



# ANNUAL REPORT 2020



**BANGLADESH-CHINA POWER  
COMPANY (PVT.) LIMITED**



Hon'ble Prime Minister visiting Payra Thermal Power Plant  
Resettlement Project "Swapner Thikana"

# Annual Report 2020



**Bangladesh-China Power Company (Pvt.) Limited**  
(A Joint Venture of CMC and NWPGCL)



*Chairman's*  
**Message**

I am glad to welcome you all on the occasion of the 6<sup>th</sup> Annual General Meeting (AGM) of Bangladesh-China Power Company Limited (BCPCL). I am also pleased to inform you that the Annual General Meeting of the Company is going to be held at a time when the nation is celebrating the Mujib Year marking the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman. The present government, imbued with the ideology of the Father of the Nation, is pledged bound to ensure quality and affordable electricity for all by the Mujib Year.

The economic and social disruption caused by the COVID-19 pandemic across the world is devastating. The fallout from the pandemic threatens the wave of defaults in developing countries, stymieing the effort to reach the 2030 SDGs. We need to mobilize the public-private and external financial resources for both the rapid recovery and for long-term progress in achieving the 2030 development agenda.

Amid the COVID-19 pandemic, Bangladesh-China Power Company (Pvt.) Limited (BCPCL) is at the forefront of power generation by clean coal technologies. The 6<sup>th</sup> Annual General Meeting (AGM) on 26 January 2021 echoes the fast progress of the Company.

Since the Hon'ble Prime Minister Sheikh Hasina took the office about 12 (twelve) years back, Bangladesh has made remarkable progress in power sector. The government has taken short-term, mid-term and long-term plans for improving the power system. As a result, power generation, transmission and distribution have obtained momentum and achieved unprecedented success. The general mass of the country has been relieved of the dismal state of electricity left by the previous government.

According to the Power System Master Plan (PSMP), we have to generate electricity 24,000 MW by 2021, 40,000 MW by 2030 and 60,000 MW by 2041. It demands diversification of fuel-

especially coal, renewable energy, LNG, nuclear power etc. In order to meet the challenge of providing affordable electricity with a very minimum ecological impact, we have adopted and promoted safe, highly efficient, sophisticated and clean coal technologies for the mega coal-fired power plant projects.

Bangladesh-China Power Company (Pvt.) Limited has implemented the country's first coal-fired mega power plant project- Payra 1320 MW Thermal Power Plant Project (1<sup>st</sup> Phase) with eco-friendly ultra-supercritical technology. This plant's gross efficiency is 44.29% with lower emissions, and lower fuel cost per kilowatt. I extend my appreciation and thanks to all including the Directors of the Board of the Company for their valuable contributions for successful functioning in achieving COD of Payra 1320 MW Thermal Power Plant (1<sup>st</sup> Phase) at a particular time when we all were under lockdown and passing through uncertainties due to prevalence of Covid-19. Besides, the Company has been implementing another Payra 1320 MW Thermal Power Plant Project (2<sup>nd</sup> Phase) at the same location.

BCPCL follows the global practice of corporate social responsibility to address the environmental and social issues. I hope the Company will keep up the practice imbued with the development policy of Bangladesh.

Finally, I wish every success for the 6<sup>th</sup> AGM of BCPCL.



**Dr. Ahmad Kaikaus**

Chairman  
Board of Directors, BCPCL  
&  
Principal Secretary to the HPM  
Prime Minister's Office  
Dhaka, Bangladesh



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*Message from the*  
**Chairman, CMC**

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The outbreak of COVID-19 is severely disrupting the global economy. As the health and human toll grows, the economic damage is already evident and represents the largest economic shock the world has experienced in decades. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investment, an erosion of human capital and fragmentation of global trade and supply linkages. Amid these thwarts and limitations, we, CMC & NWPGCL, jointly determine to move forward.

It is a great pleasure to know that Bangladesh-China Power Company (Pvt.) Ltd (BCPCL), a Joint Venture of NWPGCL and CMC, is going to hold its 6<sup>th</sup> AGM as well as publish the Annual Report for the Financial Year 2019-2020. On this occasion, I express my sincere felicitations and wishes to all concerned.

The People's Republic of China has been a major development partner of Bangladesh for over 45 years. As a neighboring country and trusted partner, China is always with Bangladesh in every field of co-operation. China is very much aware of Bangladesh GDP growth rate which is a bullish trend to be a middle-income country within a short period. Besides this, the demographic potentiality of the country is very significant. We feel confident that Bangladesh is a good and reliable destination for every sort of investment, especially in the Power Sector. Since the outbreak of COVID-19, the Chinese Government has been highly concerned about and fully supports the epidemic prevention and control as well as the economic recovery in Bangladesh. Deeply rooted in Bangladesh for decades, CMC has sent as much epidemic prevention supplies as possible to the Bangladeshi people in 2020.

Her Excellency Sheikh Hasina, the Hon'ble Prime Minister of the Government of the People's Republic of Bangladesh, paid an official visit to China from 6 to 11 June, 2014 for deepening the closer comprehensive partnership of co-operation. During her visit in China, we both the parties CMC and NWPGCL signed a Joint Venture Agreement on

09.06.2014 in order to establish BCPCL to implement Payra 1320 MW Thermal Power Plant Project in presence of the Hon'ble Prime Ministers of Bangladesh and China at the Great Hall of the People, Beijing, China. Consequently, BCPCL was incorporated with the Joint Stock Companies and Firms (RJSC), Bangladesh on 01.10.2014 and the activities of the Company is going on in full swing. Payra 1320 MW Thermal Power Plant Project (1<sup>st</sup> Phase), the country's first ultra-supercritical coal-fired mega power project, is now a reality. It is only possible for the keen interest of the Government of Bangladesh as well as cordial relations of the two countries and relentless efforts of the concerned personnel of the Company.

China stands ready to work with Bangladesh to strengthen synergy of bilateral development strategies within the framework of the Belt and Road Initiative so as to push forward the ever-closer China-Bangladesh comprehensive partnership of co-operation. China has especially a sharp and comprehensive interest in investing in Bangladesh Power Sector. I believe that Payra (1<sup>st</sup> Phase) will set up one good example on the co-operation between Bangladesh and China; and Payra 1320 MW Thermal Power Plant Project (2<sup>nd</sup> Phase) will be implemented within the stipulated time.

I, on behalf of the CMC, China and our people, hope that Bangladesh-China Power Company (Pvt.) Ltd will play a vital role in the Power Sector of the country by following the laws of the land and social responsibilities. I wish the Bangladesh Government and the people overcome the difficulties brought about by COVID-19 and embark on the track of robust development. Anchored in the Payra project, CMC will take every possible opportunity to contribute to the social development and people's well-being of Bangladesh.

Finally, I wish every success of the 6<sup>th</sup> AGM of BCPCL.

**Ruan Guang**

Chairman, CMC, China  
&  
Director, BCPCL Board



*From the Desk of*  
**Managing Director**

It is a matter of great satisfaction to me that we are releasing the Annual Report of Bangladesh-China Power Company (Pvt.) Ltd. (BCPCL) for the FY 2019-2020 on the verge of the Golden Jubilee of Independence of our Nation and as the nation continues to celebrate "Mujib Borsho", the centennial birth anniversary of the founding leader of the Country, Bangabandhu Sheikh Mujibur Rahman. This Report contains the highlights of technical, operational and financial information of the Company for the FY 2019-20.

