construction Materials	4,231,662	3,145,388	6,667,000	14,044,050
Payable against C&F Expenses	3,179,299			3,179,299
Payable against Office Renovation Bill	180,000			180,000
Outstanding bill of Carrying Bills	8,358,047			8,358,047
Payable against supply of Poontoon		5,130,000		5,130,000
Outstanding bill of Consultancy bills	40,000	600,000		640,000
				-
<b>Total</b>	<b>20,547,199</b>	<b>8,875,388</b>	<b>6,687,825</b>	<b>36,110,412</b>

All the payables are regular in payments.

<b>13.00 Current Portion of Long Term Loan:</b>	<b>127,344,095</b>	<b>-</b>
NCC Bank term Loan - IPFF	108,383,928	-
NCC Bank term Loan - Non-IPFF	<b>18,960,167</b>	-
<b>14.00 Short term bank loan of the Company</b>	<b>158,079,028</b>	<b>-</b>
Liabilities against UPAS LCs	57,068,445	-
NCC Bank PAD Loan	101,010,583	-

	30 June 2015	30 June 2014
	Taka	Taka
<b>15.00 Pre-Operating Revenue Expenses</b>	<b>23,290,991</b>	<b>13,088,662</b>
Salary and Allowances	9,762,388	3,549,663
Office Rent	400,423	312,975
Travelling & Conveyance	1,591,798	37,138
Trade License and Other Fees	90,518	39,458
Postage	5,622	-
Environment Impact Analysis expenses	920,000	-
Office Utility Expenses	494,072	47,541
Car Fuel Expenses	939,263	497,006
Car Maintenance Expenses	215,632	-
Drawing, Designing Expenses	127,600	36,000
Printing and Stationeries	54,005	52,816
Entertainment Expenses	277,138	215,617
Office Maintenance	451,890	60,314
Sign Board Expenses	-	7,220
Audit fee	57,500	23,000
Bank Charges	275,520	8,838
Bank Guarantee Commission, VAT and Other Charges	1,760,000	68,444
Advertisement	99,900	11,950
Capital Increase Expenses	5,000	414,620
BERC License Expenses	300,000	-
Soil Test	115,000	450,000
Transformer Rent	54,000	5,400
Web Design Expenses	5,500	6,000
Loan Processing Fee	-	6,850,000
Plant House Rent	248,623	26,500
Credit Rating Fee	-	57,500
Electrical Line Expenses	409,061	261,723
Crockeries	12,974	2,850
Mobile Bill	70,122	12,292
Corporate Social Responsibilities	500,000	-
Survey Expenses	601,700	-
Preliminary Expenses written off	77,925	-
Depreciation	3,367,817	33,797

**16.00 Provision for income tax**

Opening balance	12,733	-
Addition during the year	478	12,733
	<b>13,211</b>	<b>12,733</b>
Less: Paid during the year	(12,733)	-
<b>Closing balance</b>	<b>478</b>	<b>12,733</b>

**17.00 Contingent liabilities**

100,000,000 100,000,000

NCC Bank Limited against Bank Guarantee

100,000,000

100,000,000

**18.00 Related party transactions**

During the year, the company carried out a number of transactions with related parties in the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

Name of Parties	Relationship	Net transaction during the period	Outstanding as on 30.06.2015	Outstanding as on 30.06.2014
Doreen Power Generations and Systems Limited	Holding Company	8,846,000	8,846,000	-
<b>Total</b>		<b>8,846,000</b>	<b>8,846,000</b>	<b>-</b>

**19.00 Director Remuneration**

Company did not pay any Director's remuneration during the period.

**DHAKA SOUTHERN POWER GENERATIONS LIMITED****Non-Current Asset Schedule****For the year ended 30 June 2015**

Annexure -A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2015
	Balance as on 01.07.2014	Addition during the period	Balance as on 30.06.2015		Balance as on 01.07.2014	Addition during the period	Balance as on 30.06.2015	
Buildings	65,419,544	-	65,419,544	5%	-	3,270,977	3,270,977	62,148,567
Furniture and Fixture	446,010	2,429,340	2,875,350	20%	26,159	89,202	115,361	2,759,989
Office Equipment	38,190	419,214	457,404	20%	7,638	7,638	15,276	442,128
<b>Total</b>	<b>65,903,744</b>	<b>2,848,554</b>	<b>68,752,298</b>		<b>33,797</b>	<b>3,367,817</b>	<b>3,401,614</b>	<b>65,350,684</b>

Based on the audited consolidated financial statements of Doreen Power Generations and Systems Limited and its subsidiaries (where applicable) and the separated audited financial statements of Doreen Power Generations and Systems Limited for the years ended 30 June 2015, 2014, 2013, 2012, and 2011 we, pursuant to Section 135(1) and Paragraph 24(1) of Part -II of Third Schedule of the Companies Act 1994, report as under:

**A. Statement of assets and liabilities:**

	Consolidated		Individual		Consolidated		Individual		Consolidated		Individual	
	30.06.2015		30.06.2014		30.06.2014		30.06.2014		30.06.2013		30.06.2011	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>ASSETS</b>												
<b>Non Current Assets</b>												
Property, Plant and Equipment	2,853,790,663	2,787,013,940	2,932,925,674	2,867,055,726	2,828,121,336	2,828,083,145	2,072,927,365	2,169,113,382				
Capital work-in-progress	5,618,529,781	-	-	-	-	-	-	-				
Investment	10,824,723	1,067,436,000	10,026,000	569,136,000	26,000	220,291,010	100,000	-				
<b>Total Non-Current Assets</b>	<b>8,483,145,167</b>	<b>3,854,449,940</b>	<b>2,942,951,674</b>	<b>3,436,191,726</b>	<b>2,828,147,336</b>	<b>3,048,374,155</b>	<b>2,073,027,365</b>	<b>2,169,113,382</b>				
<b>Preliminary Expenses</b>	-	-	155,850	-	155,850	-	-	-				
<b>Current Assets</b>												
Inventories	158,951,853	45,321,915	233,805,287	51,139,837	195,404,025	82,519,485	60,324,598	16,505,916				
Trade & other receivable	220,290,090	220,290,090	186,041,819	186,041,819	214,583,595	214,583,595	186,717,679	178,161,076				
Advance, Payments and deposits	244,072,100	19,420,564	906,220,544	32,492,682	134,750,972	31,282,026	24,623,855	12,094,031				
Short term loan	-	35,280,200	-	-	122,708,333	122,708,333	284,419,621	98,266,636				
Investment in FDR	-	-	-	-	-	-	-	118,750,000				
Cash and cash equivalent	27,226,029	3,115,233	6,446,532	6,144,843	3,719,412	3,565,402	6,573,405	62,656,192				
<b>Total Current Assets</b>	<b>650,540,072</b>	<b>323,428,002</b>	<b>1,332,514,182</b>	<b>275,819,181</b>	<b>671,166,337</b>	<b>454,658,841</b>	<b>562,659,158</b>	<b>486,433,851</b>				
<b>Total Assets</b>	<b>9,133,685,239</b>	<b>4,177,877,942</b>	<b>4,275,621,706</b>	<b>3,712,010,907</b>	<b>3,499,469,523</b>	<b>3,503,032,996</b>	<b>2,635,686,523</b>	<b>2,655,547,233</b>				
<b>EQUITY AND LIABILITIES</b>												
<b>Equity</b>												
Share capital	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	11,000,000				
Revaluation Surplus	822,361,303	822,361,303	867,963,700	867,963,700	916,529,417	916,529,417	-	-				
Retained Earnings	737,749,743	796,879,631	557,167,162	585,826,757	353,532,524	365,880,402	233,894,349	588,244,509				
Non-controlling interest	(7,388,904)	-	2,498,807	-	7,793,073	-	-	-				
<b>Total Equity</b>	<b>2,152,722,142</b>	<b>2,219,240,934</b>	<b>2,027,629,669</b>	<b>2,053,790,457</b>	<b>1,877,855,014</b>	<b>1,882,409,819</b>	<b>833,894,349</b>	<b>599,244,509</b>				

<b>Non-Current liabilities</b>												
Long term borrowing net off current maturity	3,555,682,739	598,734,137	1,373,056,501	785,228,030	1,054,356,313	1,054,356,313	1,054,356,313	1,318,976,885	1,542,738,905			
Doreen Ijara bond net off current maturity	650,000,000	650,000,000	250,000,000	250,000,000	-	-	-	-	-			
<b>Total Non-Current liabilities</b>	<b>4,205,682,739</b>	<b>1,248,734,137</b>	<b>1,623,056,501</b>	<b>1,035,228,030</b>	<b>1,054,356,313</b>	<b>1,054,356,313</b>	<b>1,054,356,313</b>	<b>1,318,976,885</b>	<b>1,542,738,905</b>			
<b>Current liabilities</b>												
Trade Payables	116,031,707	116,031,707	117,033,048	117,033,048	77,785,145	77,785,145	77,785,145	79,309,643	76,024,233			
Current portion of long term loan	497,696,435	361,652,411	344,091,029	344,091,029	310,650,737	310,650,737	310,650,737	239,494,195	239,074,878			
WPPF and WF Payable	59,753,754	59,753,754	60,672,719	60,672,719	51,814,764	51,814,764	51,814,764	42,443,345	29,566,415			
Short term loan	1,978,015,009	115,330,346	61,938,051	61,938,051	92,041,634	92,041,634	92,041,634	91,418,240	153,779,529			
Current account with sister concern	24,315,920	24,315,920	-	-	-	-	-	-	-			
Liabilities for expenses	88,826,752	22,499,750	22,165,912	20,235,529	16,206,513	15,215,181	15,215,181	17,846,400	14,986,387			
Provision for income tax	10,640,781	10,318,983	19,034,777	19,022,044	18,759,403	18,759,403	18,759,403	12,303,466	132,377			
<b>Total Current liabilities</b>	<b>2,775,280,357</b>	<b>709,902,871</b>	<b>624,935,536</b>	<b>622,992,420</b>	<b>567,258,196</b>	<b>566,266,864</b>	<b>566,266,864</b>	<b>482,815,289</b>	<b>513,563,819</b>			
<b>Total Equity and liabilities</b>	<b>9,133,685,239</b>	<b>4,177,877,942</b>	<b>4,275,621,706</b>	<b>3,712,010,907</b>	<b>3,499,469,523</b>	<b>3,503,032,996</b>	<b>3,503,032,996</b>	<b>2,635,686,523</b>	<b>2,655,547,233</b>			

\* The carrying amount of property, plant and equipment and retained earnings for the years 2012-13 and 2013-14 were restated due to change in depreciation rate of overhauling parts from 3.33% to 20% p.a.

