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BIFPCL



Bangladesh-India Friendship Power Company (Pvt.) Limited
(A Joint Venture of NTPC Ltd and BPDB)

Registered Office : Bidyut Bhaban (14th Floor), 1 Abdul Gani Road, Dhaka-1000, Bangladesh

Ref : BIFPCL / AGM-1 / 001

Date : 23.12.2013

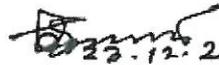
Notice for the 1st Annual General Meeting

Notice is hereby given that the 1st Annual General Meeting (AGM) of Bangladesh-India Friendship Power Company (Pvt.) Limited (BIFPCL) will be held on Tuesday, 31 December 2013 at 18:00 hrs at Mukti Hall of Bidyut Bhaban (14th Floor), 1 Abdul Gani Road, Dhaka, Bangladesh, to transact the following businesses:

Agenda:

1. To receive, consider and adopt the Financial Statements of the Company together with the Auditor's Report thereon and the Directors' Report for the period ended 30 June 2013
2. To Elect Directors
3. To Appoint Auditor

All the members are requested to make it convenient to attend the meeting.


23.12.2013

Monowar Islam
Chairman

Distribution to:

- Chairman, BIFPCL
- All Members of BIFPCL
- Chairman & Managing Director, NTPC
- Chairman, BPDB

Copy (with request to attend the meeting):

- All Directors of BIFPCL
- M/s S. F. Ahmed & Co., Chartered Accountants, Auditor, BIFPCL
- Mr. S. Abdur Rashid FCS, Retainer Company Secretary, BIFPCL

Background of the Company

In Bangladesh, the present installed capacity is 10,264 MW. Gas, diesel and furnace oil based power stations constitute more than 80% of the present generation capacity. According to Power System Master Plan (PSMP) 2010 developed by Government of Bangladesh (GOB), the demand in 2030 will be about 40,000MW. Out of this, coal based generation capacity is expected to be about 20,000 MW. BPDB has also carried out generation expansion planning for the period 2012-2016, wherein total additional capacity to be installed by the end of 2016 is 13,154 MW.

During the visit of the Honorable Prime Minister of Bangladesh to India, an umbrella Memorandum of Understanding (MOU) on Power Sector Cooperation between the two Governments was signed on 11.01.2010 and a Joint Steering Committee (JSC) co-chaired by the Power Secretaries of two countries was constituted. In the first JSC meeting, various areas were identified for cooperation between NTPC Ltd., India and Bangladesh Power Development Board (BPDB) which included preparation of Feasibility Report (FR) by NTPC for two coal based power plants (at Khulna and Chittagong area with capacity of 1320 MW each). The FR for Khulna is to be taken up in first phase and the project is proposed to be implemented as joint venture project between BPDB and NTPC. An MOU for implementation of 1320 MW coal based Thermal Power Plant (TPP) in Khulna as Joint Venture Project was

signed between BPDB and NTPC on 30.08.2010.

A Contract Agreement for FR Consultancy for Khulna project was signed between NTPC and BPDB at Dhaka on 30.09.2010. As per the scope of the consultancy assignment, all the studies/investigations including topographical survey, geotechnical investigations, coal transportation logistic study etc. were to be carried out by BPDB. Survey and geotechnical details at the plant area were received in February 2011 and a Draft Feasibility Report (DFR) for Rampal, Bagerhat TPP comprising of 2 x 660 MW was submitted to BPDB on 31.03.2011.

Subsequent to submission of DFR, a meeting was held in Dhaka from 30 July to 01 August 2011 and during the meeting it was decided to review the civil cost mainly for adopting the ground improvement method suitable for Rampal site.

A team of BPDB officials visited NTPC office at Noida on 26-29.09.2011 and had meeting with NTPC team. During the meeting it was decided to reduce the land area for filling though sand dredging to 400 acres instead of 425 acres by reducing the land area for Township to 50 acres instead of 75 acres considered in DFR. In order to optimize the quantities for dredging and filling the final finished level was reduced to RL(+) 5.00 Meter instead of RL(+) 5.50 Meter. The method for ground improvement considered in DFR was Stone Columns but due to non-



30 August, 2010. Signing of MOU between BPDB & NTPC



BIFPCL

availability of required sizes of aggregates and based on BPDB suggestion sand compaction piles have been considered.

A meeting was held at NTPC office in New Delhi on Nov. 01-02, 2011 in presence of BPDB and NTPC officials and various sensitivity options based on coal cost, coal calorific value, interest rates and equipment cost were worked out and shared with BPDB. In the mid of December 2011, BPDB informed NTPC that M/s CEGIS, Consultant for Coal Transportation Logistics Study, has collected details and data and the same needs to be discussed and BPDB desired NTPC team to be deputed for this purpose. Later on NTPC team visited BPDB office, Dhaka on Dec. 25-27, 2011.

As recommended by the Consultant in its report the major change would be that cross country coal conveyor from Mongla Port to project site would not be applicable, coal from ship would be transferred to barges by literage operation at outer bar and moved

directly to project site. As such coal would not be unloaded at Mongla Port, shall be unloaded at jetty at power plant end from barges.

The Final Feasibility Report (in Draft form) was submitted to BPDB on 31.12.2011. The comments received from BPDB were incorporated in the Final Feasibility Report and same was submitted to BPDB on 20.07.2012. The comments received till 08.11.2012 from BPDB and 11.11.2012 from BPDB/ Power Grid Company of Bangladesh (PGCB) have been incorporated in present Final Feasibility Report.

By this time a Joint Venture Agreement (JVA) between BPDB and NTPC was signed on 29.01.2012 and accordingly Bangladesh-India Friendship Power Company (Pvt) Limited was incorporated as Private Limited Company and Registered with Registrar of Joint Stock Companies (RJSC) on 31.10.2012.



30 August, 2010. Signing of MOU between BPDB & NTPC



The Promoters

Introduction

Bangladesh-India Friendship Power Company (Pvt) Limited has been promoted by, and with equal (50:50) equity participation of, (1) Bangladesh Power Development Board (BPDB), and (2) NTPC Limited, India.

Bangladesh Power Development Board (BPDB)

Bangladesh Power Development Board (BPDB) is a statutory body created on 01 May 1972 constituted under the Bangladesh Water and Power Development Board's Order 1972 (PO No. 59 of 1972) after bifurcation of erstwhile Bangladesh Water and Power Development Authority (WAPDA) and having its Head Office at WAPDA Building, 12 Motijheel Commercial Area, Dhaka 1000, Bangladesh. BPDB started its operation with Installed Generation Capacity of only 200 MW. At present, installed Generation capacity has increased to 10,264 MW.

As part of reform and restructuring, a number of Transmission, Generation and Distribution companies have been created. The subsidiaries of BPDB are :

- Ashuganj Power Station Company Ltd (APSCL)
- West Zone Power Distribution Company Limited (WZPDCL)
- North West Power Generation Company Limited (NWPGCL)
- Power Grid Company of Bangladesh Limited (PGCB)
- Electricity Generation Company Bangladesh Limited (EGCB)

The BPDB is responsible for major portion of generation and distribution of electricity mainly in urban areas except Dhaka and

West Zone of the country. The Board is under the Power Division of the Ministry of Power, Energy and Mineral Resources, Government of Bangladesh.

BPDB has taken a massive capacity expansion plan to add about 10,500 MW Generation 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 all the people of the country for desired economic and social development. The power system has been expanded to keep pace with the fast growing demand.

In the meantime, BPDB has started to import 500 MW of power from India through Bheramara and Baharampur Grid inter-connection between two countries from 04.12.2013.

NTPC Limited, India

NTPC Limited (formerly National Thermal Power Corporation Limited and popularly known as NTPC) is a company incorporated under the Indian Companies Act having its Registered Office at NTPC Bhawan, Scope Complex, 7 Institutional Area, Lodi Road, New Delhi-110003, India.