It is a proud moment for us that despite the ongoing COVID-19 pandemic, the country's first Ultra Super Critical Coal-fired Power Plant namely "Payra 1320 MW Thermal Power Plant (1<sup>st</sup> Phase)" has been put into commercial operation in this year. As the Chief Executive Officer of North-West Power Generation Company Ltd. (NWPGL) and Managing Director of BCPCL, I am extremely glad to witness this fantastic achievement.

Within the noticeably short time since the formation of the Company in October 2014, we were able to commence the Commercial Operation of 1<sup>st</sup> and 2<sup>nd</sup> Units of Payra 1320 MW TPP (1<sup>st</sup> Phase) in May 2020 and December 2020 respectively with the collective efforts of government authorities, stakeholders, management team and project team. I would like to take this opportunity to convey my deep, sincere, and especial gratitude to the Hon'ble Prime Minister, Sheikh Hasina for her spontaneous support to the power sector and to our project. I would also like to express my especial thanks to the Hon'ble Adviser to the Prime Minister for Power, Energy & Mineral Resources, Dr. Tawfiq-e-Elahi Chowdhury, BB and Hon'ble State Minister for the Ministry of Power, Energy & Mineral Resources, Mr. Nasrul Hamid, MP for their continuous invaluable suggestion and support. I want to express my whole-hearted gratitude to the Hon'ble Principal Secretary to the HPM, Prime Minister's Office, Dr. Ahmad Kaikaus who also serving an important role as the respectable Chairman of BCPCL in all policy matters and strategic decisions. I also like to convey my deep and sincere thanks to the

Hon'ble Secretary, Power Division, MoPEMR, Md. Habibur Rahman and Hon'ble Chairman, BPDB, Engr. Md. Belayet Hossain for their unstinting support.

I am pleased to share with you that the 2<sup>nd</sup> Phase of Payra 1320 MW TPP Project is underway. The EPC contract for 2<sup>nd</sup> Phase project was signed on 16 May 2019 and till now about 20% physical progress has been made. Financial closure of the project is going on and I hope to complete this project by 2023. Apart from the construction of two mega power plants, BCPCL is going to build the country's first private 400 KV double circuit transmission line, starting from Payra Thermal Power Plant to Amin Bazar (Dhaka) via Gopalganj on its own initiative. The estimated length of the transmission line is about 512 circuit-km. For these projects, I sincerely expect to have the co-operation of all concerned parties as before.

In addition to its function as a corporate body, BCPCL engages itself in several social welfare activities. BCPCL has founded the Bangladesh-China Technical Institute in Kalapara, Patuakhali, as part of CSR activities to improve knowledge and job-related expertise of local youth. The Institute has begun its journey in 2020 with 48 students. Besides, during COVID-19 pandemic, BCPCL provided relief to nearby poor inhabitants, donated COVID-19 testing kits to IEDCR and High Flow Nasal Cannula to few Government hospitals.

I hope that BCPCL will continue to play vital role in socio-economic development and fulfill the expectations of all stakeholders and will create a new benchmark of excellence.

Once again, I wish to express my sincere gratitude to the Government, Power Division, Directors of the Board, colleagues of NWPGL, CMC and BCPCL for their relentless support to the Company.

I wish the 6<sup>th</sup> Annual General Meeting of BCPCL a complete success.



**Engr. A.M. Khurshedul Alam**  
Managing Director, BCPCL



# Contents

Corporate Ethos	09
Company Overview	10
Company Profile	11
Advancement of Payra 1320MW TPP (1 <sup>st</sup> Phase)	12
Governance	13
Financial Highlights	26
Notice of the 6 <sup>th</sup> Annual General Meeting	29
Directors' Report	31
Memorial Events & Remarkable Views	104
Auditors' Report	111

# Corporate ETHOS

## Corporate Vision

Achieving excellence in power generation and powering growth of Bangladesh.

## Core Objectives

- ◆ Corporate Ethics and Compliance
- ◆ Customer Focus
- ◆ Environmental and Financial Sustainability
- ◆ Sustainable Power Growth
- ◆ Business Expansion

## Corporate Mission

- ◆ To achieve excellence in project implementation and operation of power plants.
- ◆ To ensure stable and reliable power generation.
- ◆ To lead Bangladesh in thermal power generation.
- ◆ To explore business opportunities through market scanning and adopt new business plans accordingly.
- ◆ To practice the highest standards of corporate governance and be a financially sound company.
- ◆ To win with technology and services.
- ◆ To earn the trust and confidence of all stakeholders, surpassing their expectations.
- ◆ To improve the mode of life of the local community in all the projects.
- ◆ To make real what matters.

# COMPANY OVERVIEW

Power is the prime mover for the economic development of a country. For sustainable growth of GDP, Bangladesh needs sustainable, reliable and cost effective power generation for feeding its emerging economy. The Government has launched short, mid and long term programs in order to generate 24,000 MW by 2021, 40,000 MW by 2030 and 60,000 MW by 2041 through introduction of fuel mix, public- private partnership for mobilizing finance, demand side management and energy efficiency. North-West Power Generation Company Limited (NWPGL) along with other generation entities has been entrusted to achieve this target of the Government.

Since NWPGL is still alone not financially sound to install a coal-based mega project, the solution was to establish a strategic alliance of joint venture. For this purpose, NWPGL signed a Joint Venture Agreement (JVA) with CMC on 09.06.2014 at the Great Hall of the People, Beijing, China in presence of the Hon'ble Prime Minister of the People's Republic of Bangladesh Her Excellency Sheikh Hasina and her counterpart the Hon'ble Prime Minister of the People's Republic of China His Excellency Li Keqiang in order to implement Payra 1320 MW Thermal Power Plant Project through establishment of a Joint Venture Company (JVC). In this perspective, Bangladesh-China Power Company (Pvt.) Limited (BCPCL) was incorporated with the Joint Stock Companies and Firms (RJSC), Bangladesh on 01.10.2014 under the provision of the Companies Act, 1994. The ratio of ownership of this Company between NWPGL, Bangladesh and CMC, China is 50:50.

## THE PROMOTERS

NORTH-WEST POWER GENERATION COMPANY LIMITED is an enterprise of Bangladesh Power Development Board (BPDB) and state-owned company, incorporated and registered with the Joint Stock Companies and Firms (RJSC), Bangladesh on 28.08.2007 under the provision of the Companies Act, 1994; and has its Corporate Office at UTC Building (Level-4), 8 Panthapath, Kawran Bazar, Dhaka-1215, Bangladesh;

**AND**

CHINA NATIONAL MACHINERY IMPORT & EXPORT CORPORATION is a wholly state-owned company, incorporated and registered in the State Administration for Industry and Commerce as a corporate group in 1997 under the provision of the Company Law of People's Republic of China and has its Head Office at West Wing of Sichuan Mansion, 1 Fuchengmenwai Avenue, Beijing-100037, China.

BCPCL has implemented Payra 1320 MW Thermal Power Plant Project (1<sup>st</sup> Phase) and is implementing Payra 1320 MW Thermal Power Plant Project (2<sup>nd</sup> Phase) at Dhankhali, Kalapara of Patuakhali district by using eco-friendly clean coal technology i.e. ultra supercritical technology on turn-key basis. Moreover, the Company intends to implement renewable energy based power plants without cost of energy.