**B. Statement of operating results:**

	Restated*					Restated*							
	Consolidated		Individual		2015-2014	Consolidated		Individual		2014-2013			
	2015	Taka	2014	Taka		2014-2013	Taka	2013-2014	Taka				
Revenue	1,082,372,595		1,049,028,427		1,049,028,427		1,041,291,215		1,041,291,215		1,084,285,139		1,084,722,864
Cost of sales	(646,369,722)		(626,027,545)		(626,027,545)		(612,226,355)		(612,226,355)		(585,863,860)		(578,438,519)
<b>Gross Profit</b>	<b>436,002,873</b>		<b>423,000,882</b>		<b>423,000,882</b>		<b>429,064,860</b>		<b>429,064,860</b>		<b>498,421,279</b>		<b>506,284,345</b>
Operating expenses:													
General administrative expenses	(67,818,455)		(62,034,551)		(62,034,551)		(67,986,789)		(67,986,789)		(67,008,822)		(56,915,322)
Pre-operating revenue expenses of subsidiaries	(40,955,630)		(21,629,629)		(21,629,629)		-		-		-		-
<b>Gross Operating Profit for the year</b>	<b>327,228,788</b>		<b>339,336,702</b>		<b>360,966,331</b>		<b>344,723,265</b>		<b>361,078,071</b>		<b>431,412,457</b>		<b>449,369,023</b>
Less: Financial expense	(194,769,046)		(181,210,500)		(181,210,500)		(212,128,857)		(212,128,857)		(193,469,499)		(164,624,096)
<b>Net Operating Profit for the year</b>	<b>132,459,742</b>		<b>158,126,202</b>		<b>179,755,831</b>		<b>132,594,408</b>		<b>148,949,214</b>		<b>237,942,958</b>		<b>284,744,927</b>
Non Operating Income/(Loss):													
Other income	383,312		374,450		374,450		3,304,879		3,304,879		315,755		-
Finance income	1,022,482		412,331		375,952		16,352,208		16,352,208		32,493,488		481,368
Loss on disposal of fixed assets	-		-		-		(3,476,561)		(3,476,561)		(336,673)		-
<b>Profit before WPPF and WF</b>	<b>133,865,536</b>		<b>158,912,983</b>		<b>180,506,233</b>		<b>148,774,934</b>		<b>165,129,740</b>		<b>270,415,528</b>		<b>285,226,295</b>
Provision for contribution to PPF & WF	(8,281,035)		(8,862,955)		(8,862,955)		(9,371,419)		(9,371,419)		(12,876,930)		(13,609,344)
<b>Net Profit before income tax</b>	<b>125,584,501</b>		<b>150,050,028</b>		<b>171,643,278</b>		<b>139,403,515</b>		<b>155,758,321</b>		<b>257,538,598</b>		<b>271,616,951</b>
Current tax	(492,028)		(275,374)		(262,641)		(6,455,937)		(6,455,937)		(12,303,466)		(180,513)
<b>Net Profit after income tax</b>	<b>125,092,473</b>		<b>149,774,654</b>		<b>171,380,637</b>		<b>132,947,578</b>		<b>149,302,384</b>		<b>245,235,132</b>		<b>271,436,438</b>
Other Comprehensive income	-		-		-		-		-		-		-
Revaluation surplus of property, plant and equipment	-		-		-		1,002,443,948		-		-		-
<b>Total Comprehensive income</b>	<b>125,092,473</b>		<b>149,774,654</b>		<b>171,380,637</b>		<b>1,135,391,526</b>		<b>149,302,384</b>		<b>245,235,132</b>		<b>271,436,438</b>

**Attributable to:**

Shareholder of the company	134,980,184	-	155,068,920	-	136,954,505	-	-
Non controlling interest	(9,887,711)	-	(5,294,266)	-	(4,006,927)	-	-
	<b>125,092,473</b>	<b>-</b>	<b>149,774,654</b>	<b>-</b>	<b>132,947,578</b>	<b>-</b>	<b>-</b>

**Total Comprehensive Income attributable to :**

Owners of the company	134,980,184	-	155,068,921	-	1,171,068,518	-	-
Minority interest	(9,887,711)	-	(5,294,266)	-	(4,006,927)	-	-
	<b>125,092,473</b>	<b>-</b>	<b>149,774,655</b>	<b>-</b>	<b>1,167,061,591</b>	<b>-</b>	<b>-</b>

**Earnings Per Share (EPS)**

	2.25	2.76	2.58	2.86	2.28	2.49	4.09	4.52
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**C. Cash flow statements**

**Cash flows from operating activities**

	2014-2015		2013-2014		2012-2013		2011-2012		2010-2011	
	Consolidated Taka	Individual Taka	Consolidated Taka	Individual Taka	Consolidated Taka	Individual Taka	Consolidated Taka	Individual Taka	Consolidated Taka	Individual Taka
Receipt from customers	1,082,434,311	1,082,434,311	1,077,570,203	1,077,570,203	1,013,425,299	1,013,425,299	1,075,728,536	1,086,946,213	1,086,946,213	1,086,946,213
Payment to suppliers	(506,644,978)	(506,644,978)	(431,003,294)	(431,003,294)	(474,645,111)	(474,645,111)	(550,507,354)	(547,567,380)	(547,567,380)	(547,567,380)
Payment for direct expenses & admin expenses	(96,668,827)	(64,850,443)	(65,131,285)	(44,741,421)	(62,497,428)	(54,067,604)	(54,611,655)	(38,004,524)	(38,004,524)	(38,004,524)
Payment for commission on bank guarantee and land mortgage expenses	(1,341,887)	(1,341,887)	(2,187,278)	(2,187,278)	(8,276,552)	(1,187,052)	(2,189,478)	(1,187,053)	(1,187,053)	(1,187,053)
Interest payments	(115,217,867)	(115,217,867)	(179,023,222)	(179,023,222)	(210,941,805)	(210,941,805)	(191,280,021)	(162,902,991)	(162,902,991)	(162,902,991)
Other income	384,678	383,312	374,450	374,450	305,590	305,590	315,755	-	-	-
Income tax paid	(8,886,024)	(8,873,291)	-	-	-	-	(132,377)	-	-	-
<b>Net cash generated from operating activities</b>	<b>354,059,406</b>	<b>385,889,157</b>	<b>400,599,574</b>	<b>420,989,438</b>	<b>257,369,993</b>	<b>272,889,317</b>	<b>277,323,406</b>	<b>337,284,265</b>	<b>337,284,265</b>	<b>337,284,265</b>



**Cash flows from investing activities**

Acquisition of property, plant & equipment	(98,650,076)	(94,217,034)	(1,059,954,229)	(176,857,718)	(40,967,360)	(40,929,170)	(12,692,704)	(2,886,687)
Investment in FDR	(798,723)	-	(10,000,000)	-	-	-	-	(118,750,000)
Encashment of FDR	-	-	-	-	-	-	118,750,000	-
Interest received	1,264,657	346,600	412,331	375,952	17,588	17,588	8,764,093	481,368
Short term loan	(35,280,200)	(35,280,200)	122,708,333	122,708,333	178,045,908	178,045,908	(162,423,590)	11,148,935
Insurance Claim	8,000,000	8,000,000	-	-	-	-	-	-
Payment for civil & building construction	(384,027,728)	-	-	-	-	-	-	-
Payment for power plant machineries	(4,430,952,899)	-	(23,075,786)	-	-	-	-	-
Advance payment for land & land developments	(24,341,000)	-	-	-	-	-	-	-
Payment for Office renovation	(2,154,826)	-	-	-	-	-	-	-
Advance & payment for construction materials	-	-	-	-	(206,353,486)	-	-	-
Advance for bank guarantee	-	-	-	-	(10,000,000)	-	-	-
Investment in Share	-	(498,300,000)	-	(348,844,990)	74,000	(220,191,010)	(100,000)	-

**Net cash used in investing activities** (4,966,940,795) (619,450,634) (969,909,351) (402,618,423) (79,183,350) (83,056,684) (47,702,201) (110,006,384)

**Cash flows from financing activities**

Proceeds from short term bank borrowing	1,951,357,158	53,392,295	(30,103,583)	623,394	(62,361,289)	59,967,766
Repayment of long term bank borrowing	(347,176,348)	(347,176,348)	(311,410,636)	(193,464,030)	(223,342,703)	(225,408,570)
Proceeds from long term loan	3,005,164,156	500,000,000	913,551,116	-	-	-
Loan received from sister concern	24,315,920	24,315,920	-	-	-	-
Proceeds from capital issue	-	-	-	11,800,000	-	-
<b>Net cash from/(used in) financing activities</b>	<b>4,633,660,886</b>	<b>230,531,867</b>	<b>572,036,897</b>	<b>(181,040,636)</b>	<b>(192,840,636)</b>	<b>(285,703,992)</b>

**Net increase/(decrease) in cash and bank balances** 20,779,497 (3,029,610) 2,727,120 2,579,441 (2,853,993) (3,008,003) (56,082,787) 61,837,077

**Cash and bank balances at beginning of the year** 6,446,532 6,144,843 3,719,412 3,565,402 6,573,405 6,573,405 62,656,192 819,115

**Cash and bank balances at end of the year** 27,226,029 3,115,233 6,446,532 6,144,843 3,719,412 3,565,402 6,573,405 62,656,192

**D. Dividend Declared (%)**

Cash dividend	-	-	-	-	-	-
Stock dividend (Bonus share) - %	-	-	-	-	5,354.55	-

**E.** Doreen Power Generations and Systems Limited ("the Company") was incorporated on 20 August 2007 as a private company limited by shares and converted into a public limited company on 31 October 2011.