India's largest power company, NTPC Limited (NTPC), was set up in 1975 to accelerate power development in India. NTPC is emerging as a diversified power major with presence in the entire value chain of the power generation business. Apart from power generation, which is the mainstay of the company, NTPC has already ventured into consultancy, power trading, ash utilization and coal mining. NTPC ranked 384th in the '2013, Forbes Global 2000' ranking of the World's biggest companies. NTPC became a Maharatna company in May 2010, one of the only four companies in India, to be awarded this status.



BIFPCL

The total Installed Generation Capacity of the company is 42,454 MW (including JVs) with 17 coal based and 7 gas based stations, located across the country. In addition under JVs, 7 stations are coal based and another station uses Naptha/LNG as fuel and 2 renewable energy projects. The company has set a target to have an installed power generating capacity of 1,28,000 MW by the year 2032. The capacity will have a diversified fuel mix comprising 56% coal, 16% Gas, 11% Nuclear and 17% Renewable Energy Sources (RES) including hydro. By 2032, non fossil fuel based generation capacity shall make up nearly 28% of NTPC's portfolio.

NTPC has been operating its plants at high efficiency levels. Although the company has 16% of the total national capacity, it contributes 25.6% of total power generation due to its focus on high efficiency.

In October 2004, NTPC launched its Initial Public Offering (IPO) consisting of 5.25% as fresh issue and 5.25% as offer for sale by Government of India. NTPC thus became a

listed company in November 2004 with the Government holding 89.5% of the equity share capital. In February 2010, the Shareholding of Government of India (GOI) was reduced from 89.5% to 84.5% through Further Public Offer. Government of India has further divested 9.5% shares through offer for sale (OFS) route in February 2013. With this, GOI's holding in NTPC has reduced from 84.5% to 75%. The rest is held by Institutional Investors and the Public.

At NTPC, People before Plant Load Factor is the mantra that guides all HR related policies. NTPC has been awarded 6th Best Company to work for in India for the year 2013, by the Great Places to Work Institute, India Chapter in collaboration with The Economic Times.

The concept of Corporate Social Responsibility is deeply ingrained in NTPC's culture. Through its expansive CSR initiatives, NTPC strives to develop mutual trust with the communities that surround its power stations.





About Us

The Company :

Bangladesh-India Friendship Power Company (Pvt) Limited (BIFPCL) is a Joint Venture Company duly incorporated in Bangladesh under the Companies Act 1994 and was registered with the Office of the Registrar of Joint Stock Companies and Firms (RJSC), Dhaka, Bangladesh on 31 October 2012 vide the Certificate of Incorporation with Registration No. C-105370/12.

BIFPCL is a private company limited by shares and incorporated under a Joint Venture Agreement executed on 29 January 2012 between Bangladesh Power Development Board (BPDB) and NTPC Limited (NTPC) with equal equity participation of BPDB and NTPC.

Main Objectives :

The main objectives for which the Company has been established are -

- To design, engineer, manufacture, insure finance, acquire, construct, complete, permit, test, commission, own, operate and maintain thermal power projects;
- To undertake, wherever necessary the construction of transmission lines and ancillary works for timely and coordinated exchange of electric power; and
- To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of electric power; and
- To set-up, operate and manage all necessary plants, establishments and works in other allied industries.

General Information :

Date of Incorporation	: 31 October 2012
Business Category	: Electric Power Generation [After Installation of Power Plant]
Authorized Capital	: Taka 40 crore
Paid-up Capital	: Nil
Proposed Initial Capital	: Taka 16 crore [to be raised upon Bangladesh Security and Exchange Commission (BSEC) approval]
Estimated Project Cost	: Taka 14,509 crore
Proposed No. of Units	: 2
Proposed Capacity	: 2 x 660 MW
Fuel to be used	: Coal [to be imported]
Employment Opportunity (Executive Level during Construction stage)	: Project Construction Year 0 (2013) 10 Project Construction Year 1 (2014) 34 Project Construction Year 2 (2015) 63 Project Construction Year 3 (2016) 70 Project Construction Year 4 (2017) 70
Construction Schedule (From EPC award)	: Unit - 1 48 Months Unit - 2 54 Months



Board of Directors since Incorporation

Directors nominated by Bangladesh Power Development Board (BPDB)		Directors nominated by NTPC Ltd. (NTPC)	
Name & Description	Duration of Directorship	Name & Description	Duration of Directorship
Mr. Md. Abul Kalam Azad Ex-Secretary, Power Division, MOPEMR, GOB	31.10.12 - 31.01.13	Mr. Arup Roy Choudhury Chairman & Managing Director NTPC	Since 31.10.12
Mr. Monowar Islam Secretary, Power Division, MOPEMR, GOB	Since 31.01.13	Mr. I. J. Kapoor Director (Commercial), NTPC	Since 31.10.12
Mr. Md. Abdul Wahab Khan Ex-Chairman, BPDB	31.10.12 - 23.12.13	Mr. A. K. Jha Director (Technical), NTPC	Since 28.06.13
Mr. Md. Abduhu Ruhullah Chairman, BPDB	Since 23.12.13	Mr. Vijay Shanker Tamrakar Managing Director designated by NTPC	Since 31.10.12
Mr. Md. Abul Quasem Ex-Member (Company Affairs), BPDB	31.10.12 - 20.05.13		
Mr. Md. Anwar Hossain Joint Secretary (Development), Power Division, MOPEMR, GOB	Since 20.05.13		
Mr. Jalal Uddin Ahmed Choudhury Ex-Member (Company Affairs), BPDB	28.06.13 - 20.09.13		
Mr. Tamal Chakraborty Member (Company Affairs), BPDB	Since 20.09.13		



Corporate Directory

Board of Directors :

Directors Nominated by BPDB :	Directors Nominated by NTPC :
<ul style="list-style-type: none"> ▪ Mr. Monowar Islam, ndc ▪ Engr. Md. Abduhu Ruhullah ▪ Engr. Md. Anwar Hossain ▪ Engr. Tamal Chakraborty 	<ul style="list-style-type: none"> ▪ Dr. Arup Roy Choudhury ▪ Engr. I. J. Kapoor ▪ Engr. A. K. Jha ▪ Engr. Vijay Shanker Tamrakar

Management Team :

▪ Engr. Vijay Shanker Tamrakar	Managing Director
▪ Engr. Anindya Majumder	Chief Technical Officer
▪ CA Biswanath Saha, ACA, ACMA	Chief Finance Officer Designated
▪ Engr. Debadatta Ray	AGM (Electrical & I&E)
▪ Engr. Atanu Kumar Mitra	DGM (Mechanical Design)
▪ Engr. Sudipta Banerjee	Senior Manager (Civil)
▪ Mr. Md. Monzur Morshed	Deputy Director (HR)
▪ Engr. Dinesh Chandra Mistry	Executive Engineer
▪ Mr. Sadhan Barkondaj	Asstt. Director (Finance & Accounts)

Company Secretary :

Mr. S. Abdur Rashid FCS

Auditor :

M/s S. F. Ahmed & Co, Chartered Accountants
(Affiliated with Ernst & Young International, Inc of New York, USA)
House 25, Road 13A, Block D, Banani, Dhaka 1213, Bangladesh

Primary Banker :

Janata Bank Limited
Nawab Abdul Gani Road Corporate Branch, Dhaka, Bangladesh

Registered Office :

Bidyut Bhaban (14th Floor), 1 Abdul Gani Road, Dhaka-1000, Bangladesh

Project Camp Office :

132KV Grid Sub-station Complex, PGCB, Mongla, Bagerhat, Post Code - 9351, Bangladesh

Site Location :

Village : Sapmari Katakhalı & Koigar Daskati
Upazila : Rampal, District : Bagerhat, Division : Khulna, Bangladesh