We believe that investors will gain a better understanding of our Company, if they understand how we respond and perform. We intend to generate competitive, eco-friendly, reliable and flexible power. We shall have the industry's most comprehensive portfolio of thermal technologies and hold the leading position in power generation services. In the very outset of development, we will continue to create value for clients and to join hands in creating a splendid future.

# COMPANY PROFILE

<b>Name of the Company</b>	: <b>Bangladesh-China Power Company (Pvt.) Limited</b> (A Joint Venture of CMC and NWPGL)
<b>Date of Registration and Commencement of Business</b>	: 01 October 2014
<b>Registered Office &amp; Corporate Office</b>	: <b>UTC Building (Level-5)</b> 8, Panthapath, Kawran Bazar Dhaka-1215, Bangladesh
<b>Status of the Company</b>	: <b>Private Limited Company</b>
<b>Line of Business</b>	: <b>Generation of Electricity</b>
<b>Present Generation Capacity</b>	: <b>1,320 MW (1<sup>st</sup> Phase)</b>
<b>Current Development Activities</b>	: <b>1,320 MW (2<sup>nd</sup> Phase)</b> <b>400kV Double Circuit Transmission Line (2<sup>nd</sup> Phase)</b>
<b>Chairman</b>	: <b>Dr. Ahmad Kaikaus</b> Principal Secretary to the HPM Prime Minister's Office, Dhaka
<b>Managing Director</b>	: <b>Engr. A. M. Khurshedul Alam</b>
<b>Company Secretary</b>	: <b>Mr. Md. Anamul Haque (In-charge)</b>
<b>Auditors</b>	: <b>A. Qasem &amp; Co., Chartered Accountants</b> (A Member Firm of Ernst & Young Global Ltd.)
<b>Bankers</b>	: <b>Standard Chartered Bank Ltd.</b>
<b>E-mail Address</b>	: info@bcpcl.org.bd md@bcpcl.org.bd cs@bcpcl.org.bd
<b>Web site</b>	: <a href="http://www.bcpcl.org.bd">www.bcpcl.org.bd</a>

## Advancement of Payra 1320 MW TPP (1<sup>st</sup> Phase)

### 2020

COD (1<sup>st</sup> Phase) on 08 Dec 2020  
IOD (1<sup>st</sup> Unit, 1<sup>st</sup> Phase) on 15 May 2020

### 2019

O & M Contract for Payra 1320 MW TPPP on 29.06.2019  
Coal Supply Agreement (CSA) signed on 17.06.2019  
Coal Transportation Agreement (CTA) signed on 07.06.2019

### 2018

Financial Closing (1<sup>st</sup> Drawdown) on 03.05.2018

### 2017

First Steel Structure Erection on 25.09.2017  
Facility Agreement signed on 12.05.2017

### 2016

PPA & IA signed on 08.09.2016  
Contract Signing for Owner's Engineering Service on 19.06.2016  
EPC Contract Signing for Payra 1320 MW TPPP on 29.03.2016

### 2015

Invitation for EPC Bid on 29.09.2015  
Land Acquisition on 15.06.2015

### 2014

BCPCL Incorporation on 01.10.2014  
JVA Signing on 09.06.2014 at the Great Hall, Beijing, China  
MOU Signing for Payra 1320 MW TPPP on 19.03.2014



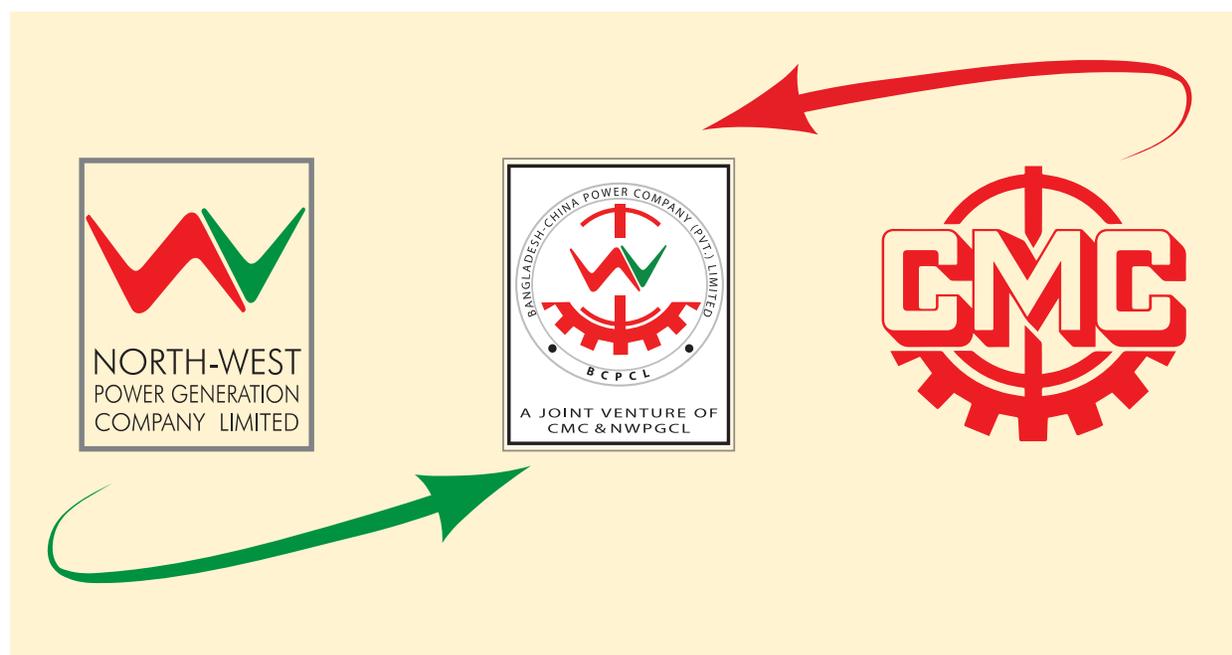
# GOVERNANCE

## Shareholding

As per the Joint Venture Agreement of the Company, the equity between the owners, North-West Power Generation Company Limited (NWPGCL) and China National Machinery Import & Export Corporation (CMC), is in proportion of 50:50. NWPGCL and CMC are the only two shareholders of the Company and they have injected equity money equally on the basis of resolutions. Currently (FY 2019-20), the total Paid-up Capital of the Company is BDT 36,331,974,700.00 divided into 363,319,470 ordinary shares of BDT 10.00 (Ten) each. NWPGCL and CMC are holding shares in the Company in the following manner:

## Shareholders' Position

S/L	Shareholders	Folio No.	Number of Shares	Face Value per Share (BDT)	Nominal Value (BDT)	Balance of Shares	
						30 June 2020	30 June 2019
01.	North-West Power Generation Company Ltd. (NWPGCL)	01 & 03	1,816,598,735	10	18,165,987,350	1,816,598,735	1,511,909,575
02.	China National Machinery Import & Export Corporation (CMC)	02 & 04	1,816,598,735	10	18,165,987,350	1,816,598,735	1,511,909,575
<b>Total Number of Shares 363,319,470 of BDT 10.00 each</b>							



# Board of Directors

The Board of Directors is the highest level of authority in the organization structure. The present strength of the Board of Directors is 6 (six). Of the total six Directors, 3 (three) are Nominee Directors each from NWPGL and CMC. The Board of Directors comprises of eminent experts who are committed to the key underlying principles and values. The Board meets periodically to transact matters placed before them that require Board's approval and direction for execution.