**F.** The Financial Statements of the Company for the year ended 30 June 2015 have been audited by us;

**G.** The Company has two subsidiary companies namely, "Dhaka Northern Power Generations Limited" and "Dhaka Southern Power Generations Limited" and the financial statements of these two subsidiaries were audited by other auditors;

**H.** The Company did not prepare any account for any period subsequent to 30 June, 2015.

**I.** Figures related to previous years have been rearranged wherever considered necessary.

Sd/-

**ACNABIN**  
Chartered Accountants

Dhaka,  
20 December 2015

**Auditor's certificate regarding calculations of EPS and Other Ratios of  
Doreen Power Generations and Systems Limited**

Based on the audited consolidated financial statements of Doreen Power Generations and Systems Limited and its subsidiaries and the separate audited financial statements of Doreen Power Generations and Systems Limited we certify that the Company maintained the following ratios as on and for the years ended 30 June 2015, 2014, 2013, 2012, and 2011:

Particulars	2015		2014		2013		2012		2011	
	Consol.	Indiv.	Consol.	Indiv.	Consol.	Indiv.	Consol.	Indiv.	Consol.	Indiv.
<b>1. Liquidity Ratios (As on 30 June):</b>										
Current Ratio (Times)	0.23	0.46	2.13	0.44	1.18	0.80	1.17	0.95		
Quick Ratio (Times)	0.18	0.39	1.76	0.36	0.84	0.66	1.04	0.92		
Times Interest Earned Ratio (Times)	1.65	1.86	1.84	1.96	1.66	1.74	2.35	2.67		
Debt to Equity Ratio (Times)	3.10	0.78	1.00	0.70	0.78	0.77	1.98	3.23		
Debt to Total Assets Ratio (Times)	0.73	0.41	0.47	0.39	0.42	0.42	0.63	0.73		
<b>2. Operating Ratios (As on 30 June):</b>										
Accounts Receivable Turnover Ratio (Times)	4.91	4.91	5.64	5.64	4.85	4.85	5.81	6.09		
Inventory Turnover Ratio (Times)	4.07	14.26	2.68	12.24	3.13	7.42	9.71	35.04		
Asset Turnover Ratio (Times)	0.12	0.26	0.25	0.28	0.30	0.30	0.41	0.41		
Debt Service Coverage Ratio (Times)	0.13	0.77	0.84	0.89	0.86	0.90	1.30	1.14		
<b>3. Profitability Ratios (For the year ended 30 June):</b>										
Gross Margin Ratio	40.28	40.28	40.32	40.32	41.21	41.21	45.97	46.67		
Operating Income Ratio	30.23	34.02	32.35	34.41	33.11	34.68	39.79	41.43		
Net Income Ratio	11.56	15.29	14.28	16.34	12.77	14.34	22.62	25.02		
Return on Assets Ratio	1.37	3.96	3.50	4.62	3.80	4.26	9.30	10.22		
Return on Equity Ratio	5.81	7.46	7.39	8.34	7.08	7.93	29.41	45.30		
Earnings Per Share (EPS) (Tk.)	2.25	2.76	2.58	2.86	2.28	2.49	4.09	4.52		
Net Assets Value (NAV)/share (as on 30 June)	35.88	36.99	33.79	34.23	31.30	31.37	13.90	9.99		

Legends: Consol. = Consolidated and Indiv. = Individual i.e. Doreen Power Generations and Systems Limited

Dhaka,  
20 December 2015

Sd/-  
**ACNABIN**  
Chartered Accountants

**1. Earnings per Share (EPS) on fully diluted basis (The total existing no. of shares):**

Particulars	Amount in Taka
Net profit after Tax	165,450,478
No. of shares before IPO showing the effect of post issue capital	60,000,000
<b>Earnings per Share (EPS) on fully diluted basis</b>	<b>2.76</b>

**2. Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operation**

Particulars	Amount in Taka
Profit before Tax	165,620,708
Less: Other Income	486,371
Net profit before tax except other income	165,134,337
Less: Current tax Expenses	170,230
<b>Net profit after tax except other income</b>	<b>164,964,107</b>

**3. Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations:**

Particulars	Amount in Taka
Net profit after tax except other income	164,964,107
No. of shares before IPO	60,000,000
<b>Earnings per Share (EPS) on fully diluted basis</b>	<b>2.75</b>

**4. Net Asset Value per Share (Tk.)**

Particulars	With Revaluation	Without Revaluation
Share Capital	600,000,000	600,000,000
Retained Earnings	796,879,632	796,879,632
Revaluation Reserve	822,361,303	-
<b>Total Shareholders' Equity</b>	<b>2,219,240,934</b>	<b>1,396,879,632</b>
Total Number of Ordinary Share	60,000,000	60,000,000
<b>Net Assets Value (NAV) at BDT 10.00 per share</b>	<b>36.987</b>	<b>23.281</b>



**SECTION XV :  
IPO APPLICATION  
PROCESS**



DOREEN  
POWER

**SECTION XVI :  
CREDIT RATING  
REPORT**



DOREEN  
POWER

**SECTION XVII :  
AUDITOR'S  
ADDITIONAL  
DISCLOSURE**



DOREEN  
POWER

**SECTION XVIII :  
MANAGEMENT  
ADDITIONAL  
DISCLOSURE**



DOREEN  
POWER

**Step-1 (Applicant)**

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

**Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
  - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### Step-3 (Issuer)

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

### Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

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

**Miscellaneous:**

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



All eligible stockbrokers and Merchant Bankers shall receive IPO subscription.

APPLICATION FORM

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন”

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:																					
Client Code	:																					
BO ID No.	:	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
Category of applicant	:																					
Name of the Company/Fund	:																					
Number of Shares/Units	:																					
Total Amount	:																					
Amount in word	:																					
Mode of Payment	:																					
Cheque/Draft Information	:																					

\_\_\_\_\_  
Signature of Applicant(s)

\_\_\_\_\_  
Signature of Authorized Officer

01 December 2015

**Mr. Tahzeeb Alam Siddique**

Managing Director

Doreen Power Generations and Systems Limited

192/A, Eastern Road (3<sup>rd</sup> floor), Lane-1

New DOHS, Mohakhali, Dhaka-1206

**Subject: Credit Rating–Doreen Power Generations and Systems Limited (Validity Extension)**

Dear Sir,

We are pleased to inform you that Credit Rating Agency of Bangladesh Ltd. (CRAB) has extended validity of the following ratings to Doreen Power Generations and Systems Limited up to 21 March 2016:

<b>Particulars</b>	<b>Ratings</b>
Doreen Power Generations and Systems Limited	AA <sub>2</sub>
BDT 999.49 million aggregate long term outstanding	AA <sub>2</sub> (Lr)
BDT 60.00 million aggregate fundbased limit	ST-1
BDT 314.21 million aggregate non fundbased limit	ST-1
Outlook	Stable

Lr- Loan rating; ST-Short Term

Surveillance credit rating of the Company for the period of 2015-16 is under process for completion.

Yours Sincerely,

**Sd/-**

**HamidulHuq**

Managing Director

**CREDIT RATING REPORT**  
**Doreen Power Generations and Systems Limited**  
**[Surveillance]**

**SECTION XVI**

Particulars	Ratings	Remarks
Doreen Power Generations and Systems Limited	AA <sub>2</sub>	Entity
BDT 999.49 million aggregate long term outstanding	AA <sub>2</sub> (Lr)	Please see
BDT 60.00 million aggregate fund based limit	ST - 1	Appendix – 1 for
BDT 146.02 million aggregate non fund based limit	ST - 1	details
Outlook	Stable	-

Lr: Loan Rating, ST: Short Term

**Date of Rating:** 31 December 2014

**Validity:** The entity rating is valid up to 21 December 2015 and the loan ratings are valid up to limit expiry date of respective credit facilities or 21 December 2015 whichever is earlier.

**Rating Based on:** Audited financial statement up to 30 June 2014, bank liability position as on 30 November 2014 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

**Methodology:** CRAB's Corporate Rating Methodology ([www.crab.com.bd](http://www.crab.com.bd))

**Auditor:** Syful Shamsul Alam & Co

**Analysts:**

**Mohammad Reeshad Rahman**

reeshad@crab.com.bd

**Proshenjit Barua**

proshenjit@crabrating.com

**RATIONALE**

Credit Rating Agency of Bangladesh (CRAB) Limited has retained AA2 (pronounced as Double A Two) rating to Doreen Power Generations and Systems Limited in the long term. CRAB has also assigned AA2(Lr) rating to BDT 999.49 million long term outstanding and ST-1 to BDT 60.00 million aggregate fund based limit and BDT 314.21million aggregate non fund based limit of Doreen Power Generations and Systems Limited.

DPGSL has three power plants at Tangail, Narshingdi, and Feni with a total generation of 66 MW contributing to the national grid under 15-years contracts with BPDB and REB. The power plants are gas fired and commissioned using GE Jenbacher gensets.

The rating is supported by DPGSL's achievement in project phase, to roll out its commercial operation of two of its power plants (Tangail and Narshingdi) ahead of Commercial Operation Date (COD), although the third power plant delayed in commercial operation by 2 months for which DPGSL had to count Liquidity Damage (LD). However, CRAB perceives the Company has successfully passed the implementation risk. The rating also considered the involvement of OPG Energy Pvt. Ltd. and Asian Entech Corporation Ltd., which enabled DPGSL to successfully implement the EPC of the project through the expertise employed in implementing the project.

The ratings factored the efficient operation of the power plants since COD, with no instances of LD due to any default in meeting PPA obligations. The average load factor of the power plants has been at the standard level. In FY14, average load factor in Feni, Tangail and Narshingdi plant were 70%, 71% and 70% respectively, which were 70%, 67% and 77% in FY13.

**Financial Highlights**

(Mil. BDT)	~ Year Ended June 30 ~		
	2014	2013	2012
Net Sales	1,049.0	1,041.3	1,084.3
EBITDA	459.3	470.6	567.8
EBITDA Margin (%)	43.8	45.2	52.4
Net Profit Margin	16.9	14.3	23.0
Return on Asset (ROA)	4.7	4.2	9.4
Quick Ratio	0.4	0.7	1.0
Cash Conversion Cycle (Days)	27.0	79.0	51.0
Borrowed Fund to Equity (x)	0.7	0.8	1.9
Borrowed Fund to EBITDA (x)	3.1	3.1	2.9
Cash Flow from Operations (CFO)	381.1	188.6	325.1
Free Cash Flow (FCF)	90.9	(559.8)	309.5
EBIT/Interest (x)	2.0	1.8	2.4

**PROFILE**

Doreen Power Generations and Systems Limited (hereinafter referred to as Doreen or DPGSL or the Power Company) incorporated as a private limited company on 20 August 2007 is a joint venture of Asian Entech Power Corporation Ltd. and OPG Energy Pvt. Ltd. DPGSL has three power plants of 22MW each at Feni, Tangail and Narsingdi established on BOO (Build Own Operate) basis for a term of 15 years. Its first power plant went into commercial operation on 12 November 2008 at Tangail which was 2 months ahead of expected date of commercial operation. The Company was converted into public limited company on 10 September 2011.

Predetermined and capped revenue structure ensures flat profitability unless the power plants achieve significant efficiency in its operation. This is reflected in the almost stable profitability margins and further resulted in stable cash flow (EBITDA) and EBITDA Margin. Due to depreciation on revalued amount of property, plant and equipment, there was slight increase in cost of revenue in FY14. Net profit (after tax) during FY14 was BDT 177.0 million which was BDT 149.3 million in FY13. Commencing 18.6% higher than the previous year (FY13) due to lower financial expenses to some extent. In FY14, stable plant load factor observed (except, declined plant load factor in Narshingdi power plant of DPGSL mainly due to overhauling maintenance and low demand from BPDB and REB in that period).