Registration No. & Date :

Registration No. : C-105370/12 Dated 31 October 2012



Calendar of Events

Date	Mentionable Events
11 January 2010	Signing of Umbrella Memorandum of Understanding (MOU) on Power Sector Cooperation between the Bangladesh and Indian Governments Constitution of a Joint Steering Committee (JSC) co-chaired by the Power Secretaries of India and Bangladesh
30 August 2010	Signing of Memorandum of Understanding for Implementation of 1320 MW coal based Thermal Power Project (TPP) at Khulna in Joint Venture of NTPC and BPDB
30 September 2010	Signing of Contract Agreement for Feasibility Report (FR) Consultancy for Khulna Project between NTPC and BPDB at Dhaka
06 October 2010	Final IEE report submission
31 March 2011	Submission of Draft Feasibility Report (DFR) to BPDB
23 May 2011	Location/ Site clearance received from DOE, GOB
31 December 2011	Submission of Final Feasibility Report (in Draft form) for Khulna Thermal Power Project comprising of 2 units of 660 MW to BPDB
29 January 2012	Signing of Joint Venture Agreement between BPDB and NTPC
20 July 2012	Submission of Final Feasibility Report to BPDB
31 October 2012	Incorporation as Private Limited Company and Registered with RJSC
11 November 2012	Finalization of Feasibility Report incorporating comments received from BPDB and Power Grid Company of Bangladesh (PGCB) Limited
30 January 2013	Site visit of Hon'ble Minister of State for Power, Energy & Min. Resources along with Indian High-Commissioner, Advisor (Energy) & Secretary (Power), GOI
31 January 2013	Holding of 1st Board Meeting in Dhaka, Bangladesh Adoption of Feasibility Report for 1320 MW Coal based TTP at Rampal by the Board of Directors of BIFPCL
12 April 2013	Peoples' consultation on EIA
20 April 2013	Holding of 2nd Board Meeting in Dhaka, Bangladesh Signing of Supplementary Joint Venture Agreement between BPDB & NTPC Signing of Implementation Agreement between BIFPCL and GOB Signing of Power Purchase Agreement between BIFPCL and GOB



- 28 May 2013** Holding of 3rd Board Meeting in Khulna, Bangladesh
Holding of 1st EGM in Khulna, Bangladesh
- 29 May 2013** Progress Review at site by the Directors of BIFPCL
- 28 June 2013** Holding of 2nd EGM in Dadri Power Station, Uttar Pradesh, India
Holding of 4th Board Meeting at NTPC Dadri, Uttar Pradesh, India
- 01 August 2013** EOI for Owner's Engineer published in Newspaper
- 05 August 2013** Approval of EIA report accorded by DOE, GOB
- 12 September 2013** EOI for Coal Consultant published in Newspaper
- 20 September 2013** Holding of 5th Board Meeting in Khulna, Bangladesh
- 21 September 2013** Review of Progress by the Directors of BIFPCL at Project Site
- 05 October 2013** Unveiling of Foundation Stone of Rampal Project by their Excellency the Prime Ministers of India and Bangladesh jointly at Bheramara, Kushtia, Bangladesh
- 13 November 2013** Aerial Site Inspection of Power Project by Hon'ble Prime Minister of Bangladesh at Rampal, Bagerhat, Bangladesh
- 22 December 2013** Workshop on "Sustainable Energy Security : Options for Bangladesh"
- 23 December 2013** Holding of 6th Board Meeting through Video Conferencing (connected between Dhaka, Bangladesh and New Delhi, India)

Target for Future Events

Mentionable Events	Target Date
Approval of short-listing of Owner's Engineer	27 December 2013
1st AGM of the company held in Dhaka, Bangladesh	31 December 2013
Appointment of Owner's Engineer	March 2014
Finalisation of Coal Consultant	April 2014
NIT for EPC Package	June 2014
Award of EPC Contract	December 2014
Ground Breaking	January 2015



Directors' Profile



Mr. Monowar Islam, ndc

Mr. Monowar Islam, ndc, Secretary, Power Division, Ministry of Power, Energy and Mineral Resources, Government of Bangladesh, Government of Bangladesh (GOB) joined the Board of BIFPCL as a nominee director of Bangladesh Power Development Board (BPDB) and was elected as its Chairman on 31 January 2013.

He joined the Bangladesh Civil Service in 1982 batch in BCS (Administration) Cadre. He served in Bangladesh Secretariat at policy formulation and field administration at policy implementation levels.

He worked for the Ministries of Food, Public Administration, Finance (Economic Relations Division), Environment and Forests, Science and Technology and Cabinet Division as Assistant Secretary, Senior Assistant Secretary, Deputy Secretary and Joint Secretary. He was Director General of the Department of Environment and the Department of Narcotics Control. He also worked for the World Conservation Union and UNDP as Project Manager of National Capacity Self-Assessment for Sustainable Environmental Management Project. He also worked as Upazila Nirbahi Officer at Monohardi, Narsingdi and Additional Divisional Commissioner in Sylhet Division.

He was born in 1957 in Chittagong, Bangladesh. He did his Graduation with Honours and Masters in Public Administration from the University of Chittagong. He did some certificate courses on Project Planning and Management in Philippines, Economic Policy Management and Private Sector Development in U.K., Environmental Management System in Japan and Managing at the Top in Singapore and U.K. He has also completed National Defense Course (ndc) in 2009.

Mr. Islam has traveled many countries in Asia, South-East Asia, South Asia, Middle East, Europe, Latin America and Africa - viz. China, Greece, Germany, India, Italy, Japan, Jordan, Kingdom of Saudi Arabia, Kenya, Malaysia, Mexico, Nepal, Philippines, Pakistan, Qatar, Sri Lanka, South Korea, Switzerland, Singapore, Thailand, UAE, United Kingdom, United States of America, Vietnam, Australia, Indonesia and Poland. He is fond of reading books.



Dr. Arup Roy Choudhury

Dr. Arup Roy Choudhury, Chairman & Managing Director of NTPC Limited since 01 September 2010 and Chairman of DVC since 29 November 2013, has been on the Board of BIFPCL as a Nominee Director from NTPC since incorporation of BIFPCL on 31 October 2012. He has an illustrious career spanning over 34 years of outstanding contribution in the fields of engineering, general management, strategic management and business leadership.

He is a Graduate in Civil Engineering from Birla Institute of Technology, Mesra and a Post-Graduate in Management and Systems from IIT-Delhi. A keen learner of the latest professional developments, he has been conferred Doctorate in "Performance Assessment of Infrastructure Development Projects" from IIT-Delhi in April, 2013.

Dr. Choudhury brings to NTPC the dynamism of a leader with proven abilities to achieve transformational changes. He seeks to position the Maharatna enterprise on course to become the largest and best power producer in the world.

Dr. Choudhury has the distinction of becoming the youngest Chief Executive Officer of a Central Public Sector Enterprise (CPSE) at the age of 44 years when he joined as Chairman & Managing Director, National Buildings Construction Corporation Limited (NBCC) on April 03, 2001. Prior to that he had worked in prominent public and private sector companies since 1979, when he started his career. His rich and varied contribution of over 32 years has been recognized by prestigious professional, academic and Government institutions, both national and international.

His vision, leadership and industriousness transformed NBCC, which was a sick company with negative net-worth and salary back-log in 2001, into a blue-chip enterprise having Schedule 'A' and 'Miniratna' status bestowed upon it by the Government of India. The stunning turnaround of the Company brought about by him has enabled NBCC's turnover grow about 10 times and net-worth over 500 times during his tenure of nine-and-a-half years at the helm. He pulled NBCC out of the abyss and catapulted it into the distinguished league of 'Top Ten CPSEs'. Under him, NBCC broadened its business horizons. Its entry into power project development dovetails very productively with his new role as CMD, NTPC.