## Chairman

### Dr. Ahmad Kaikus

Principal Secretary to the HPM  
Prime Minister's Office  
Dhaka, Bangladesh

## Directors

### Engr. Md. Belayet Hossain

Chairman  
Bangladesh Power Development Board  
Dhaka, Bangladesh

### Mr. Ruan Guang

Chairman  
China National Machinery Import & Export Corporation  
Beijing, China

### Engr. A.M. Khurshedul Alam

Chief Executive Officer  
North-West Power Generation Company Ltd  
Dhaka, Bangladesh

### Dr. Kang HuBiao

President  
China National Machinery Import & Export Corporation  
Beijing, China

### Mr. Wang Xin

Vice President  
China National Machinery Import & Export Corporation  
Beijing, China



*Directors'*  
**PROFILE**



**Dr. Ahmad Kaikaus**  
Chairman, BCPCL  
&  
Principal Secretary to the HPM  
Prime Minister's Office  
Dhaka, Bangladesh

Dr. Ahmad Kaikaus assumed the office of Principal Secretary on 31 December 2019. Previously, he was Senior Secretary of Power Division, Ministry of Power, Energy and Mineral Resources. He also served as Secretary and Additional Secretary of the Power Division. He was the first Chairman of Bangladesh Energy and Power Research Council. He played instrumental role in implementing policies and strategies of the Government in the power sector through which Bangladesh is at the point of 100% electrification.

Dr. Kaikaus started public service career in the Administration Cadre of Bangladesh Civil Service on 21 January 1986. He has worked in diverse places encompassing both rural and urban areas, regulatory and development agencies, and local government as well as ministerial positions. He worked as Magistrate and Upazila Nirbahi Officer at sub-district and district level offices of field administration. He also worked on deputation in different organizations that include Directorate of Accommodation, Department of Narcotics Control, and Bangladesh Services Limited.

At the ministerial level, apart from the Ministry of Power, Energy and Mineral Resources, he worked for the Ministry of Public Administration, Ministry of Post and Telecommunications, and Economic Relations Division. Dr. Kaikaus worked as an international hire in the International Food Policy Research Institute (IFPRI) where he was the Deputy Chief of Party of the Policy Research and Strategy Support Program. His academic experience includes teaching as part-time faculty at Collin County Community College in Texas, USA and the American International University, Bangladesh. He regularly attends as guest speaker at the Public Administration Training Centre, Bangladesh Civil Service Academy, and the Dhaka University.

Dr. Kaikaus received Bachelor Degree from the University of Chittagong, Bangladesh which is followed by Master of Arts Degree in Development Economics from the Center for Development Economics, Williams College, Massachusetts, USA, and PhD in Public Policy and Political Economy from the University of Texas at Dallas, Texas, USA. He has a rare combination of civil service experience and high academic accomplishments along with empirical research involvement. Academic and research background made him well conversant of development policy perspectives. His research focus covers interdisciplinary subjects such as governance, poverty, labor market, migration, cluster-based economic transformation, fish value chain, rural non-farm economy, and public expenditure for economic development etc. Dr. Ahmad has published research papers and survey reports for IFPRI. One of the significant journal articles was in the World Development Journal on the structural transformation in Bangladesh economy and a book titled "The Making of Blue Revolution in Bangladesh: Enablers, Impacts and the Path Ahead of Aquaculture".



**Engr. Md. Belayet Hossain**  
 Director, BCPCL  
 &  
 Chairman, BPDB

Engr. Md. Belayet Hossain, Chairman of Bangladesh Power Development Board (BPDB), joined BCPCL as a Director on 01 March 2020. He is the Convener of the Audit Committee and the Technical & Procurement Review Committee of the Company.

Mr. Md. Belayet Hossain was born in Madaripur on 1 February 1963. He did his Bachelor of Science in Mechanical Engineering from BUET in 1984. He started his career in BPDB as an Assistant Engineer on 28 October 1984. He worked at the Ghorasal 3<sup>rd</sup> & 4<sup>th</sup> Unit Extension Projects, Ghorasal Power Station, Siddhirganj Power Station, Tongi 80 MW Gas Turbine Power Station, Renewable Energy Research & Development Directorate. He was the Project Director of Pre-Payment Metering Project and Chief Engineer, Ghorashal Power Station and Chief Engineer, (P&D) in BPDB. Moreover, he worked in lien at a gas turbine power

station under the Dubai Electricity & Water Authority (DEWA).

Currently he is also the Chairman of Ashuganj Power Station Company Ltd & United Ashuganj Energy Ltd and Member of the Board of Directors of Power Grid Company of Bangladesh Ltd, Electricity Generation Company Bangladesh Ltd, North-West Power Generation Company Ltd, Bay of Bengal Power Company Ltd, Bangladesh-India Friendship Power Company Ltd, Nuclear Power Company Bangladesh Ltd, Coal Power Generation Company Bangladesh Ltd, North-West Semcorp Power Company Ltd, Bangladesh-China Renewable Energy Company (Pvt.) Ltd, Titas Gas Transmission & Distribution Company Ltd and Bakhrabad Gas Distribution Company Ltd. He is also a member of the Governing Body of Bangladesh Power Management Institute.

Mr. Belayet visited Russia, China, USA, Singapore, Thailand, India, Italy, Germany, Netherlands, Switzerland, France, Belgium etc. for training and professional purposes during his long career.

He is married and blessed with four off-spring.



**Mr. Ruan Guang**  
 Director, BCPCL  
 &  
 Chairman, CMC, China

Mr. Ruan Guang, Chairman of CMC, China is a Director of the BCPCL Board and a member of the Remuneration and Appointments Committee of BCPCL. He obtained his Bachelor's Degree in Chinese Language & Literature and Master's Degree in Economics from Nankai University and completed his EMBA project in Tsinghua University. He is a Senior International Business Specialist.

Since the inception of his career, Mr. Ruan has assumed various job positions. For instance, he was the Director of the General Office in China General Technology (Group) Holding Co. Ltd

from 2004 to 2009 and the Vice General Manager in China National Light Industrial Products Imp. & Exp. Group. Co. Ltd from 2010 to 2017. Since November 2017, he has been holding the position of Chairman of the Board of China National Machinery Imp. & Exp. Corporation.



### **Engr. A.M. Khurshedul Alam**

Director, BCPCL  
&  
Chief Executive Officer  
NWPGL, Dhaka

Engr. A.M. Khurshedul Alam, Chief Executive Officer, NWPGL is a Director of the BCPCL Board. He is also the Managing Director of Bangladesh-China Power Company (Pvt.) Limited. He is a Member of the Audit Committee, Remuneration & Appointments Committee and Technical & Procurement Review Committee of BCPCL. He is a Member of the Administrative Affairs Committee and the Technical & Engineering Committee of NWPGL. He is also a Director of the Board of Coal Power Generation Company Bangladesh Limited (CPGCL) and a Member of the Technical & Engineering Committee of CPGCL.