The liquidity position was apparently comfortable as the receivables are derived from government guaranteed sources. CRAB found the receivables take about 65 days in FY14 (FY13: 76 days) to be collected. Inventory processing period has decreased (from 50 days in FY13 to 31 days in FY14) due to lower in spare parts volume which are purchased during the previous year for regular maintenance of the plants' machineries and fuel. Its average payment period increased to 69 days in FY14 from 47 days in FY13 and moderate cash conversion cycle has been considered when the ratings were assigned.

The capital structure of the Company remained stable during the recent year, FY14. This is primarily because of stable Equity base supported by Retained Earnings and declining Borrowed Fund to some extent supported by Long Term Loan repayment. Borrowed fund to equity and Borrowed fund to EBITDA in FY14 were 0.7x and 3.1x respectively which were almost same in FY13. Coverage position of the Company was slightly improved as EBIT/Interest was 2.0x in FY14 which was 1.8x in FY13 due to lower financial expenses. However, the Company received interest income as finance income from FDR. Capital expenditure has been made during FY1 mainly for overhauling of machine which cost BDT 137.00 million.

CRAB also takes into consideration the conversion of DPGSL into public limited company with the view to getting listed in the capital market for further investment opportunities in the power sector. The Company is expected to invest in its two subsidiary companies (Special Purpose Companies) namely Dhaka Northern Power Generation Limited (Manikganj plant) and Dhaka Southern Power Generation Limited (Nababganj plant) each with 55 MW power generation capacities and for 15 year tenure through infusion of equity and/or long term debt, debt instrument etc. Power purchase agreement with BPDB, Land lease agreement with REB and Implementation agreement with GOB for these 2 companies were signed on 7 January 2013.

In CRAB's view, power shortage in Bangladesh has made the sector highly attractive for investment. Power sector investment offers the lenders very low business risks compared to corporate entities. Highly supportive authority offers implied sovereign support to ensure reliability of gas supply and regulatory framework allows full cost recovery. Large well protected service area and support for the electric transmission system outweigh user considerations. Competition is absent in the sector and monopoly or oligopoly is contained by contract with public sector entities and regulatory authority. Regulatory framework is designed fundamentally to achieve balance between supply reliability and service, efficiency, price and financial returns to the project undertaker.

Electricity is sold under 15 years contract to creditworthy counter party BPDB and REB (both government owned bodies), which assumes all risk of fluctuation in the market prices of fuel and electricity resulting in the lowest business risks.

Under Power Purchase Agreement, the power company receives a capacity charge, which covers the portion of the fixed costs in relation to the power availability. These fixed payments cover partial debt service and are made irrespective of electricity generation or not. In addition, energy charge is received for energy generation to cover the partial debt and variable costs of the project. The rating accounts for the risk management pass through capability, price considerations, excess reserve capacity of the plant, risk-sharing arrangements, and default provisions embedded in the 15-year term supply contract.

Bangladesh has adopted an "ex-ante" approach, under which the tariff structure is set in advance. In spite of moderate and declining leverage, the rating draws comfort for the predictable revenue stream of the project, zero level of demand and product risk, and inflation adjusted pricing mechanism. The debt holders' interests are protected for longer term of contracted period. However, the project may be exposed to operating and maintenance risk to some extent in spite of reserve capacity margin of 5.45%. The rating is constrained to this operating risk as most of the overhauling except major one would be done by local qualified engineers and technicians.

## COMPANY PROFILE

Doreen Power Generations and Systems Limited, incorporated as a private limited company on 20 August 2007, is a joint venture of Asian Entech Power Corporation Ltd. and OPG Energy Pvt. Ltd. The registered office of DPGSL is at Walsow Tower (16th Floor), 21, Kazi Nazrul Islam Avenue and the operation Headquarter is at 192/A, Eastern Road (3rd floor), Lane#01, New DOHS, Mohakhali, Dhaka. DPGSL has three power plants of 22MW each at Feni, Tangail and Narsingdi established on BOO (Build, Own, and Operate) basis for a term of 15 years. Its first power plant went into commercial operation on 12 November 2008 at Tangail which was 2 months ahead of expected date of commercial operation. DPGSL was converted into a public limited company on 10 September 2011 with the aim to get listed in the capital market for further investment opportunities in upcoming power projects.

**Table 1**

<b>Company at a Glance</b>	
<b>Particulars</b>	<b>Details</b>
Name	Doreen Power Generations and Systems Limited
Date of Incorporation	20 August 2007
Date of Conversion to Public Limited Company	10 September 2011
Authorized Capital	BDT 2,000.0 million
Auditor	Syful Shamsul Alam & Co.
Paid -up Capital (as on 30 June 2014)	BDT 600.0 million
Plant Locations	Feni, Tangail, and Narsingdi
Contracted Capacity	66 MW (22MWx3)
Fuel	Gas
Contract Tenure	15 years
Engine Type	Simple Cycle Gas Turbine
Manufacturer	GE Jenbacher (Engine Model: JGS620GS -NL)
Number of Units	(8X2.9MW) x 3
EPC Contractor	Doreen Power Generations and Systems Limited
O & M Operator	GE Jenbacher
Corporate Office	192/A, Eastern Road, Lane -1, New DOHS, Mohakhali, Dhaka.

### Asian Entech Power Corporation Ltd.

Asian Entech Power Corporation Limited is engaged in the power generation sector of Bangladesh. The Company won three IPP power generation contracts from the government of Bangladesh with a total capacity of 66MW (natural gas, simple cycle) in October of 2007. The Asian Entech Power Corporation Limited has investment in DPGSL (total energy capacity of 66 MW).

### OPG Energy Pvt. Ltd.

OPG Power Ventures Plc owns, manages and develops power generation plants in India. OPG has three operational plants which are held in the following group entities:

1. OPG Power Generation Pvt. Ltd (OPGPG) - a 77 MW coal-based plant at Chennai;
2. OPG Energy Pvt. Ltd (OPGE) - a 19.4 MW gas plant at Mayavaram, Tamil Nadu; and
3. OPG Renewable Energy Pvt. Ltd (OPGRE) – a 10MW waste heat recovery plant in Tamil Nadu.

OPG is a producer of thermal power with a current operating capacity of 107 MW. A further 537 MW is under construction or development with all of this capacity scheduled to come on-stream during 2012 and

2013. Another 600 MW is in the pipeline, giving a projected total capacity of 1250 MW by 2015, a greater than tenfold increase from the current position.

### Associated Concerns

Associated concerns/Companies of DPGSL are primarily engaged in textile and real estate business. Apart from these, they also have operations in cement manufacturing. Financial highlight of the associated companies is provided bellow (Table-2):

**Table 2**

<b>Financial Highlights of associated concerns of DPGSL</b>						
No	Name Of Concern	Nature of Business	Asset	Liability	Turnover	Borrowed fund
1	Doreen Developments Limited	Real Estate	806.3	697.2	120.0	332.1
2	Doreen Fashion Limited	RMG	200.0	30.0	400.0	30.0
3	Doreen Garments Limited	RMG	3000.0	350.0	4000.0	350.0
4	Doreen Hotels & Resorts Limited	Hotels & Resorts	3934.3	2107.5	210.0	410.5
5	Doreen Power House & Technologies Ltd	Power Generation	444.0	195.0	210.0	190.5
6	Dhaka Northern Power Generations Ltd	Power Generation	381.7	0.7	-	-
7	Dhaka Southern Power Generations Ltd	Power Generation	750.9	589.0	-	587.8
8	Doreen Tower	Commercial Building	6000.0	720.0	150.0	720.0
9	Doreen Washing Plant Limited	Germents Wash	700.0	200.0	400.0	120.0
10	Eastern Cement Industries Limited	Cement	2600.0	950.0	2080.0	950.0
11	Nurun Nehar Textiles Limited	Textiles	600.0	38.0	120.0	38.0

Source: management of DPGSL, based on 30 September 2014 financials. Figure in BDT million

## OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

Doreen Power Generations and Systems Ltd. has three power plants at Feni, Tangail and Narsingdi each of 22 MW and these are established on BOO (Build Own Operate) basis for a term of 15 years. The Power plants were equipped with GE Jenbacher Gas fired Engines. Each of the plants consists of 8 (eight) gas engines with 2.9 MW capacity and Simple Cycle Gas Turbine technology totaling a gross capacity of 23.2 MW. The contracted capacity is 22 MW for each of the power plants. Safety margin maintained in each plant is about 5.45%.

The operational performance of the power plants of DPGSL has been disclosed below. In FY13, declined plant load factors were observed in Narshingdi power plants of DPGSL mainly due to overhauling maintenance and low demand from BPDB and REB in that period. Overhauling equipment were initially depreciated at the rate of 3.33%; but considering the nature and useful life, the depreciation rate now has been changed to 20% by the Company. The load factor raised after overwhelming of the plants to some extent in FY14 compared to previous year.

Table 3

Average Plant Load Factor (%)				
Power Plant	FY14	FY13	FY12	FY11
Tangail	70.24	67.0	72.5	78.6
Narsingdi	70.94	77.0	83.7	85.6
Feni	70.19	70.0	82.8	87.1

### Heat Rate

The guaranteed heat rate of these plants is 9,400 kj/kwh. Raise in average Heat Rate put effect to the operating efficiency as well as operating expenses of the plants.

In FY14, average heat rate observed in Tangail plant 9,743 kj/kwh which average in FY13 was 9,553.0 kj/kwh. In FY14, average heat rate observed in Narshingdi plant 10,982 kj/kwh which average in FY13 was 10,061 kj/kwh. In FY14, average heat rate observed in Feni plant 9,929 kj/kwh which average in FY13 was 9,914 kj/kwh.

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

Electricity is a key component for the development of socio-economic state of the country and current government initiatives toward the power sectors promise modest progress despite huge supply-demand gap and limited capacity utilization. As the power sector is a capital-intensive industry, huge investments are required in order to generate addition to the capacity. Moreover, contending demands on the government funds and declining levels of external support from multilateral and bilateral donor agencies constrained the potential for public investment in the power sector. Recognizing these situations, the GOB amended its industrial policies to enable private investment in the power sector.