As Chairman, Standing Conference of Public Enterprises (SCOPE), the apex body of central public sector enterprises (CPSEs), Dr. Choudhury effectively led policy advocacy for greater empowerment of these enterprises. He is also promoting the cause of greater professionalism, competitiveness, societal commitment, transparency and global-benchmarking among the CPSEs.

Dr. Choudhury believes in growth and excellence through proactive approach and his dictum is "Sankalp Shuddha Hi Siddha" i.e. if your intentions are pure, you are bound to succeed. He has a strong commitment for the well-being of the society at large. His sharp focus on corporate governance and environmentally sustainable growth has been demonstrated in concrete actions and substantial benefits.



BIFPCL



Engr. Md. Anwar Hossain

Engr. Md. Anwar Hossain, Joint Secretary (Development), Power Division, Ministry of Power, Energy and Mineral Resources, Government of Bangladesh (GOB) joined the Board of BIFPCL on 20 May 2013. He has significant experience in serving in the key positions in various ministries of the GOB. Born in 1962 in the district of Kushtia of Bangladesh, Mr. Hossain pursued his graduation in Mechanical Engineering from Bangladesh University of Engineering and Technology (BUET).

He started his career in 1986 as a BCS (Railway, Engineering) Cadre. He possesses demonstrated exceptional engineering and bureaucratic skills and managerial standpoint. In his long glistening track of profession in Bangladesh Railway for about two decades, he served as Mechanical Engineer, Works Manager, Marine Superintendent, Divisional Mechanical Engineer, Divisional Superintendent of Workshop and Director (Locomotive Maintenance). He got promoted as Deputy Secretary in 2006 and subsequently placed at Power Division. Afterwards, by the virtue of his illustrative and dynamic performance, he was promoted as Joint Secretary of Power Division in 2012. His responsibility as Joint Secretary (Development) is to monitor, coordinate and processing of almost all development projects in power sector of Bangladesh. At present he is co-chairman of the Joint Working Group (JWG) on Power Sector Cooperation between Bangladesh and India.

He, also an MBA, is privileged to take part in many high profile training courses, seminars and symposiums in Bangladesh and overseas regions. On different occasions of his service he visited a good number of countries across the globe.

He joined the Board of Ashuganj Power Station Company Ltd (APSCL) as Director in 2008 and then became Chairman in 2012. He also chairs the Board of United Ashuganj Energy Limited (UAEL). He worked as the Director on the Board of Electricity Generation Company of Bangladesh Limited (EGCB). Presently, Mr. Hossain is a Director on the Board of Coal Power Generation Company Bangladesh Limited (CPGCBL) and also on the Board of Dhaka Mass Transit Company Limited (DMTCL) which is going to implement the first project of Metro Rail in Bangladesh. As Chairman of APSCL and as Team Leader, he successfully negotiated and finalized financial closing of about US\$ 613 million Credit for implementing 225 MW and 450 MW (South) Gas Based Combine Cycle Power Plants with Standard Chartered Bank and HSBC respectively. It is the first time in Bangladesh and a great achievement both for APSCL and Bangladesh.



Engr. Md. Abduhu Ruhullah

Engr. Md. Abduhu Ruhullah, Chairman of Bangladesh Power Development Board (BPDB), joined the Board of BIFPCL on 23 December 2013 as a nominee director of BPDB. He took over the charge of the office of the Chairman of BPDB as the 30th Chairman on 05 November 2013. Prior to joining as Chairman he was the Member (Planning & Development) of BPDB. Mr. Abduhu Ruhullah was born on 01 January 1956 in Rajshahi district of Bangladesh. He passed the Matriculation Examination from Nababganj Harimohan Government High School in 1970 and Higher Secondary Examination from Rajshahi College in 1972.

Obtaining Bachelor degree from Rajshahi Engineering University in Electrical Engineering, Mr. Abduhu Ruhullah joined the

BPDB as Assistant Engineer in 1978. He worked for 12 years in Distribution sector of BPDB, for 13 years as head of different projects, for 4 years as Director (Purchase) and for 2 years as General Manager (Commercial Operation). He travelled in Belgium, Germany, South Africa, the USA and China for training and professional purposes.

He chairs the Board of Directors of West Zone Power Distribution Company Limited (WZPDCL). He is also the Director on the Boards of North West Power Generation Company Limited, Power Grid Company of Bangladesh Limited (PGCB), Electricity Generation Company Bangladesh Limited (EGCB) and Coal Power Generation Company Bangladesh Limited (CPGCBL).



Engr. Tamal Chakraborty

Engr. Tamal Chakraborty, Member (Company Affairs) of Bangladesh Power Development Board (BPDB), joined the Board of BIFPCL on 20 September 2013 as a nominee director of BPDB. He took over the charge of the office of Member (Company Affairs) on 29 June 2013. Prior to his present position he was Member (Generation) and Member (Planning & Development) of BPDB.

He joined the BPDB as Assistant Engineer in 1978 and worked as Assistant Engineer and Sub-divisional Engineer in Design-1, as

Executive Engineer in Ghorashal Power Station and Ashuganj Power Station and as Manager and Chief Engineer in Siddhirganj Power Station and Ghorashal Power Station.

Mr. Chakraborty was born in 1956 in Sherpur district of Bangladesh. He obtained Bachelor Degree in Mechanical Engineering from Bangladesh University of Engineering and Technology (BUET) in 1978 and obtained MBA from the Institute of Business Administration (IBA) under the University of Dhaka in 1989.



Engr. I.J. Kapoor

Engr. I.J. Kapoor, Director (Commercial) of NTPC Limited since December 2008, has been on the Board of BIFPCL as a Nominee Director from NTPC since incorporation of BIFPCL on 31 October 2012. He has a rich and varied experience of over 34 years in the areas of Commercial, Engineering, Contracts & Materials Management, Project Management, Consultancy, Cost Engineering, Station Engineering and Quality Assurance & Inspection. He is a Graduate in Mechanical Engineering and MBA in Marketing.

He joined NTPC in 1978 as 3rd batch Engineering Executive Trainee (EET) and is the first EET to be on the Board of the Company. Prior to his elevation as Director (Commercial), he was Regional Executive Director (National Capital) of NTPC, responsible for management of ~3900 MW generating capacity, administering more than ¼th of NTPC's turnover along with project implementation activities for 2 490 MW at Dadri Stage-II.

As Director (Commercial), he is responsible for formulation and implementation of policies & strategies to ensure marketing of NTPC's entire electrical output, appropriate pricing from regulatory authority and 100% &

timely realization from customers, thereby generate adequate internal resources for the company to meet the future challenge of higher capacity addition. In addition, he is the Director In-charge of Consultancy and Business Development activities. He is also part time Chairman on the Board of Aravali Power Company Private Ltd. (1500 MW) and National Power Exchange Ltd. He is part time Director on the Board of PTC India Ltd., Meja Urja Nigam Private Ltd. (1320 MW), NTPC- BHEL Power Projects Private Ltd. and NTPC Vidyut Vyapar Nigam Ltd. He is responsible for successful implementation of National Solar Mission Phase-I. He is a Fellow of Institution of Engineers, India and Senior Member, IEEE, USA.



Engr. A.K. Jha

Engr. A.K. Jha, Director (Technical) of NTPC Limited, has been on the Board of BIFPCL as a Nominee Director from NTPC since 28 September 2013. He joined NTPC in 1977 as Executive Trainee (2nd Batch). He was directly associated with the NTPC's flagship project i.e. Singrauli (5 200 MW) as part of erection team. He has more than 36 years of rich and varied experience in Power Sector in the areas of Erection and Commissioning, Project Planning & Monitoring, Project Management. He has also worked in the area of Human Relations.