He came of a respectable Muslim family from Jamalpur District. He did his B.Sc. in Mechanical Engineering from BUET in 1976. He has a rich and varied experience of over 45 years in engineering management. He caught the helm of North-West Power Generation Company Limited on 24.11.2008 and Bangladesh-China Power

Company (Pvt.) Limited on 01.10.2014 in addition. He is responsible for overall administration, finance, corporate planning, business development and co-ordination of the Company. He is also responsible for development of rules, regulations, systems and legal functions and negotiations with commercial sources of credit for future expansion of the Company. He is the key architect to build and expand the brightest corporate image of the Company. Prior to his current assignment of Chief Executive Officer, he was an Additional Chief Engineer of Bangladesh Power Development Board and had held various posts in multifarious project works of BPDB.

Engr. A.M. Khurshedul Alam has received much prestigious recognition at home and abroad for his outstanding performance in power plant project management. For his transparent and innovative role in project implementation, he has been awarded the Integrity Award for the FY 2017-18 by the Government of the People's Republic of Bangladesh. Moreover, under his dynamic leadership and close monitoring of the project activities, North-West Power Generation Company Limited (NWPGL) has been declared as the Fastest Growing Power Generation Organization of Bangladesh and in this regard, Hon'ble Prime Minister Her Excellency Sheikh Hasina awarded him a trophy, an emblem of recognition at the inauguration of the National Power & Energy Week, 2018.

He is privileged to take part in many high profile training courses, seminars, symposiums, workshops, meetings, inspections, factory tests at home and abroad. He is married and blessed with a daughter, a son and grandchildren.



### **Dr. Kang HuBiao**

Director, BCPCL  
&  
President, CMC, China

Dr. Kang Hubiao, President of CMC, China is a Director of the BCPCL Board and a member of the Audit Committee and Technical & Procurement Review Committee of BCPCL. He obtained his Bachelor's Degree in Mining Engineering from China University of Mining & Technology and his Ph.D. from the University of Chinese Academy of Sciences.

He held a number of positions since he was employed by CMC. He was once the salesman of Mining and Power Company, the Representative of Bangladesh Project Team, the General Representative and Deputy General

Manager of Mining and Power Company, the Deputy General Manager of Energy Business Department, General Manager of the Energy Department and the Vice President of CMC. Since October 2020, he has been being glorified the position of the President of CMC, China.



### Mr. Wang Xin

Director, BCPCL  
&  
Vice-President, CMC, China

Mr. Wang Xin, Vice President of CMC, China is a Director of the BCPCL Board. He is the Deputy Managing Director of BCPCL.

Mr. Wang studied in Mining Engineering from the Shandong University of Mining and completed his graduation, whereafter, he obtained his second Bachelor Degree in Environmental Economics from the Remin University of China. Then he did his MBA in Guanghua School of Management, Peking University.

Mr. Wang started his career as Staff of the Mining Department of CMC in 1996. In his long bright career, he passed several prestigious positions such as Deputy Section Chief of CMC; Section Chief/ Deputy General Manager of

Energy Engineering Division of CMC; General Manager of a subsidiary company under CMC. Finally, with the proven track record success in service, he became the Vice President of CMC, China.

Mr. Wang has a rich and varied experience of over 25 years. He has visited many countries for different official and business purposes. Particularly, he has been staying in Bangladesh for many years for execution of several large engineering projects and with abundant executive management experience.

# Board COMMITTEES

To ensure the efficiency of the Company's works, the Board has 3 (three) standing committees, which prepare the proposals and issues to be dealt with at the Board's plenary meetings. The Conveners of the Board committees report to the Board on the committee's work at the subsequent Board meetings. The Board has established the following committees:

## Remuneration and Appointments Committee

1	Chairman, BCPCL, Dhaka	Convener
2	Chairman, CMC, China	Member
3	Chief Executive Officer, NWPGL, Dhaka	Member
4	Vice-President, CMC, China	Member
5	Company Secretary, BCPCL, Dhaka	Member –Secretary

## Audit Committee

1	Chairman, BPDB, Dhaka	Convener
2	Chief Executive Officer, NWPGL, Dhaka	Member
3	President, CMC, China	Member
4	Vice-President, CMC, China	Member
5	Chief Financial Officer (CFO), BCPCL, Dhaka	Member –Secretary

## Technical and Procurement Review Committee

1	Chairman, BPDB, Dhaka	Convener
2	Chief Executive Officer, NWPGL, Dhaka	Member
3	President, CMC, China	Member
4	Vice-President, CMC, China	Member
5	Chief Technical Officer (CTO), BCPCL, Dhaka	Member –Secretary



Board Committee Meeting

# Management TEAM

The Management Team of BCPCL is engaged to implement the decisions of Board of Directors. At present the Managing Director, Deputy Managing Director, Chief Financial Officer, Company Secretary, Project Director (Chief Engineer) of Payra 1320 MW Thermal Power Plant Project and Assistant Managing Director are responsible for achieving business goals and overseeing the day to day operations and other activities of the Company.

**The Managing Director** is the chief executive officer of the Company reporting to the Board of Directors. He is the leader of the Management Team of the Company, responsible for overall management of administration, finance, corporate planning, business development and ensuring the compliances of laws, rules and regulations, good governance, corporate culture, including development of set-up, rules, regulations, systems and legal functions of the organization. He is also responsible for supervision of all technical, financial and welfare aspects, negotiation for project financing issues with development partners, etc.

**The Deputy Managing Director** is a key officer in the management team. He assists the Managing Director in different fields of business of the Company as per requirement.

**The Chief Financial Officer** acts as a member of the Management Team of the Company to assist the Managing Director for overall financial management, ensuring compliances of laws, rules and regulations for good governance and corporate culture. He reports through the Managing Director to the Board of Directors. He is responsible for the financial forecasting, negotiation of the project financing issues with the

development partners, etc. Other fields of important activities include developing and implementing computerized accounting system for the Company, development of internal audit and delegation of financial power, etc.

**The Company Secretary** is a key officer as well as the compliance officer to the Board. He is the mouthpiece of the Company. He is responsible for providing support services to the BCPCL Board for ensuring compliances of laws, rules and regulations for good governance and corporate culture of the organization. He keeps proper records of the Board meetings and assists the Managing Director in monitoring the implementation of the decisions of the Board of Directors, and is responsible for convening meetings of the Board of Directors as advised with recording minutes of meetings. He has contribution to discussions and reminds the Directors about the legal, governance and other implications of the policies proposed in the meeting; monitors changes in relevant regulatory environment and takes appropriate action liaising with Auditors, Advisors and Solicitors. He is engaged in arranging statutory requirements and filing returns and statements with the concerned authorities.

**The Project Director (Chief Engineer)** is an important officer in the management team. He assists the Managing Director in project implementation activities of the Company as requirement.

**The Assistant Managing Director** is also a key officer in the management team. He assists the Managing Director in different fields of business of the Company as per requirement and instruction of the competent authority.