Currently, at about 285 kWh (FY13) per capita Electricity consumption, Bangladesh ranks among the lowest countries in the world in terms of electricity consumption per capita. Its distribution networks currently serve only an estimated 58% of the total population of more than 160 million. Installed power generation capacity (both public and private) has increased to 10,648 MW (November 2014) from 10,264 MW (December 2013) by both public and private sector. Public sector produces electricity through Bangladesh Power Development Board (BPDB), Ashuganj Power Station Company LTD (APSCL) and Electricity Generation Company of Bangladesh (EGCB). On the other hand, private sector produces power through small independent power producers and rental that government buys at a constant price. BPDB individually produces about 38.75% (August 2014) which was 43% in 2013 of the total production.

In addition to the overall demand-supply imbalance, the power sector in Bangladesh is also affected by a regional imbalance. Additionally, dependence on natural gas for generating electricity (as around 64.33% of total electricity generation capacity is based on natural gas) affects local extraction capacity of gas from gas field and on the other hand import of capital machineries and subsidy of HFO and other petroleum based fuel impact on the foreign exchange reserve of the country.

In the Eastern Zone (eastern side of river Jamuna), electricity is generated from indigenous gas and a small percentage through hydro power. In the Western Zone,

Coal and imported liquid fuel is used for generation of electricity. The fuel cost per unit generation in the Western Zone is much higher than that of the Eastern Zone. Therefore, as a policy, low cost electricity generated in the Eastern Zone is transferred to the Western Zone through the 230 kV East-West Inter connector transmission line. 1

BPDB has taken capacity expansion plan for addition of about 10,500 MW in its present capacity in next 5 years to achieve 24,000 MW Capacity according to PSMP-2010 by 2021 with the aim to provide quality and reliable electricity to the people of the country<sup>2</sup>. However, to ensure overall and balanced development of this sector, the Government has undertaken various plans including balanced development in generation, transmission and the distribution system to achieve a desired level of reliability of supply. According to the short-term plan, liquid fuel based 12-24 months of implementable power stations will be established. However, government has initiated to implement a power station with a capacity of 920 MW. Under the Mid-term (2012-2015) plan, government has taken into account to establish 3 to 5 years of implementable coal-based power stations with a capacity of 2,600 MW to the total capacity of 7,714 MW. Based on the Power and Energy Development Roadmap (2010-2021), the GOB predicts to meet 24,000 MW by the year 2021. However, actual execution of the long term plan is subject to effective measures taken against corruption in administration, 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 as well as political stability, stability and reconstruction of quick rental policy and government decision under separate regime.

Authorized Capital of the Company is BDT 2,000.0 million; whereas, Paid-up Capital of BDT 600.0 million as of 30 June 2014 after conversion to public limited company. Major shareholder of DPGSL is Asian Entech Power Corporation Ltd. (AEPGCL) which holds around 95.91% of total shares outstanding. Other shareholders of the Company are family members and are also the shareholders of AEPGCL.

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

Table 4

Shareholding Position and Board Composition			
Name	Position	30 June 2014	
		No. of Shares	(%)
Ms. Parveen Alam	Chairman	1,900,000	3.17%
Mr. Tahzeeb Alam Siddique - nominated by Asian Entech Power Corporation Ltd.	Managing Director	-	-
Ms. Anjabeen Alam Siddique - nominated by Asian Entech Power Corporation Ltd.	Director	491,810	0.82%
Mr. Tanzeer Alam Siddique - nominated by Asian Entech Power Corporation Ltd.	Director	-	-
Asian Entech Power Corporation Ltd.	Shareholder	57,545,450	95.91%
Ms. Hamida Matin	Shareholder	2,730	0.004%
Ms. Afza Hasnat	Shareholder	2,730	0.004%
Mr. Md Ali Akbar	Shareholder	2,730	0.004%
OPG Energy Pvt. Ltd.	Shareholder	54,550	0.09%
<b>Total</b>		<b>60,000,000</b>	<b>100.00%</b>

The Company had 143 (FY: 130) permanent employees as on June 30, 2014; they required a varying number of temporary workers. DPGSL is maintaining the power plants' operations and maintenance (O&M) by GE Jenbacher's local agent 'Clark Energy Ltd., Bangladesh. Besides, The Company employed its own engineers who are supervised by the O&M maintenance company.

The revenue of the Company is composed of Capacity payment and Energy payment. According to the agreement with respective Power Purchasing Authorities (BPDB and REB), the Company's tariff rates are predetermined and

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral



tariff calculation is linked with power generation, load factor, and other factors. The revenue generated from the three power plants has been shown in the Appendix-4. A stable revenue generation observed since FY10 (FY10: BDT 1,070.56 million, FY14: BDT 1,049.03 million) to present implied that the plants performed stable utilization of capacity.

Table 5

Revenue Break up	FY14	%	FY13	%
BPDB	698.20	66.56	684.36	65.72
REB	350.83	33.44	356.93	34.28
<b>Total</b>	<b>1,049.03</b>	<b>100.0</b>	<b>1,041.29</b>	<b>100.0</b>
<b>Plan wise break up</b>				
Tangail plant	348.64	33.23	339.36	32.59
Narshingdi plant	350.83	33.44	356.93	34.28
Feni plant	349.55	33.32	344.99	33.13
<b>Total</b>	<b>1,049.03</b>	<b>100.0</b>	<b>1,041.29</b>	<b>100.0</b>

The cost of power generations includes consumed gas bill, lubricants consumed and other direct expenses related to the power generations. This cost is incurred proportionally to the revenue generations and fuel consumed during the power generations. This reflected in the almost similar cost of revenue generations as % of revenue in last 3 years (FY14: 59.1%). Due to depreciation on revalued amount of property, plant and equipment, there was slight increase in cost of revenue in FY14. Net profit during FY14 was BDT 177.0 million which was BDT 149.3 million in FY13. Net profit (after tax) margin in FY14 was 18.6% higher than the previous year, FY13 due to lower financial expenses to some extent.

The Company has contractual agreement (Power Purchase Agreement) with both Power Purchasing Authorities (BPDB and REB) and Gas Supply Authorities which states that the Company has to prepare monthly invoice within 7 (seven) days after the end of the month and the Authority has to pay the bill within the next 30 (thirty) days. However, CRAB found the receivables take about 65 days in FY14 (FY13: 76 days) to be collected. Inventory processing period has decreased (from 50 days in FY13 to 31 days in FY14) due to lower in spare parts volume which are purchased during the previous year for regular maintenance of the plants' machineries and fuel. Its average payment period increased to 69 days in FY14 from 47 days in FY13.

The capital structure of the Company remained stable during the recent year, FY14. This is primarily because of stable Equity base supported by Retained Earnings and declining Borrowed Fund to some extent supported by Long Term Loan repayment. Borrowed fund to equity and Borrowed fund to EBITDA in FY14 were 0.7x and 3.1x respectively which were almost same in FY13.

Coverage position of the Company was slightly improved as EBIT/Interest was 2.0x in FY14 which was 1.8x in FY13 due to lower financial expenses. However, the Company received interest income as finance income from FDR. Capital expenditure has been made during FY14 mainly for overhauling of machine which cost BDT 137.00 million.

DPGSL is exposed to foreign currency risk on purchase of spare parts of plants and machinery that are denominated in a currency other than the functional currency primarily Euro and US Dollar. The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as on 30 June 2014. There are no foreign currency monetary assets and liabilities as on 30 June 2014 resulting net exposure to foreign currency risk nil.

### Future Plan of the Company

Operation	Industry/ Market
Management	Financial
Credit Facility	Collateral

The Company is expected to invest in its two subsidiary companies (Special Purpose Companies) namely Dhaka Northern Power Generations Limited (Manikganj plant) and Dhaka Southern Power Generations Limited (Nababganj plant) each with 55 MW power generation capacities and for 15 year tenure through infusion of equity and/or long term debt, debt instrument etc. Power purchase agreement with BPDB, Land lease agreement with REB and Implementation agreement with GOB for these 2 companies were signed on 7 January 2013.

The Company has loan facilities with NCC Bank Limited, who is the lead arranger and the loan facilities are co financed by Investment Promotion and Financing Facility (IPPF) project of Bangladesh Bank. Details of credit facilities are shown in Appendix-1.

## APPENDIX-1: DETAILS OF CREDIT FACILITIES OF DPGSL

Credit Facilities of DPGSL						
Loan Type		Bank	Nature of Facility	Limit	Outstanding	Limit Expiry
Long Term	Funded	NCC Bank Ltd. - IPFF	Term Loan (Tangail)	600.00	303.44	31-Jul-2018
		NCC Bank Ltd. - IPFF	Term Loan (Narshingdi)	584.00	284.08	31-Aug-2018
		NCC Bank Ltd. - IPFF	Term Loan (Feni)	600.00	301.00	30-Oct-2018
		NCC Bank Ltd.	Term Loan (Feni)	150.00	13.81	31-Mar-2015
		NCC Bank Ltd.	Term Loan (Narshingdi)	146.00	11.14	31-Mar-2015
		NCC Bank Ltd.	Term Loan (Tangail)	150.00	14.10	31-Mar-2015
			Term Loan (Feni)	53.00	23.42	18-May-2015
			Term Loan (Narshingdi)	53.50	42.05	07-Feb-2016
			Term Loan (Tangail)	53.50	6.45	31-Jan-2015
			<b>Sub total</b>			<b>2,390.00</b>
Short Term	Funded	NCC	Working Capital	60.00	59.95	30-Sep-2015
			<b>Sub Total</b>	<b>60.00</b>	<b>59.95</b>	
		Non Funded	NCC	Bank Guarantee	86.02	4.30
LC	60.00			21.51		
<b>Sub Total</b>	<b>146.02</b>			<b>25.81</b>		
		<b>Total</b>		<b>2,596.02</b>	<b>1,085.25</b>	

Outstanding as on 30 November 2014

## APPENDIX-2: PREVIOUS RATINGS OF DPGSL

Particulars	Ratings	Remarks
Doreen Power Generations and Systems Limited	AA <sub>2</sub>	Entity
BDT 1,254.10 million aggregate long term outstanding	AA <sub>2</sub> (Lr)	
BDT 60.00 million aggregate fund based limit	ST -1	-
BDT 314.21 million aggregate non fund based limit	ST -1	
Outlook	Stable	-

**Date of Rating:** 24 December 2013

**Rating Based on:** Audited financial statement up to 30 June 2013, bank liability position as on 30 November 2013 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