He is a graduate in Mechanical Engineering from BIT Sindri, Ranchi University (1977) and has done LLB from Delhi University (1996). He is a 'B' Level certified Project Manager from International Project Management Association (IPMA).

He has served as Regional Executive Director (North) where he was responsible for entire portfolio management i.e. 4 generating stations (5490 MW), 2 ongoing projects (1008 MW) and 4 upcoming new projects (4460 MW) in Northern region of NTPC. As Executive Director (Project Planning & Monitoring), he has looked after the Planning & Monitoring of entire portfolio of NTPC's Capacity addition program.

He is part time Chairman in the Board of NTPC Alstom Services Pvt Ltd (NASL), Pan-Asian Renewables Pvt. Ltd. (PARL). He is nominee director in the Board of NTPC Hydro Ltd (NHL), Anushakti Vidyut Nigam Ltd (ASHVINI), Transformer And Electricals Kerala Limited (TELK). He is Board Member in international Electric Research Exchange (IERE) where NTPC is executive member

and member in Excellence Enhancement Centre (EEC) - An initiative of Indo-German Energy Co-operation.

He Joined NTPC Board in July 2012 as Director (Technical). He is responsible for Engineering Division - Concept to Commissioning of power projects, induction of environment friendly technologies like Ultra Super Critical, Advance Ultra Super Critical and IGCC (Integrated Gasification Combined Cycle), R&M Engineering of old units, Mine planning & Design of Captive coal blocks, R&D through NETRA (NTPC Energy Technology and Research Alliance), Renewable Energy & Distributed generation through induction of Solar, Wind, Small Hydro, Geo-Thermal and implementation of decentralized distributed generation scheme, Information technology initiatives including Enterprise Resource Planning (ERP) and Sustainability Development function of NTPC. During last one year on NTPC Board, he has given special thrust to renewable energy and during this period, NTPC has commissioned 10 MW and approved another 85 MW of solar projects, which are under construction.

He has presented paper on Project Management at IPMA World Congress in Rome in 2008 and delivered a Lecture on Project Management at International Congress in Tokyo in 2008. Widely travelled, Mr. Jha has visited various Power Stations and manufacturing units in South Korea, UK, USA, Japan, Italy and Russia. He was earlier Regional Executive Director (NR) in NTPC.



BIFPCL



Engr. Vijay Shanker Tamrakar

Engr. Vijay Shanker Tamrakar has been on the Board of BIFPCL as a Nominee Director from NTPC since incorporation of BIFPCL on 31 October 2012. He was appointed as Managing Director of the BIFPCL since 20 April 2013. Mr. Vijay Shanker Tamrakar is a graduate in Electrical Engineering from Bhopal University, M.P., India. He has about 37 years of experience in power sector. He started his career in 1976 from Bhabha Atomic Research Centre of India and then subsequently working in different divisions of Department of Atomic Energy of Govt. of India where he worked in the Electrical System Planning, Design and Site Execution for about 8 years before joining NTPC in 1984.

He worked in different positions in NTPC covering various aspect of large size Coal based and Gas based Combined Cycle

Power Projects in the field of Planning, Monitoring and Execution of the Power Projects in timely manner. He was closely associated in monitoring the implementation of some of the early projects of NTPC based on Supercritical Technology. He worked as General Manager (Projects) in Vindhyachal Super Thermal Power Project (Largest power project in India). He travelled and visited Russia and Germany in connection with expediting the material supplies & Engineering activities for timely completion of project and also undergone Training Program on Project Planning and Development in Asian Institute of Management Manila, Philippines.



Chairman's Address to the Members

Dear Valued Members

I have the pleasure to welcome you to the 1st Annual General Meeting of the Company and to present before you the Annual Report for the period ended 30 June 2013. I would like to express special gratitude to you for your active support in implementing the objectives of the Company.

Dear Members

I would like to draw your kind attention to our performance that is summarized in the Board's Report. We have tried our best to present the actual picture of the Company in the Board's Report. I am confident that the past period would be considered as a time of significant progress and achievements.

Dear Members

Since we are in the stage of preparation towards Project Development, we do not have any opportunity to make any Income under the head of Income from Operation or any operating profit. However, we have taken initiative for generating possible income from our assets/funds through short-term investments in FDRs.

Dear Members

I would declare that the management is devoted to perform its functions efficiently. I think your constructive criticisms and suggestions shall make our future efforts and endeavors more effective so as to fulfill your expectations.

Dear Members

As entrusted by you, we are very much careful to complete the preparation towards project development within the shortest possible time. We are working on appointment/engagement of Owner's Engineer and Coal Procurement Consultant. The works of Land Development for Project Site, Fencing the Site and allied primary civil construction are nearly completed. We hope further project development activities will be started by the end of this Financial Year.

Dear Members

I, on behalf of the Board, would like to mention that the Directors could not consider for recommending any dividend for the year 2012-13. I believe that the Company would be able to make profit in near future for recommending dividend.

Dear Members

I feel very excited for implementing our plans and can see a clear progress towards our vision. I look forward to your comments and suggestions regarding our performance and plans for the future year.

Sd/-

Monowar Islam

Chairman

Dhaka, 23.12.2013



Directors' Report : 2012-13

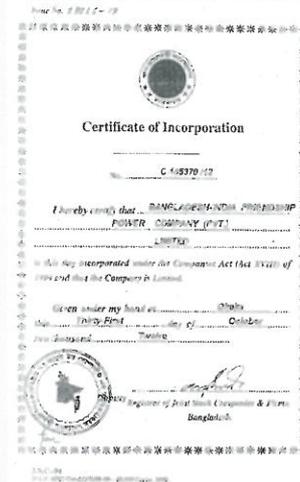
Dear Members,

The Directors of Bangladesh-India Friendship Power Company (Pvt.) Limited have the pleasure to present before you the Annual Report of the Company for the period ended 30 June 2013.

Major Activities

Incorporation of the Company

Your Company was incorporated in Bangladesh under the Companies Act 1994 and was registered on 31 October 2012 with the Office of Registrar of Joint Stock Companies and Firms (RJSC), Dhaka. It is based on a Joint Venture Agreement (JVA) executed between Bangladesh Power Development Board (BPDB) and NTPC Ltd, India on 29 January 2012. The company has obtained the registration of Board of Investment, Bangladesh on 27 November 2012.



Holding of Board Meetings

The 1st Meeting of the Board of Directors of BIFPCL was held on 31 January 2013 in Dhaka. The 2nd Meeting of the Board of Directors of BIFPCL was held on 20 April 2013 in Dhaka. In this Board Meeting the Directors appointed the Managing Director from among themselves. The 3rd Meeting of the Board of Directors of BIFPCL was held on 28 May 2013 in Khulna. The 4th Meeting of the Board of Directors of BIFPCL was held on 28 June 2013 in India.



31 January 2013
The 1st Board Meeting at Dhaka



20 April 2013
2nd Board Meeting at Dhaka



Execution of Implementation Agreement (IA)

The Company entered into an Implementation Agreement (IA) with the Government of Bangladesh (GoB) on 20 April 2013. Through the IA, the GoB ensure that Bangladesh Bank will give consent to the foreign investor for opening and operation of Taka and Dollar Bank Accounts, including bank account(s) necessary to invest in the Company inside Bangladesh and the accumulation of earnings and sales



20 April 2013
Signing of IA at Dhaka

proceeds from the share and other receipts and transfer of fund into and out of such accounts inside and/or outside Bangladesh related to the facility as per laws of Bangladesh. Among incentives, there are a fifteen-year corporate income tax exemption and the ability to repatriate dividends and profits after commencing of commercial operation as per applicable laws.

The IA also states that, GoB shall ensure that no Government Authority will take any discriminatory action which materially and adversely affect the Project or the performance of the Company's obligations or the enjoyment of its rights or interest of the investors or lenders under the security package or expropriation, acquires the facility of the Company, whether in whole or in part.