# Management Team



**Engr. A.M. Khurshedul Alam**  
Managing Director



**Mr. Md. Masudul Islam, FCMA**  
Chief Financial Officer  
(In-charge)



**Mr. Qi Yue**  
Assistant Managing Director  
(Additional Charge)



**Mr. Md. Mamunur Rahman Mondal**  
Administrative In-charge



**Engr. Shah Abdul Moula**  
Project Director (Chief Engineer)  
Payra 1320 MW TPP Project



**Mr. Md. Anamul Haque**  
Company Secretary  
(In-charge)



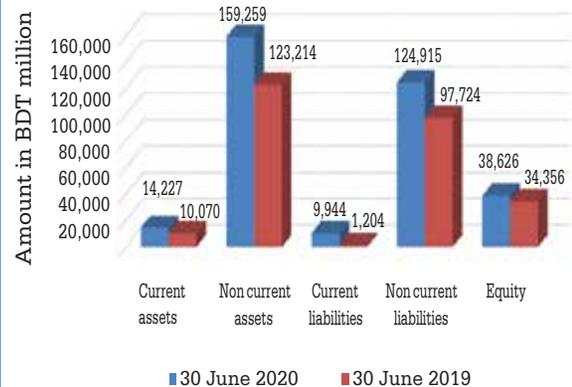
**Mr. Md. Moallam Hossain, FCMA, ACS**  
DGM & GM In-charge (A&F)

# FINANCIAL HIGHLIGHTS

## Financial Position

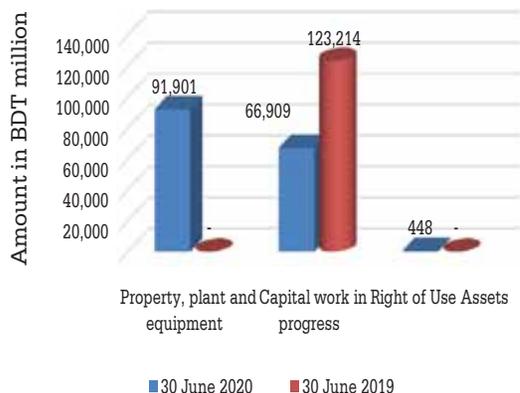


## Balance Sheet Items

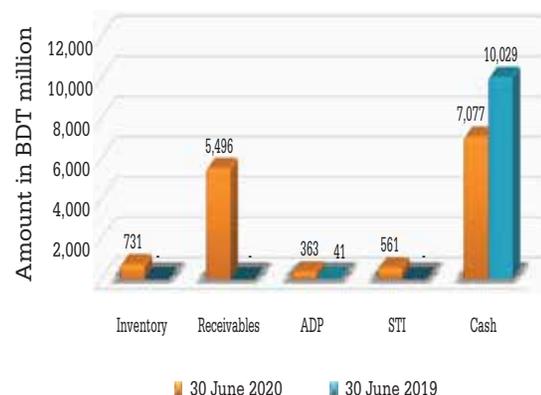


During the FY 2019-20, total assets and total liabilities of the Company have been increased by 30.16% and 36.32% respectively in comparison to the previous FY 2018-19. On the other hand, Non current asset was 1,019.4% higher than the current asset.

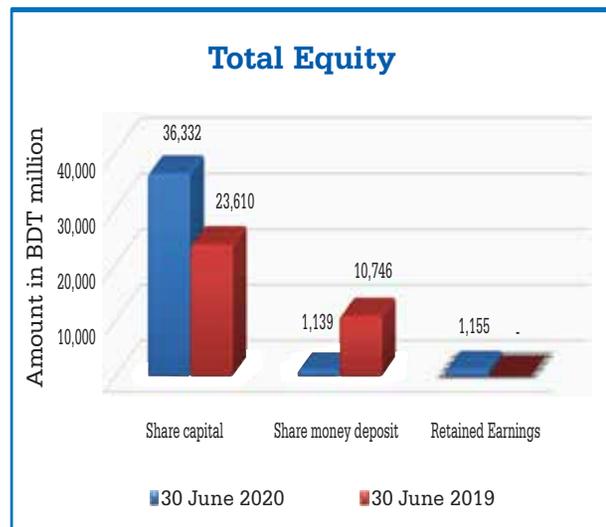
## Non Current Assets



## Current Assets



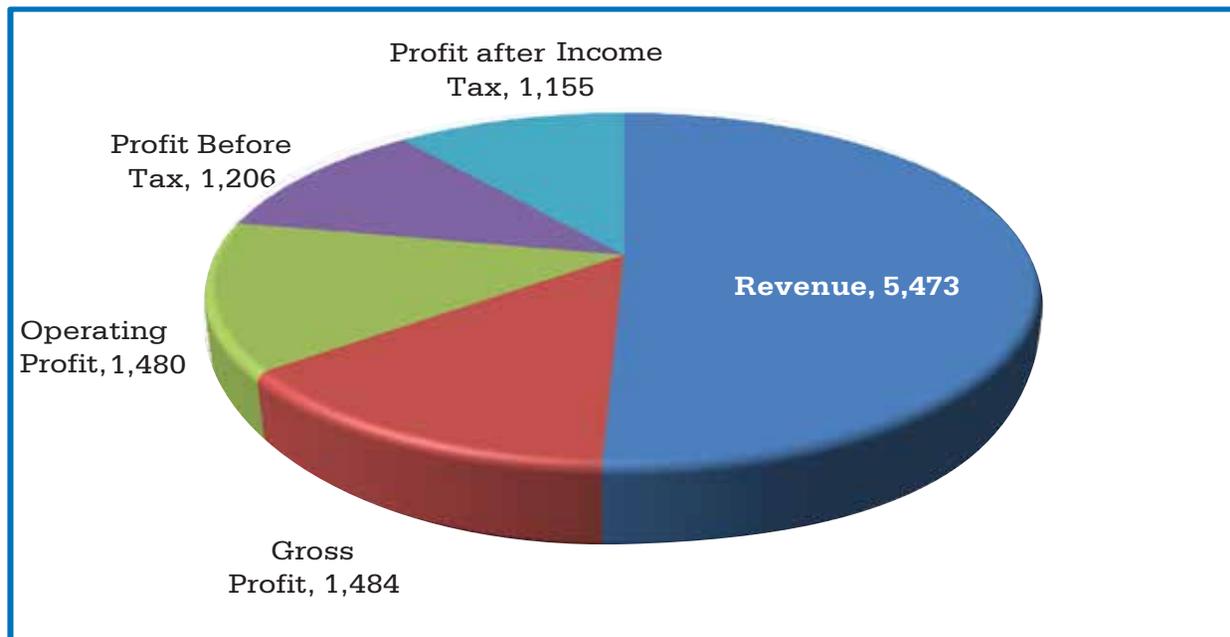
Amount of WIP has been transferred to Non current assets in the FY 2019-20 due to the achievement of IOD on 15 May 2020. Total assets which have been influenced by the Current assets section include Cash and Cash equivalents, Inventory, Accounts receivable and short term investment. Cash reduced in the present financial year due to the payment of project expenses.



In FY 2019-20, Long term loan and land lease liabilities of the company have been increased by 27.30% and 100% respectively in comparison to the previous FY 2018-19. The amount of share capital has been increased by the amount of BDT 12,721 million over the last financial year. As a result the amount of share capital reached to BDT 36,332 million.