**APPENDIX-3: KEY FINANCIAL INDICATORS OF DPGSL**
**Financial Indicators**

Categories	(Mil. BDT)	~ Year Ended June 30 ~			
		2014	2013	2012	2011
Earnings and Stability	Revenue	1,049.0	1,041.3	1,084.3	1,084.7
	Revenue Growth	0.74	(4.0)	(0.0)	1.3
	COGS as % of revenue	59.1	58.8	53.6	53.4
	EBITDA	459.5	470.6	567.8	549.3
	EBITDA Growth (%)	(2.4)	(17.1)	3.4	3.5
	EBITDA Margin (%)	43.8	45.2	52.4	50.6
	Financial Expenses	181.2	212.1	193.5	164.1
	Net Profit after Tax	177.0	149.3	249.3	272.0
	Net Profit after Tax Growth (%)	18.5	(40.1)	(8.4)	24.3
Profitability	Gross Profit Margin	40.9	41.2	46.4	46.6
	Operating Profit Margin	34.9	34.7	40.2	41.4
	Net Profit Margin	16.9	14.3	23.0	25.1
	Return on Asset (ROA)	4.7	4.2	9.4	10.2
	Return on Equity (ROE)	8.5	7.8	29.4	45.4
Liquidity and Working Capital management	Current Ratio	0.4	0.8	1.1	0.7
	Quick Ratio	0.4	0.7	1.0	0.7
	Net Working Capital to Total Assets	(0.1)	(0.03)	0.03	(0.1)
	Receivable Collection Period (Days)	65.0	76.0	63.0	60.0
	Inventory Processing Period (Days)	31.0	50.0	38.0	11.0
	Payable Payment Period (Days)	69.0	47.0	50.0	48.0
	Operating Cycle (Days)	96.0	126.0	101.0	71.0
	Cash Conversion Cycle (Days)	27.0	79.0	51.0	23.0
Leverage and Capital Structure	Liquidity Index (Days)	57.7	68.4	56.9	55.8
	Equity	2,092.2	1,915.2	848.5	599.2
	Adjusted Equity*	1,210.1	965.5	-	-
	Total Asset	3,750.4	3,535.8	2,650.5	2,655.5
	Total Liabilities	1,658.2	1,620.6	1,802.0	2,055.4
	Borrowed Fund	1,441.3	1,457.0	1,649.9	1,935.6
	Fund Flow from Operations (FFO)	269.2	242.7	349.0	371.4
	Cash Flow from Operations (CFO)	381.1	188.6	325.1	352.1
	Retained Cash Flow (RCF)	381.1	188.6	325.1	352.1
	Free Cash Flow (FCF)	90.9	(559.8)	309.5	182.1
	Borrowed Fund to E equity (x)	0.7	0.8	1.9	3.2
	Borrowed Fund to Adjusted Equity (x)	1.2	1.5	n/a	n/a
	Borrowed Fund to EBITDA (x)	3.1	3.1	2.9	3.5
	Borrowed Fund to Total Asset (x)	0.4	0.4	0.6	0.7
	Total Liabilities to Total Asset	0.4	0.5	0.7	0.8
	FFO/Debt (%)	18.7	16.7	21.2	19.2
	CFO/Debt (%)	26.4	12.9	19.7	18.2
RCF/Debt (%)	26.4	12.9	19.7	18.2	
FCF/Debt (%)	6.3	(38.4)	18.8	9.4	
Coverage	EBIT/Interest (x)	2.0	1.8	2.4	2.7
	FCF/Interest (x)	0.5	(2.6)	1.6	1.1
	(EBITDA - Cape x)/ Interest (x)	1.6	2.0	2.8	3.3

\*Adjusted Equity is adjusted with Revaluation Reserve

Cash Flow from Operation is calculated by (Net profit after tax + Depreciation + Amortization or Preliminary expenses + Changes in Net Working Capital) Financial statement (figure) of FY13 has been restated due to overhauling equipment's were initially depreciated at the rate of 3.33% but considering the nature of useful life, the depreciation rate has been changed to 20.0%.

**APPENDIX-4: REVENUE BREAK-UP**

Name of Power Plant	Month Name	Sum of Dependable Capacity (Kwh)	Load factor	Revenue Bill received date	Sum of Heat Rate	
<b>Feni 22 MW Power Plant</b>	July -13	22,000	72.85	19.09.2013	9,926	
	August -13	22,000	74.11	24.10.2013	9,927	
	September -13	22,000	70.02	14.11.2013	9,927	
	October -13	22,000	67.29	17.12.2013	9,927	
	Nov ember -13	22,000	72.72	26.01.2014	9,927	
	December -13	22,000	62.04	19.02.2014	9,936	
	January -14	22,000	72.21	23.03.2014	9,932	
	February -14	22,000	66.41	21.04.2014	9,932	
	March -14	22,000	72.61	14.05.2014	9,928	
	April -14	22,000	73.96	22.06.2014	9,926	
	May -14	22,000	69.74	22.07.2014	9,928	
	June -14	22,000	68.36	20.08.2014	9,926	
	July -14	22,000	69.76	16.09.2014	9,927	
	August -14	22,000	69.14	21.10.2014	9,927	
	September -14	22,000	66.64	02.12.2014	9,927	
	October -14	22,000	72.85		9,927	
	<b>Narsingdi 22MW Power Plant</b>	July -13	22,000	88.68	09.09.2013	10,727
		August -13	22,000	75.02	08.10.2013	10,830
		September -13	22,000	74.40	07.11.2013	10,694
		October -13	22,000	66.61	08.12.2013	10,845
November -13		22,000	68.71	08.01.2014	10,897	
Decembe r-13		22,000	66.27	09.02.2014	10,815	
January -14		22,000	58.89	10.03.2014	11,138	
February -14		22,000	58.56	07.04.2014	11,225	
March -14		22,000	61.54	07.05.2014	10,995	
April -14		22,000	74.74	08.06.2014	11,196	
May -14		22,000	78.49	09.07.2014	11,221	
June -14		22,000	79.38	07.08.2014	11,204	
July -14		22,000	79.80	07.09.2014	10,720	
August -14		22,000	74.03	29.09.2014	10,720	
September -14		22,000	69.80	07.11.2014	10,641	
October -14		22,000	77.43	07.12.2014	10,549	
<b>Tangail 22MW Power Plant</b>		July -13	22,000	80.87	19.09.2013	9,740
		August -13	22,000	79.34	10.10.2013	9,829
		September -13	22,000	80.32	14.11.2013	9,656
		October -13	22,000	80.38	17.12.2013	9,611
	November -13	22,000	78.65	26.01.2014	9,554	
	December -13	22,000	54.41	19.02.2014	9,744	
	January -14	22,000	64.82	24.03.2014	9,877	
	February -14	22,000	65.40	21.04.2014	9,835	
	March -14	22,000	61.21	15.05.2014	9,735	
	April -14	22,000	71.37	22.06.2014	9,883	
	May -14	22,000	63.74	24.07.2014	9,861	
	June -14	22,000	62.34	20.08.2014	9,591	
	July -14	22,000	75.88	15.09.2014	9,745	
	August -14	22,000	88.62	20.10.2014	9,731	
	September -14	22,000	86.15	02.12.2014	9,572	
	October -14	22,000	88.91		9,490	

## APPENDIX-5: KEY FEATURES OF THE PROJECT AND AGREEMENT OF DPGSL

The project of total 66 MW power plant was financed by World Bank through Investment Promotion and Financing Facility (IPFF) Project's IPPF fund. The project was approved by Bangladesh Power Development Board (BPDB) and Rural Electrification Board (REB) vide memo No. 199-BPDB (Sectt.)/Dev/Feni/175 dated 23 March 2009, memo no. 1030-BPDB (Sectt.)/Dev/Tangail/175 dated 17 December 2008, and memo no. REB/SE (G)/100.01 (2.03) Narsingdi/193 dated 20 January 2009, respectively.

### Exhibit 1

#### Power plant overview

Location of Plant	Installed Capacity (in MW)	Contracted Capacity (in MW)	Date of Commercial Operation
Tangail	23.22	22.00	12 November 2008
Narshingdi	23.22	22.00	21 December 2008
Feni	23.22	22.00	16 February 2009
<b>Total</b>	<b>69.65</b>	<b>66.00</b>	

#### Machinery

The Power plants were commissioned with GE Jenbacher Gas fired Engines. DPGSL set up 3 (Three) gas fired Power Plants each consisting of 8 (eight) gas engines with 2.9 MW capacity each engine of Simple Cycle Gas Turbine technology totaling a gross capacity of 23.2 MW which is capable of generating 22 MW (contracted capacity) electricity in each power plant. Safety margin maintained in each plant is about 5.45%.

#### Power Purchase and Counterparty Risk

Revenue generation for the Power Projects (PP) depends on the financial strength of the buyers of power. The power generated by the Company is purchased by Bangladesh Power Development Board (BPDB) & Rural Electrification Board (REB), which are public bodies engaged in the generation, distribution, and sale of electric capacity and energy in the Bangladesh. Being public bodies and having energy shortage, the counterparty risk associated with the Power Purchase Agreement is low.

#### Credit risk

Where the credit of the off-taker is in question, from national point of view, as the off-taker is the Government, credit risk of the off-taker assumes to be low. BPDB/REB's historical behavior regarding payments to the PP does not provide any substantial default behavior from where risk can arise. However, BPDB/REB's Letter of Credit amount equal to aggregate of the next two (2) months of capacity payment in favor of Power Company from Sonali Bank Ltd. or any other issuing bank with an initial term of not less than one year which is yearly renewable reduces the credit risk of BPDB/REB.

#### EPC contract and O&M arrangement

The power plants set up by DPGSL and O&M arrangement with GE Jenbacher's local agent Orient Energy Systems Ltd, Bangladesh. The operation and maintenance cost details has been shown in the following Table.

## Exhibit 2

### O&M Expenditure on Power Plants (Mil. BDT)

Particulars	2012	2011	2010	2009
Lubricants	41.03	34.29	31.67	30.10
Spare Parts	75.38	58.56	71.35	-
Operational and Maintenance Expenses	13.38	2.25	1.5	2.56

### Gas Supply Arrangement (GSA)

The Company has gas supply agreement (GSA) with Titas Gas T&D Company Ltd and Bakhrabad Gas Systems Ltd. (BGDCL). BGDCL supplies gas to the Feni plant and Titas supplies to the other two plants. Both Titas and BGDCL are companies of Petrobangla under the Ministry of Power, Energy & Mineral Resources. As a result, gas supply to the power plants is ensured unless there is a shortage of gas in the economy.

### Evaluation of Power Purchase Agreement (PPA)

Under Power Purchase Agreement, the power company receives a capacity payment in relation to the power availability, when the Dependable Capacities of the plants are more than the threshold dependable capacity. These fixed payments are made irrespective of electricity generation or not. In addition, energy payment is received for energy generation.