As per IA, GoB shall ensure that the land on which the Facility or any part thereof is to be built shall be leased to the Company by BPDB through Land Lease Agreement (LLA). The LLA shall be for an initial period of thirty five (35) years and shall be extended from time to time so that the same is valid during the term of the Power Purchase Agreement (PPA). GoB shall be responsible for maintenance of general law and order as per the laws of Bangladesh. BPDB has identified the plot of land at the bank of river Possur approximately 14 km upstream of Mongla Port in Rampal Upazila of District Bagerhat under Khulna Division for a coal based power plant of capacity 1320 MW for generation of electric power with imported coal.



20 April 2013
Signing of PPA at Dhaka

Execution of Power Purchase Agreement (PPA)

The Company has entered into a Power Purchase Agreement (PPA) with BPDB on 20 April 2013 for a period of twenty five (25) years from the date of commercial operation whereby BPDB agrees to purchase all net electrical outputs of the Facility.



Execution of Supplementary Joint Venture Agreement (SJVA)

A Supplementary Joint Venture Agreement (SJVA) was executed between BPDB and NTPC on 20 April 2013. It is supplementary to the JVA dated 29 January 2012.



20 April 2013.
Signing Ceremony SJVA for 2x660 MW Coal Based Rampal Project

Holding of EGMs

The 1st Extra-ordinary General Meeting (EGM) of BIFPCL was held on 28 May 2013 in Khulna. In this EGM, the Company made alteration to the Articles of Association to make the same consistent with the draft Articles of Association as per the JVA. The 2nd EGM of BIFPCL was held on 28 June 2013 in India. In this EGM, the Company appointed its First Auditor.

Injection of Initial Capital by the Promoters

As per the JVA, the Initial Capital of Tk. 16 Crore will be raised only upon the approval of Bangladesh Securities and Exchange Commission. However, for smooth operation of the Company activities, the Promoters have made Share Deposit Money of Tk. 8 Crore each (Total Tk. 16 Crore) in July 2013. This is a significant off balance sheet event.

Progress of Project Development Activities

Land filling for the project site started before the incorporation of the Company and 54% of Land filling was completed till 30 June 2013. By this time, an Office and a Rest House at Mongla were made available for the Company through renovation. These were fully funded by BPDB against its Equity Contribution. Till 30 November 2013, 80% of Land filling was completed and a Project Site Office, Portacabin, 3 helipads and temporary wooden jetty were made ready. Fencing block and Pontoon fabrication are under progress. 33KV line erection is also complete.

Preparation and Presentation of Financial Statements

The First Accounting Period was from 31 October 2012 to 30 June 2013. Though the Company had been incorporated on 31 October 2012, its regular activities began after formal joining of the Managing Director on 05 May 2013. However, Bangladesh Power Development Board (BPDB), one of the Promoters of the Company, has incurred expenses towards the Land Development for Project Site and allied activities by the end of the accounting period. These expenditures will be incorporated in the next accounting period.

Since the accounting period ended 30 June 2013 would be considered under the duration of Pre Commercial Operation Period, the Company has prepared the Financial Statements consisting of the Balance Sheet as on 30 June 2013, the Receipts and Payments Statement for period and Notes to the Accounts together with a Schedule of Non-current Assets. These Financial Statements have been prepared in accordance with the requirements of Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws and regulations.



Board of Directors

The first Board of Directors comprises of the following persons :

Representatives of BPDB:	Representatives of NTPC:
1. Mr. Md. Abul Kalam Azad Secretary, Power Division MOPEMR, GOB	1. Dr. Arup Roy Choudhury Chairman & Managing Director, NTPC Limited (NTPC)
2. Mr. Md. Abdul Wahab Khan Chairman, BPDB	2. Mr. I.J. Kapoor Director (Commercial), NTPC
3. Mr. Md. Abul Quasem Member (Company Affairs), BPDB	3. Mr. Vijay Shanker Tamrakar General Manager (Business Dev.), NTPC

Subsequently, Mr. Monowar Islam, Secretary of Power Division and Mr. Md. Anwar Hossain, Joint Secretary (Development) of Power Division were appointed in places of Mr. Md. Abul Kalam Azad and Mr. Md. Abul Quasem respectively. Moreover, as per resolutions adopted in the 2nd AGM and 4th Board Meeting both held on 28 June 2013, Mr. A. K. Jha, Director (Technical) of NTPC and Mr. Jalal Uddin Ahmed Choudhury, Member (Company Affairs) of BPDB, were appointed as nominee Directors of NTPC and BPDB respectively to increase the number of Directors on the Board of the Company.

Attendance in Board Meetings

During the period ended 30 June 2013, four Board Meetings were held. Attendance of the Directors in those meetings were:

Name of Directors	Tenure of Directorship	Meetings Held	Meeting Attended
<u>Representatives of BPDB:</u>			
Mr. Md. Abul Kalam Azad	31.10.2012 - 31.01.2013	-	-
Mr. Monowar Islam	Since 31.01.2013	4	4
Mr. Md. Abdul Wahab Khan	Since 31.10.2012	4	4
Mr. Md. Abul Quasem	31.10.2012 - 20.04.2013	1	1
Mr. Md. Anwar Hossain	Since 20.04.2013	3	3
Mr. Jalal Uddin Ahmed Choudhury	Since 28.06.2013	1	-
<u>Representatives of NTPC:</u>			
Dr. Arup Roy Choudhury	Since 31.10.2012	4	3
Mr. I.J. Kapoor	Since 31.10.2012	4	4
Mr. Vijay Shanker Tamrakar	Since 31.10.2012	4	4
Mr. A. K. Jha	Since 28.06.2013	1	1

The Directors who were absent were granted leave.

Retirement of Directors

As per the provisions of the Companies Act 1994, all the Directors shall retire at the First Annual General Meeting of the Company and each of the retiring Directors shall be eligible for re-election/ re-appointment.



Net Income and Dividend

Since the Company has been under Pre Commercial Operation Period, it could not make any Net Income to recommend dividend to the members for the period.

Appointment of Auditors

M/s S. F. AHMED & CO, Chartered Accountants (which is affiliated with Ernst & Young International, Inc of New York, USA), having office at House 25, Road 13A, Block D, Banani, Dhaka 1213, Bangladesh, was appointed as the First Auditor of the Company in its 2nd EGM at a Fee/Remuneration of BDT 100,000/- (Taka One Lac only) plus applicable VAT. They have expressed their desire to be re-appointed for the next year. M/s S. F. AHMED & CO, Chartered Accountants, shall retire upon conclusion of the upcoming AGM. As recommended by the Audit Committee, the Directors recommends for re-appointment of M/s S. F. AHMED & CO, Chartered Accountants, for the next year and till conclusion of the next AGM at a Fee/Remuneration of BDT 110,000/- (Taka One Lac Ten Thousand only) plus applicable VAT.

Corporate Social Responsibilities

During the last accounting period, the Company had a little opportunity to deliver Corporate Social Responsibilities (CSR). The Board has planned for discharging Social Responsibilities during this year. During the period of Commercial Operation, BDT 0.03 per KWh shall be provided to the Fund of CSR to be utilized in order to guide social protection as well as local social development activities. 500,000 Plantation has been planned. The Directors launched the Tree Plantation Program during inauguration of the project camp office at Mongla on 29 May 2013. Till date 200 plantations have been done.



Acknowledgement

The Directors wish to express their sincere appreciation to all the employees and all Stakeholders of the Company for their cooperation and contribution.