## Revenue and Profit for the year ended 30 June 2020

(Figure in BDT million)



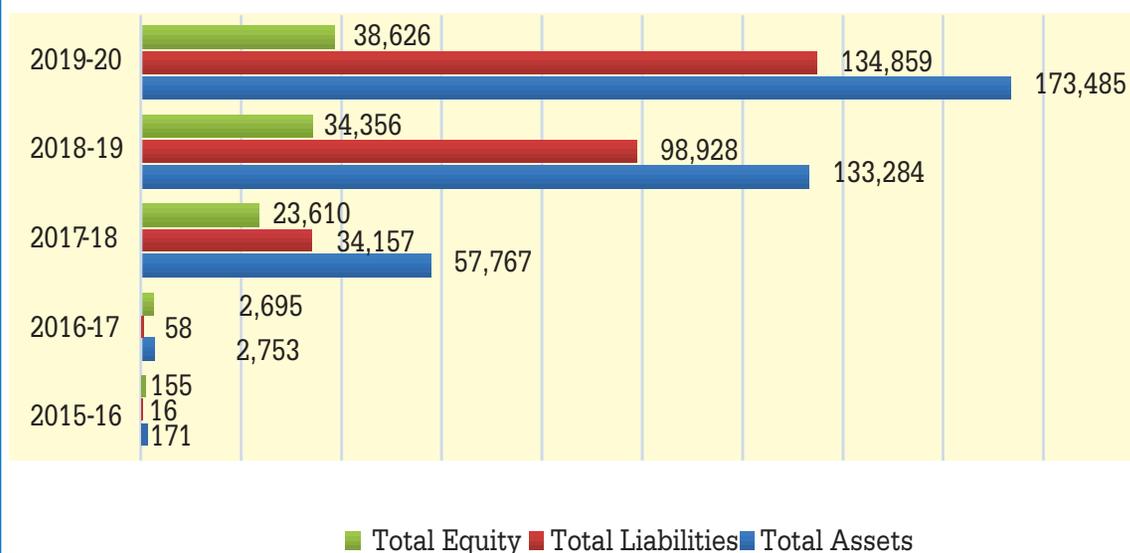
The Company earned total revenue of BDT 5,473 million for the year ended 30 June 2020 which was recognized from its Initial Operation Date (IOD) as on 15 May 2020. BCPCL earned BDT 1,484 million as Gross Profit (GP) after taking in to account of 72.89% Cost of Sale. Net Income which amounts to BDT 1,155 million was available for the distribution to its shareholders.

## Five years' Financial Position

(Amount in BDT million)

Fiscal Year	Total Assets	Total Liabilities	Total Equity
2015-16	171	16	155
2016-17	2,753	58	2,695
2017-18	57,767	34,157	23,610
2018-19	133,284	98,928	34,356
2019-20	173,485	134,859	38,626

### Financial Position (Amount in Million BDT)



Memo No. 108/BCPCL/AGM-6/2020

Date: 31/12/2020

# Notice of the 6<sup>th</sup> Annual General Meeting

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of the Hon'ble Shareholders of Bangladesh-China Power Company (Pvt.) Limited will be held on Tuesday, 26 January 2021 at 7:30 PM (BST) through the digital platform to transact the following businesses:

## Agenda

1. To receive, consider and adopt the Directors' Report and Audited Accounts of the Company for the year ended June 30, 2020 together with the Auditors' Report thereon.
2. To appoint Auditors for the FY 2020-2021 and fix their remuneration.
3. To declare dividend for the year ended June 30, 2020 as recommended by the Board of Directors.
4. To transact any other business of the Company with the permission of the chair.

All the Members and Directors are requested to make it convenient to attend the meeting.

By order of the Board,



**Md. Anamul Haque**

Company Secretary (In-Charge)  
BCPCL, Dhaka.

Memo No. 108/BCPCL/AGM-6/2020

Date: 31/12/2020

### Distribution to:

1. Dr. Ahmad Kaikaus, Chairman, BCPCL Board and Principal Secretary to the HPM, Prime Minister's Office, Dhaka, Bangladesh.
2. Mr. Md. Belayet Hossain, Director, BCPCL Board and Chairman, BPDB, Dhaka.
3. Mr. Ruan Guang, Director, BCPCL Board and Chairman, CMC, Beijing, China.
4. Mr. A.M. Khurshedul Alam, Director, BCPCL Board and CEO, NWPGCL, Dhaka.
5. Dr. Kang HuBiao, Director, BCPCL Board and President, CMC, Beijing, China.
6. Mr. Wang Xin, Director, BCPCL Board and Vice President, CMC, Beijing, China.

### Copy for kind information:

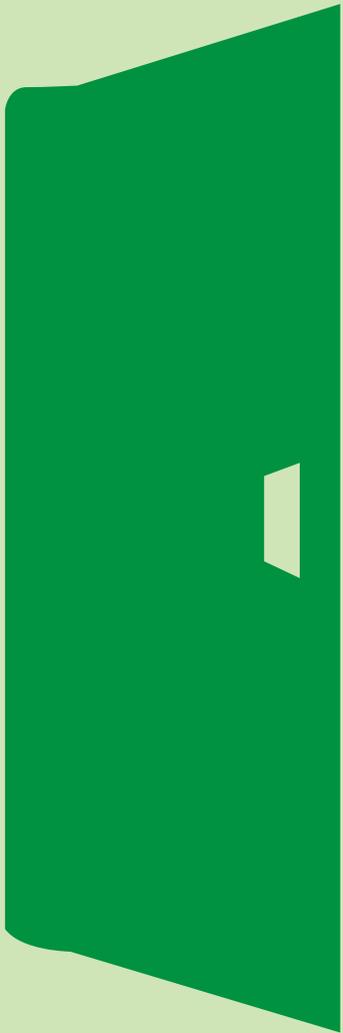
1. Principal Secretary to the HPM, Prime Minister's Office, Dhaka, Bangladesh.
2. Secretary, Power Division, MoPEMR, Bangladesh Secretariat, Dhaka.
3. Executive Chairman, BIDA, Dhaka.
4. Chairman, BPDB, Dhaka.
5. Chairman, CMC, Beijing, China.
6. Registrar of Joint Stock Companies and Firms, Bangladesh.
7. President, CMC, Beijing, China.
8. Executive Director (P&D/ Engineering/ Finance), NWPGCL, Dhaka.
9. CFO, BCPCL, Dhaka
10. Mr. Qi Yue, Assistant Managing Director, BCPCL, Dhaka.
11. Administrative In-charge, BCPCL, Dhaka.
12. Project Director, Payra 1320 MW Thermal Power Plant Project (1<sup>st</sup> Phase & 2<sup>nd</sup> Phase), BCPCL.
13. M/s. A. QASEM & Co., Chartered Accountants, Gulshan Pink City, Dhaka-1213, Bangladesh.
14. Office Copy.



**Company Secretary**  
BCPCL, Dhaka.



5<sup>th</sup> AGM of BCPCL through digital platform



# *Directors'* **Report**

### The Hon'ble Shareholders,

On behalf of the Board of Directors of Bangladesh-China Power Company (Pvt.) Limited (BCPCL), I am very happy to welcome you in the 6<sup>th</sup> Annual General Meeting of the Company.