#### Tariff Structure



The tariff structure as laid down in the PPA is presented below:

$$CP_{mn} = CPNE_{mn} + CPE_{mn}$$

Where,

CP<sub>mn</sub>=Capacity Payment for month "m" of contract year "n" in Taka,

CPNE<sub>mn</sub>= Non-Escalable Capacity Payment payable for Month "m" of Contract Year "n" in Taka

CPE<sub>mn</sub>=Escalable Capacity Payment payable for Month "m" of Contract Year "n" in Taka

$$\text{CPNE}_{mn} = \text{RNECP}_n \times \text{CE}_m \times \text{DC}_m$$

Where,

RNECP<sub>n</sub>=Reference Non-Escalable Capacity Price

CE<sub>m</sub>=the rate at which Sonali Bank sells one Dollar in exchange for Taka, as published in the Exchange Rates Bulletin or any latest official letter or circular to the "Authorized Dealers" (as that expression is used by Sonali Bank) or defined in any publication of Sonali Bank) in Bangladesh, on the first Day of the Month immediately following the Month "m" (each such date shall be defined as the "Indexation Date").

DC<sub>m</sub>=the quotient of which the numerator is (a) sum of (i) each Dependable Capacity in effect during the Month "m" multiplied by (ii) the number of hours that each such Dependable Capacity was in effect during such Month "m", and the denominator is (b) the total number of hours in such Month "m"

$$\text{CPE}_{mn} = \text{CPE(US)}_{mn} + \text{CPE(TK)}_{mn}$$

Where,

CPE(US)<sub>mn</sub>=Foreign Escalable Capacity Payment denominated in Dollars and payable in Taka for Month "m" of Contract Year "n"

CPE(TK)<sub>mn</sub>=Local Escalable Capacity Payment denominated in Taka and payable in Taka for Month "m" of Contract Year "n"

$$\text{CPE(US)}_{mn} = \text{RECP(US)}_n \times \text{CE}_m \times \text{FIIF}_m \times \text{DC}_m$$

Where,

RECP(US)<sub>n</sub>=Reference Foreign Escalable Capacity Price denominated in Dollars per kWMonth for Contract Year "n"

FIIF<sub>m</sub>=Foreign Inflation Indexation Factor applicable to the Month "m"

$$\text{CPE(TK)}_{mn} = \text{RECP(TK)}_n \times \text{LIIF}_{qm} \times \text{DC}_m$$

Where,

RECP(TK)<sub>n</sub>=Reference Local Escalable Capacity Price denominated in Taka per kWMonth for Contract Year "n"

LIIF<sub>qm</sub>=Local Inflation Indexation Factor applicable to the Month "m"

$$\text{EP}_{mn} = \text{VOMP}_{mn} \times \text{FP}_{mn}$$

Where,

EP<sub>mn</sub>=Energy Payment payable in Taka for Month "m" of Contract Year "n"

VOMP<sub>mn</sub>=Variable Operation and Maintenance Payment payable in Taka for Month "m" of Contract Year "n"

FP<sub>mn</sub>=Fuel Payment payable in Taka in Month "m" of Contract Year "n"

$$\text{VOMP}_{mn} = \text{VOMP(US)}_{mn} + \text{VOMP(TK)}_{mn}$$

Where,

VOMP(US)<sub>mn</sub>=Foreign Variable Operation and Maintenance Payment denominated in Dollars and payable in Taka for Month "m" of Contract Year "n"



VOMP(TK)<sub>mn</sub>=Local Variable Operation and Maintenance Payment denominated in Taka and payable in Taka for Month “m” of Contract Year “n”

$$\boxed{VOMP(US)_{mn}} = \boxed{RVOMP(US)_n} \times \boxed{CE_m} \times \boxed{FIIF_m} \times \boxed{NEO_m} \times \boxed{0.85}$$

Where,

RVOMP(US)<sub>n</sub>=Reference Foreign Variable Operation and Maintenance Price denominated in Dollars per kWh for the Contract Year “n”

NEO<sub>m</sub>=Net Energy Output measured in kWh in Month “m” in kWh

0.85=Power factor at Delivery Point

$$\boxed{VOMP(TK)_{mn}} = \boxed{RVOMP(TK)_n} \times \boxed{LIIF_m} \times \boxed{NEO_m} \times \boxed{0.85}$$

Where,

RVOMP(TK)<sub>n</sub>=Reference Local Variable Operation and Maintenance Price denominated in Taka per kWh for the Contract Year “n”

$$\boxed{FP_m} = \boxed{GHR} \times \boxed{NEO_m} \times \boxed{LFP_m} / \boxed{LHV_m}$$

Where,

GHR=Guaranteed Net Flat Heat Rate, KJ/kWh

LFP<sub>m</sub>=Weighted average HFO price, Taka/kg in Month “m”

LHV<sub>m</sub>=Weighted average Lower Heating Value of HFO, kJ/kg in Month “m”

### Liquidated Damages (LDs)

LDs are damages penalties provided by the parties in advance as a genuine pre-estimated of loss for failure to perform. LDs are generally payable for failure to (i) achieve certain performance parameters i.e Performance LDs (PLDs) and (ii) meet time bound performance milestones i.e. delay LDs (DLDs).

The EPC contract is yet to sign. In the EPC contract, PLDs compensate the project vehicle for increased operating costs associated with the failure of the contractor to meet the agreed upon performance criteria. PLDs will be payable for:

- Achieving a net dependable capacity lower than the guaranteed capacity under the EPC contract
- Achieving a heat rate that is inferior to the one guaranteed in the EPC contract.

Because, any shortfall in net capacity output will lead to a downward adjustment in capacity payment. Besides, if the plant achieves a heat rate that is less efficient than the guaranteed heat rate under the EPC contract, the project vehicle will incur higher fuel expenses.

On the other hand Delay LDs (DLDs) are liable for increased cost resulting from failure to achieve the commercial operation date. EPC contract will specify the DLDs. DLDs are usually tied up to a number of issues, such as DLDs payable by the project under the PPA, LDs payable under other project agreements e.g. Gas Supply agreement (GSA), roll up of financing costs during such delayed period.

Two types of LDs are stipulated under the PPA and payable by the project vehicle for failure to meet (a) the project timeline; and (b) contracted capacity. It should be noted that PPA does not specify clear LDS for failing to achieve a specific level of plant heat rate, rather mention Guaranteed Heat Rate of 9,400 kJ/kWh.

### Exhibit 3

#### Liquidated damages

##### Project agreement

##### Profile of LDs

Power Purchase Agreement  
(PPA)

**Delay in commercial operation:** The project company shall pay REB/BPDB a sum equal to BDT 1,00,000 (US\$ 1,428.57 and assume 1US\$= BDT 70) per day or fraction thereof for each day of delay

**Contracted capacity:** If the company fails to maintain guaranteed capacity i.e 22 mw then it has to pay BDT 70,000 for each KW of shortfall up to 5% shortfall and BDT 140,000 for each KW of shortfall up to 10% shortfall drop from the guaranteed capacity of 22 MW.

## CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
<b>AAA</b> Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
<b>AA 1, AA 2, AA 3*</b> Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
<b>A 1, A 2, A 3</b> Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
<b>BBB 1, BBB 2, BBB 3</b> Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
<b>BB 1, BB 2, BB 3</b> Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
<b>B 1, B 2, B 3</b> Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
<b>CCC 1, CCC 2, CCC 3</b> Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
<b>CC</b> Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
<b>C</b> Single C	Companies rated in this category are highly vulnerable to non payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
<b>D</b> (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

*\*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

## LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS

*(All loans/facilities with original maturity exceeding one year)*

RATINGS	DEFINITION
<b>AAA (Lr)</b> <b>(Triple A)</b> <b>Highest Safety</b>	Loans/facilities rated <b>AAA (Lr)</b> are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
<b>AA (Lr)*</b> <b>(Double A)</b> <b>High Safety</b>	Loans/facilities rated <b>AA (Lr)</b> are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
<b>A (Lr)</b> <b>Adequate Safety</b>	Loans/facilities rated <b>A (Lr)</b> are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
<b>BBB (Lr)</b> <b>(Triple B)</b> <b>Moderate Safety</b>	Loans/facilities rated <b>BBB (Lr)</b> are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
<b>BB (Lr)</b> <b>(Double B)</b> <b>Inadequate Safety</b>	Loans/facilities rated <b>BB (Lr)</b> are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
<b>B (Lr)</b> <b>High Risk</b>	Loans/facilities rated <b>B (Lr)</b> are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
<b>CCC (Lr)</b> <b>Very High Risk</b>	Loans/facilities rated <b>CCC (Lr)</b> are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
<b>CC (Lr)</b> <b>Extremely High Risk</b>	Loans/facilities rated <b>CC (Lr)</b> are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
<b>C (Lr)</b> <b>Near to Default</b>	Loans/facilities rated <b>C (Lr)</b> are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
<b>D (Lr)</b> <b>Default</b>	Loans/facilities rated <b>D (Lr)</b> are in default or are expected to default on scheduled payment dates.

*\*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

**SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS**  
*(All loans/facilities with original maturity within one year)*

	<b>DEFINITION</b>
<b>ST - 1</b> Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
<b>ST - 2</b> High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
<b>ST - 3</b> Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
<b>ST - 4</b> Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
<b>ST - 5</b> Inadequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
<b>ST - 6</b> Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

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**Auditors' additional disclosures relating to the Financial Statements**

1. It appears that the issuer company has come into contract with BPDB and REB for power supply for 15 years. It is required to confirm whether any going concern threat may arise after the said period;

**Auditors' Disclosure:**

It is reasonable for the time being to assume that the contract with BPDB and REB will be renewed considering the overall power demand of the country. Recently the Government has renewed an IPP power project of Khulna Power Company Limited, the contract period for which has first been expired in Bangladesh. The said renewal increased the possibilities of renewal of contract with other entities.

Again as per para 26 of BAS-1, in assessing whether the going concern assumption is appropriate, management taking into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. When an entity has a history of profitable operation and readily access to financial resources, the auditor may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. Considering the above said aspects, it could be concluded that it does not have any going concern threat in near future.

2. It is required to disclose the reasons of deterioration in net profit and EPS though revenue was not decreased significantly in 2013;

**Auditors' Disclosure:**

Deterioration in net profit and EPS could be explained by the following reasons:

- a) Revenue for the year decreased by amounting Tk. 4.3 crore
  - b) In the year 2013, interest on long term loan was higher by Tk. 1.93 crore compared to previous year due to increases in interest rate.
  - c) As company revalued its assets, depreciation was charged on revalued amount. Hence depreciation expense increased significantly in the year 2013.
3. It is required to confirm whether assets revaluation report complies all the requirements of the Commission's notification No. SEC/CMRRCD/2009-193/150/Admin/51: dated August 18, 2013 and to furnish the disclosure requirements of the auditors as per the said notification;

**Auditors' Disclosure:**

Notification from Bangladesh Securities and Exchange Commission (BSEC) was issued on 18 August 2013. But land and land development, building & premises and power plant have been revalued based on book value of the items as at 30 June 2012 and required effects were provided on 1 July 2012.