On behalf of the Board

Sd/-

Monowar Islam, ndc

Chairman

Dhaka, 23.12.2013



**Auditor's Report
&
Audited Financial Statements**



BIFPCL

S. F. AHMED & CO
Chartered Accountants
— Established : 1958

House # 51 (3rd Floor)
Road # 9, Block # F, Banani
Dhaka 1213, Bangladesh

Phones: (880-2) 987-1018 & 987-0619
E-mails: (i) sfaco@citechco.net
(ii) sfaco@sfaahmedco.org

Auditors' Report to the Shareholders of Bangladesh-India Friendship Power Company (Pvt) Limited

We have audited the accompanying financial statements of Bangladesh-India Friendship Power Company (Pvt) Limited (the company), namely, statement of financial position (balance sheet) as at 30 June 2013 and the related receipts and payments statement and a summary of significant accounting policies and other explanatory notes for the period from 31 October 2012 to 30 June 2013.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards/Bangladesh Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

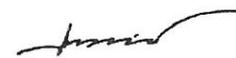
In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards/ Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 30 June 2013 and its cash flows for the period then ended and comply with the requirements of 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 the law have been kept by the company so far as it appeared from our examination of those books; and
- (c) the company's financial position dealt with by this report are in agreement with the books of account and returns.

House # 51 (3rd Floor), Road # 9, Block F
Banani, Dhaka 1213, Bangladesh
Dated, 25 September 2013




S. F. AHMED & CO
Chartered Accountants



S. F. AHMED & CO
Chartered Accountants

Bangladesh-India Friendship Power Company (Pvt) Limited

**Statement of Financial Position
(Balance Sheet) at 30 June 2013**

	<u>Notes</u>	<u>Amount (Taka)</u>
Assets		
Non-current assets		
Property, plant and equipment	4	50,255
Pre-operating expenses	5	3,087,651
Preliminary expenses	6	315,425
		3,453,331
Current asset		
Bank balance	7	102,985
Total assets		<u>3,556,316</u>
Equity and Liabilities		
Capital and reserves		
Share capital	8	-
Current liability		
Payable to BPDB	9	821,863
Advance to employees - NTPC	10	1,770,909
Accrued expenses	11	963,544
Total Liabilities		<u>3,556,316</u>

See annexed notes

for Bangladesh-India Friendship Power Company (Pvt) Limited


Company Secretary


Managing Director


Chairman

Signed in terms of our report of even date annexed



House # 51 (3rd Floor), Road # 9, Block F
Banani, Dhaka 1213, Bangladesh
Dated, 25 September 2013


S. F. AHMED & CO
Chartered Accountants



Bangladesh-India Friendship Power Company (Pvt) Limited

Receipts and Payments Statement for the period ended 30 June 2013

	<u>Amount (Taka)</u>
Inflow of funds	
Opening balance	
Bank balance	-
	<hr/>
	-
	<hr/>
Receipts during the period	
Cash funding from BPDB	500,000
	<hr/>
	500,000
	<hr/>
Outflow of funds	
Payments	
Meetings and events	313,397
Property, plant and equipment	50,255
Entertainment	16,847
Salary and allowances	5,500
Legal expenses	5,035
Repair and maintenance	3,316
Bank charges	2,169
Printing and stationery	496
	<hr/>
	397,015
	<hr/>
Closing balance	
Bank balance	102,985
	<hr/>
	102,985
	<hr/>
	500,000
	<hr/>

for Bangladesh-India Friendship Power Company (Pvt) Limited

Company Secretary

Managing Director

Chairman

Signed in terms of our report of even date annexed



House # 51 (3rd Floor), Road # 9, Block F
Banani, Dhaka 1213, Bangladesh
Dated, 25 September 2013

S. F. AHMED & CO
Chartered Accountants



Bangladesh-India Friendship Power Company (Pvt) Limited
Notes to the financial statements for the period ended 30 June 2013

General

1. Reporting entity

1.1 Company's profile

Bangladesh-India Friendship Power Company (Pvt) Limited (the Company/BIFPCL) is a joint venture company duly incorporated in Bangladesh under the Companies Act 1994 and was registered with the Office of Registrar of Joint Stock Companies and Firms (RJSC), Dhaka, vide its certificate of incorporation no. C-105370/12 on 31 October 2012. It is a private limited company incorporated under a joint venture agreement between Bangladesh Power Development Board (BPDB) and National Thermal Power Corporation Limited (NTPC) with equal equity participation of (1) Bangladesh Power Development Board, a board constituted under the Bangladesh Water and Power Development Board's Order 1972 (PO No. 59 of 1972) referred to as BPDB having its Head Office at WAPDA Building, 12 Motijheel Commercial Area, Dhaka 1000, Bangladesh and (2) National Thermal Power Corporation Limited, a company incorporated under the laws of India, having its registered office at NTPC Bhaban, Scope Complex, 7 Institutional Area, Lodi Road, New Delhi 1003, India.

As of 30 June 2013, the shareholding position of the Company was as under:

<u>Name of shareholder</u>	<u>Shareholding percentage (%)</u>
Bangladesh Power Development Board	50%
National Thermal Power Corporation Limited	50%
	<u>100%</u>

1.2 Nature of business

The principal activities of the Company for which was established are to design, engineer, manufacture, insure finance, acquire, construct, complete, permit, test, commission, own, operate and maintain thermal power projects; to undertake, wherever necessary the construction of transmission lines and ancillary works for timely and coordinated exchange of electric power; and to carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of electric power and for the purpose to set-up, operate and manage all necessary plants, establishments and works in other allied industries.

Presently, the Company is preparing for setting up a 1320 MW (2 X 660 MW) Coal Based Thermal Power Plant at Rampal in Bagerhat District of Khulna Division, Bangladesh. The Project is expected to complete in 5 years and then the Company would commence its commercial operation.

2. Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements have been prepared in accordance with the requirements of Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws and regulations.

2.2 Basis of measurement

These financial statements have been prepared on a going concern basis under historical cost convention.



**Bangladesh-India Friendship Power Company (Pvt) Limited**
Notes to the financial statements for the period ended 30 June 2013**2.3 Functional and presentational currency**

These financial statements are prepared in Bangladesh Taka (Taka/BDT), which is the Company's functional and presentational currency.

2.4 Components of these financial statements

Following are the components of these financial statements:

- (i) Statement of financial position (balance sheet)
- (ii) Receipts and Payments Statement
- (iii) Explanatory notes to the above financial statements which also describe accounting policies adopted and followed by the Company.

2.5 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. Actual results may differ from these estimate.

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

2.6 Reporting period

These financial statements cover the period from 31 October 2012 to 30 June 2013.

2.7 Cash and bank balances

Cash and cash equivalents comprise only bank balances.

3. Significant contract**3.1 Joint venture agreement**

BPDB and NTPC entered into a joint venture agreement on 29 January 2012 with the objective of setting up and implementing coal based power plant(s) in Bangladesh to cater to the growing power requirements of Bangladesh. The parties have agreed that NTPC and BPDB shall incorporate a special purpose vehicle in the form of a joint venture company being a private company limited by shares in Bangladesh for implementing the project in Bangladesh in compliance with applicable laws by subscribing share capital of the joint venture company (JVC) in the ratio of 50:50. The JVC shall implement the project with a loan component and an equity component of 70:30 respectively as mutually agreed between parties. The parties have entered into this definitive and binding joint venture agreement pursuant to the memorandum of understanding (MOU) dated 30 August 2010 with regard to the setting up of JVC for inter alia, their participation in and to determine their relationship with each other as shareholders of the JVC and management of their respective relationship with each other.





Bangladesh- India Friendship Power Company (Pvt) Limited
Notes to the Financial Statements for the period ended 30 June 2013

Statement of Financial Position

3.2 Implementation agreement

The Company has entered into an implementation agreement (IA) with the Government of Bangladesh (GoB) on 20 April 2013. Through the IA, the GoB ensure that the Bangladesh Bank will give consent to the foreign investor for opening and operation of Taka and Dollar bank accounts, including bank account(s) necessary to invest in the Company inside Bangladesh and the accumulation of earnings and sales proceeds from the share and other receipts and transfer of fund into and out of such accounts to any other accounts inside and/ or outside Bangladesh related to the facility as per laws of Bangladesh. Among incentives, there are a fifteen-year corporate income tax exemption and the ability to repatriate dividends and profits after commencing of commercial operation as per applicable laws.

The IA also states that, GoB shall ensure that no Government authority will take any discriminatory action which materially and adversely affect the Project or the performance of the Company's obligations or the enjoyment of its rights or interest of the investors or lenders under the security package or expropriation, acquires the facility or the Company, whether in whole or in part.

As per IA, GoB shall ensure that the land on which the Facility or any part thereof is to be built shall be leased to the Company by BPDB through land lease agreement. The land lease agreement shall be for an initial period of thirty five (35) years and shall be extended from time so that the same is valid during the term of the power purchase agreement (PPA). GoB shall be responsible for maintenance of general law and order as per the laws of Bangladesh.

BPDB has identified the plot of land at the bank of river Possur approximately 14 km upstream of Mongla port in Rampal Upazila, District Bagherhat (Khulna Division) for development of a coal based power plant of capacity 1234.2 MW (net) for electric power generation with imported coal.

3.3 Power purchase agreement

The Company has entered into a power purchase agreement with BPDB on 20 April 2013 for a period of twenty five (25) years from the date of commercial operations whereby BPDB agrees to purchase all net electrical outputs of the Facility. The Company shall not, sell or deliver electricity produced by the Facility to other person or entity without prior consent of BPDB.

4. Property, plant and equipment

	Amount (Taka)
Furniture and fixtures	8,000
Office equipment	42,255
	50,255

Details of property, plant and equipment and depreciation thereon are enclosed as Annex I.



**Bangladesh-India Friendship Power Company (Pvt) Limited**
Notes to the Financial Statements for the period ended 30 June 2013

	<u>Amount (Taka)</u>
5. Pre-operating expenses	
Salary and allowances	1,542,409
Professional fee	800,000
Meetings and events	313,397
Audit fee	115,000
Office expenses	234,000
Repair and maintenance	29,337
Entertainment	20,090
Printing and stationery	18,276
Legal expenses	11,473
Bank charges	2,169
Utilities	1,500
	<u>3,087,651</u>
6. Preliminary expenses	
Cost of incorporation	215,425
Cost of registration with Board of Investment (BoI)	100,000
	<u>315,425</u>
7. Bank balance	
Bank balance with Janata Bank Limited, Dhaka	102,985
	<u>102,985</u>
8. Share capital	<u>-</u>
<p>As per joint venture agreement signed between the promoters ie, Bangladesh Power Development Board and NTPC Limited India, the initial capital of Taka 16 crore will be raised only upon the approval of Bangladesh Securities and Exchange Commission (BSEC) under clause 3.1 of the joint venture agreement. In the subscription pages of the Memorandum and Articles of Association of the company, it was stated that 6 (six) persons being the first directors agreed to hold 1 (one) ordinary share of Taka 100 each, which will be included in the initial capital of Taka 16 crore. Therefore, the company did not have any paid up capital at 30 June 2013 as the approval from BSEC was not obtained on that date. The initial capital of Taka 16 crore will be raised immediately after obtaining the approval of BSEC.</p>	
9. Payable to BPDB	
Expenses against	
Preliminary expenses	315,425
Legal expenses	6,438
Cash funding from BPDB	500,000
	<u>821,863</u>

In addition to the above amount, BPDB has incurred different expenditures towards project development of BIFPCL within 30 June 2013 but those expenditures were not taken into these financial statements which will be considered later on after having these approved in board meeting.





S. F. AHMED & CO
Chartered Accountants

Bangladesh-India Friendship Power Company (Pvt) Limited
Notes to the Financial Statements for the period ended 30 June 2013

10. Advance to employees - NTPC	Amount (Taka)
Advance to BIFPCL's employees (note 10.1)	1,536,909
Advance for office expenditure	234,000
	1,770,909

10.1 Advance to BIFPCL's employees

Two executives of NTPCL has recruited to facilitate the accomplishment of initial starting up and establishment activities in Bangladesh for BIFPCL. For this purposes, advance has been made to the employees as May 2013 basic salary and other allowances as per NTPCL's HR policy. Amount has been recognised as advance from NTPC on the basis of the office order (Ref. No. 01: HR-EB-PF 03 May 2013). Details of payment are given below:

<u>Paid to</u>	<u>Position</u>	
Shri V.S Tamrakar	Managing Director	994,419
Shri Sudipta Banerjee	Senior Manager	542,490
		1,536,909

11. Accrued expenses

Professional fee	800,000
Audit fee	115,000
Repairs and maintenance	26,021
Printing and stationery	17,780
Entertainment	1,985
Utilities	1,500
Other expenses	1,258
	963,544

12. Others

12.1 Figures in these notes and the accompanying financial statements have been rounded off to the nearest Taka.

12.2 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

for Bangladesh-India Friendship Power Company (Pvt) Ltd



S. F. Ahmed
Company Secretary

R. Khan
Managing Director

A. Khan
Chairman

Dhaka, Bangladesh
Dated, 25 September 2013



S. F. AHMED & CO
Chartered Accountants

Annex I

Bangladesh-India Friendship Power Company (Pvt) Limited
Details of property, plant and equipment and depreciation at 30 June 2013

Category of asset	Cost			Rate (%)	To 31 Oct 2012	Depreciation		Written down value at 30 June 2013
	Balance at 31 Oct 2012	Additions	Adjustment/disposal			Total at 30 June 2013	Adjustment/disposal	
Furniture and fixture	-	8,000	-	-	-	-	-	8,000
Office equipment	-	42,255	-	-	-	-	-	42,255
Total at 30 June 2013	-	50,255	-	-	-	-	-	50,255

(**) Depreciation is not charge since the Company has not started its operations.





Highlights on Events



Unveiling of Foundation Stone of Rampal Project during Video Conference of the Honourable Prime Ministers of Bangladesh and India on 5 October 2013



20 April 2013.
Signing Ceremony of PPA, IA and SJVA for 2x660 MW Coal Based Rampal Project



20 April 2013.
Dr. Dipu Moni is addressing in the Signing Ceremony of IA of BIFPCL



28 May 2013.
3rd Board Meeting of BIFPCL at Khulna



28 June 2013.
Before the Joint Steering Committee Meeting at New Delhi, India



BIFPCL



30 January 2013.
Visit to Rampal, Bagerhat
by the Honorable Power Secretary of GOB and
His Excellency the High Commissioner of India



16 February 2013.
Visit to site by Mr. Md. Abul Quasem, the then
Member (Company Affairs) of BPDB and
Director of BIFPCL



29 May 2013.
Visit at site by the Directors of BIFPCL
[including CMD of NTPC and officials from
NTPC and BPDB]



29 May 2013.
Chairman of BIFPCL and CMD of NTPC with
other Directors of BIFPCL at Rampal Project
Site



28 June 2013.
4th Board Meeting of BIFPCL at Dadri, India



24 July 2013.
Signing of Site Filling Contract



22 August 2013.
Approach Road Work in progress at the Initial Stage



29 August 2013.
Refilling by dredging at the project site



05 September 2013.
Site visit by Power secretary of GOB along with the local MP



16 September 2013.
Discussion forum at Khulna on "2x660MW Coal Based Rampal Project"



19 September 2013.
Site office completed



21 September 2013.
Visit by NTPC Team after the 5th Board Meeting held at Khulna.



Rampal Project Site as in 2012



Rampal Project Site as in January 2013



Construction of Pontoon Jetty in Khulna Shipyard



Site Office at Rampal



August 2013.
Sunset at the project site



19 September 2013.
Road to Helipad at Rampal Project Site