As the company revalued its assets and provided the required effects before the issuance of the notification, auditors only verified whether proper accounting treatment including provision, tax and other liabilities have been made in the financial statements (see Para (i) in the auditor's report)

Sd/-

Dhaka

Saiful Shamsul Alam &amp; Co.

Date: 15 April 2014

Chartered Accountants

**Note:**

- a) Para (i) to the audited Financial Statement for the year ended 30 June 2013 as mention above is as follows:

The company revalued its land and land development, building and premises and power plant by professionally qualified valuers. The company provided the effects of the revaluation in the financial statements for the year ended 30 June 2013 except for the effect of three pieces of land measuring 34 decimals as mutation of these lands was not completed yet. The revaluation has been done and the related effects of the revaluation has been provided in the financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and other applicable rules and regulations.

- b) As per Financial Statement for the year ended 30 June 2015, 34 decimals of the above land were duly mutated.

1. **It appears from the draft prospectus (pg 44) that the revalued amount of land & land development differs with that of revaluation report. Explanations for such difference are required;**

***Management Disclosure***

Board of Directors decided to recognize revaluation amount of all the lands except 34.00 decimal mutation of which could not be completed yet. Revalued Amount of 34 decimals land was Tk. 17,000,000 against Book Value of Tk. 8,816,088. Difference amount is Tk. 8,683,912. This is the difference between revalued amount in accounts and the valuation report.

2. **It appears that upto 2013, revenues are decreasing over the years but inventory and trade receivables are increasing. In this regard, an explanation is required to disclose;**

***Management Disclosure***

Revenue is related with the demand of BPDB/REB and production of the company. On the other hand company's required to maintain a standard amount of inventory for emergency maintenance of the machine.

In 2013 trade & other receivable shows high due to inclusion receivable from insurance company in the same head. Actual trade receivable of the said year is less than the last year receivables.

3. **It appears from ratio analysis that some of the ratios under the head 'liquidity ratio', 'operating ratio' and 'profitability ratio' are deteriorating. Reasons of deterioration may be elaborated.**

***Management Disclosure***

Liquidity Ratio

Time interest earned ratio declined marginally though current and quick ratio of the company were shown upward trend in the last financial year. This scenario arose due to increase in interest expenses on Doreen Ijara Bond.

Leverage position of the company improved over the period except last financial year. In the year 2015, both leverage ratios i.e. Debt to equity and debt to total assets increased slightly. These ratios increased due to issue of Doreen Ijara Bond for investment in subsidiary companies.

Operating Ratio

Inventory turnover of the company improved gradually though other operating ratios declined slightly in the last year. Assets turnover ratio decreased due to increasing investment in subsidiary companies whereas receivable turnover decreased mainly due to increasing trade and other receivable in the last year. Debt service coverage ratio declined slightly in the last year for increased short term loan of the company.



## Profitability Ratio

All the indicators for measuring profitability of the company were in good position though slightly declined in the last year. Gross profit margin and operating profit margin decreased due to increased Cost of Goods Sold. On the other hand, net profit margin, return on assets and return on equity ratios decreased due to increased interest expense on account of Doreen Ijara Bond.

#### 4. **Breakup of Advance against Financial Advisory Fee and Advance against IPO Expenses mentioned in the note # 10.1 of the Financial Statement as at 30.06.2015.**

##### ***Management Disclosure***

Advance against Financial Advisory Fee:

(i) Tk.30.00 lac represents payment to Alliance Financial Services Limited against our agreement dated 24 March 2012 for the advisory works on public issue of shares and (ii) Tk. 30.00 lac against agreement dated 27 February 2013 for issue of Ijara Bond.

Advance against IPO Expenses:

As per Issue management agreement with Alliance Financial Services Limited and ICB Capital Management Limited dated 25.06.2012, DPGSL paid Tk. 1,000,000 as Advance against IPO Expenses out of total Tk. 2,000,000.

#### 5. **Environment Certificate of Subsidiary companies**

##### ***Management Disclosure***

Both the subsidiary companies received site clearance certificate form DoE (Department of Environment) and approval of Environmental Impact Assessment (EIA). Environment clearance certificate will be issued after Commercial Operation.

#### 6. **Status of WPPF**

##### ***Management Disclosure***

Until 2014 the company made due provision as per the relevant Act but did not transfer the fund in absence of the necessary approval from the regulatory. At the end of 2013-2014, the company completed all the formalities for formation of WPPF & WF and accordingly distributed Tk. 9,200,000 in 2014-2015. The management of the company decided to disburse the whole outstanding amount within short period of time.

#### 7. **Disclose trade payables subsequent status**

##### ***Management Disclosure***

SL	Particulars	Payable amount in BDT as on 30 June 2015	Current status
01.	Titas Gas Transmission Limited	62,740,946	Tk. 51,256,113 Paid
02.	Bakhrabad Gas Systems Limited	31,858,632	Tk. 2,647,126 Paid
03.	MJL Bangladesh Limited	17,427,790	Tk. 3,394,426 Paid
04.	RANKS Petroleum Limited	4,004,339	Full Paid

8. **Status of Insurance claim**

**Management Disclosure**

Short Block of a Generating set at Feni plant was damaged due to the mechanical problem on 13.09.2014. A claim was submitted to Bangladesh General Insurance Company Limited for the amount of Tk. 42,946,200 against the lost. An amount of Tk. 8,000,000 was received upto 30.06.2015 and the outstanding balance as on Balance Sheet date was Tk. 34,946,200. Subsequently in different phase Tk. 26,000,000 was received after Balance Sheet date. Details of the receipts are given in below:

SL #	Date	Cheque #	Amount (Tk.)
01.	19.02.2015	2031802 & 7283402	8,000,000
02	13.07.2015	7901112	5,000,000
03	05.08.2015	7901125	5,000,000
04	26.08.2015	7901131	3,000,000
05.	08.09.2015	7901134	3,000,000
06.	22.09.2015	7901139	10,000,000
<b>Total received</b>			<b>34,000,000</b>

Balance amount of claim Tk. 8,946,200 will be paid by the insurance company by January, 2016.

9. **Advance against Land and Scrap material not included in the Operational activities of Cash Flow Statement as on 30.06.2015.**

**Management Disclosure**

During the period an amount of Tk. 552,000 is added in Inventory which was arrived from Scraps for damaged short block. This is a non cash transaction item. Total amount for dispose of Machinery and inventory scrap was included in it.

Advance against land is a last year balance and transferred under land addition during current year. Hence it is a non cash transaction for current year and accordingly not reflected in the Cash Flow Statement of 30.06.2015.

10. **Interest expenses on IJara Bond not considered in Cash Flow Statement as on 30.06.2015 under Operational activities**

**Management Disclosure**

Interest expenses i.e. Tk. 78,243,836 on Ijara Bond was not reflected in the cash Flow statement for calculating operating activities of Cash Flow Statement as no payment was done during the construction period and hence included with long term loan as on 30 June 2015.

11. **Status of the return from Investment in Rupali Engineers and Traders Limited(RETL)**

**Management Disclosure**

RETL has invested equity in Dhaka Southern Power Generations Limited and Dhaka Northern Power Generations Limited. Both of the companies are implementing a 55MW power plant each. Dhaka Southern Power Generations Ltd. will come into operation by February 2016 and Dhaka Northern Power Generations Ltd. will come into operation by March 2016. After starting the commercial operation of both the companies, RETL will be able to earn returns from the invested two companies and can distribute dividend to the shareholders of the company.

12. **Subsequent status of Trade and Other receivable**

**Management Disclosure**

SL #	Particulars	Receivable amount in BDT as on 30 June 2015	Current status
01.	Bangladesh Power Development Board (BPDB)	124,342,463	Full Received
02.	Rural Electrification Board (REB)	61,001,427	Full Received
03.	Insurance Claim receivable	34,946,200	Tk. 26,000,000 received.

13. **Disclosure regarding liquidated damage amounting Tk. 9,214,670 and payable amount Tk. 6,143,114**

**Management Disclosure**

Due to minor overhauling of few machines, we were not able to supply electricity as per requirement of BPDB in Tangail plant. That's why the liquidity damage was charged by BPDB as per agreement and as on 30 June 2015 we have paid Tk. 3,071,556 out of total Tk. 9,214,670

14. **Disclosure regarding decreasing Sales price per unit for FY 2014-2015 compared to FY2013-2014**

**Management Disclosure**

Revenue comprises of two components, one is Capacity Payment and other is Energy Payment. Capacity payment is fixed irrespective of volume of generation while Energy payment is variable based on actual generation. Therefore, composite unit price varies with the change in generation. If the generation is more, than the unit price comes down but if generation is less, than the unit price goes up. In the year 2014-2015 we have produced 439,384,791 KW while in the year 2013-2014 our production was 407,531,200 KW. For this reason per unit selling price in 2014-2015 was lower compared to last year.

15. **Disclosure regarding decreasing in EPS for the year 2014-2015**

**Management Disclosure**

The company has invested in equity of two subsidiaries by rising of fund through issuance of Ijara Bond. Interest on Ijara bond is the main reason for decreasing of EPS of the company. Implementation work of both the subsidiary company is almost complete and will start their operation by February 2016 and March 2016 respectively. We hope that after starting the operation, EPS of DPGSL will be in increasing trend.

16. **Status on loan taken from Doreen Power House and Technologies Limited**

**Management Disclosure**

During the year 2014-2015, Doreen Power Generations and Systems Limited has taken loan of Tk. 24,315,920 from Doreen Power House and Technologies Limited. This includes temporary loan amount of Tk.22,195,000 through bank account and inventory items worth Tk. 2,120,920. Subsequently the company repaid its loan through cheque # 8142107 dated 15.12.2015

17. **Explain the reason for adjustment of Depreciation on replacement of spare parts against Revaluation Surplus in the Statement of Changes in Equity**

***Management Disclosure***

Retained Earnings figure of FY 2012-13 has been restated as per BAS-8 by the differential depreciation because overhauling equipments were initially depreciated @ 3.33% (same rate of Plant) and now it has been charged @ 20% considering the actual life of those assets. Accordingly, Revaluation surplus has been restated for the said change in Depreciation as shown in Note-15(a) of Financial Statement of FY 2014-15.

Sd/-  
**Tahzeeb Alam Siddique**  
Managing Director

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