The Directors of the Borad of BCPCL have pleasure in presenting their Annual Report for the year ended 30 June 2020 and the Auditors' Report, together with the Audited Financial Statements of the Company, for the year ended 30 June 2020 for your valued consideration, approval and adoption. We started the Year 2020 with great expectations and hope. A large target was set to achieve as a sequence of the achieved growth in the previous years. On the contrary, with utter dismay, the Year 2020 was massively hit in its beginning by COVID-19 pandemic. The growth of world trade and economy sustained severe injuries on account of this unforeseen calamity which has also disrupted all the development works in Bangladesh. Worldwide travelling, trade and commerce, import-export came to a halt for a long, uncertain period. As a consequence of this adversity, the targeted growth of our Company fell very much in trouble and uncertainty apparently.

Even in these dark moments, we have never lost hope. We always believed that there is a light of hope at the end of the dark tunnel. So, we marched on with all our abilities and to a great astonishment, with commendable efforts from all the concerned, we have successfully overcome such a pandemic-stricken year with remarkable achievements – (i) IOD on 15th May 2020 and (ii) COD on 8th December 2020 of Payra 1320 MW Thermal Power Plant (1<sup>st</sup> Phase).

Relevantly, we have managed to arrange purchase coal through the Deferred Payment Mode organized by CMC – one of the sponsors, and imported appx. 1.5 million metric tons of coal from Indonesia throughout the year for uninterrupted power generation.

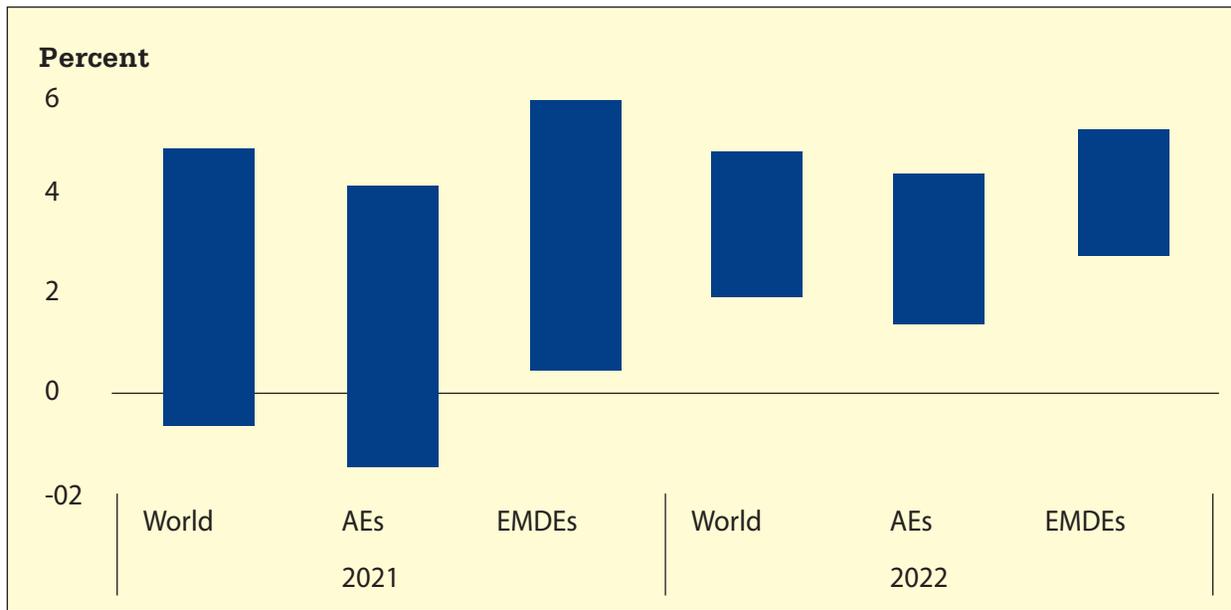
### The Environment we operate in

#### World Economy

Following the devastating health and economic crisis caused by COVID-19, the global economy appears to be emerging from one of its deepest recessions and beginning a subdued recovery. Beyond the short-term economic outlook, policymakers face formidable challenges—in public health, debt management, budget policies, central banking and structural reforms—as they try to ensure that this still-fragile global recovery gains traction and sets a foundation for robust growth and development in the longer run. Governments, households, and firms all need to embrace a changed economic landscape. While protecting the most vulnerable, successful policies will be needed that allow capital, labor, skills, and innovation to shift to new purposes in order to build a greener, stronger post-COVID economic environment. Some countries already moving toward this type of dynamism and resilience, will need to redouble their efforts. For others, change is especially critical now, when fiscal positions are severely stretched by the pandemic and other drivers of long-term growth have weakened. Investment, in particular, collapsed in 2020 in many emerging market and developing economies, following a decade of persistent weakness. These caused immense impact on countries' projections of growth.

Growth rate is expected to improve from 2021 to 2022 depending on the availability of reliable vaccine for COVID-19.

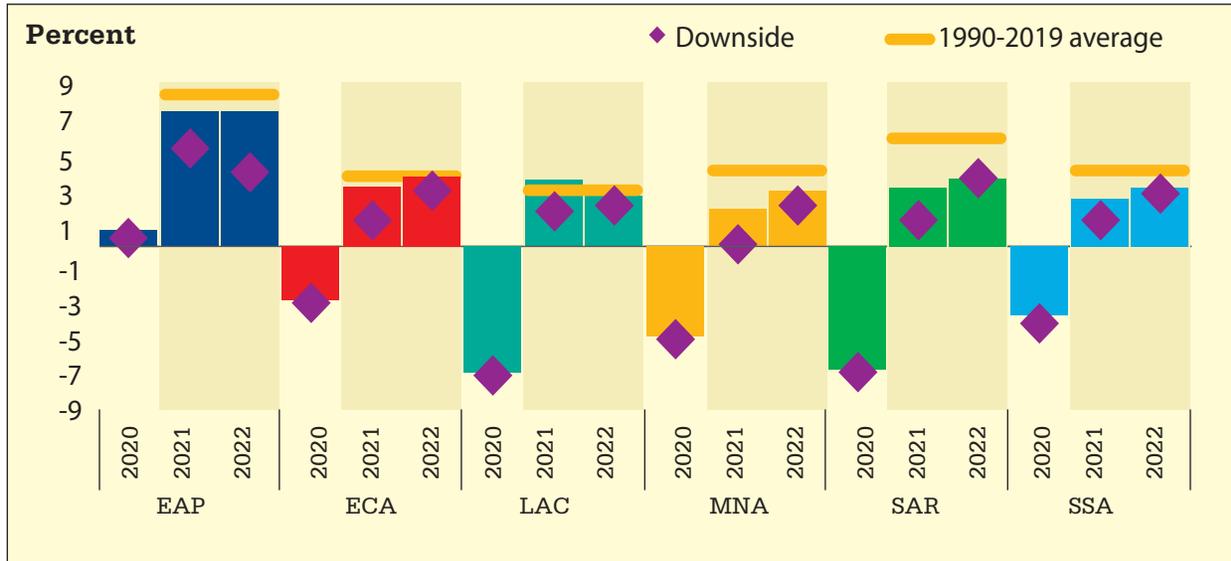
**Growth Projections depending on availability of Vaccine for COVID-19:**



Source: World Bank.

Note: AEs = advanced economies; EMDEs = emerging market and developing economies. Bars show ranges of growth scenarios for 2021 and 2022, depending on rollout of a vaccine and financial stress.

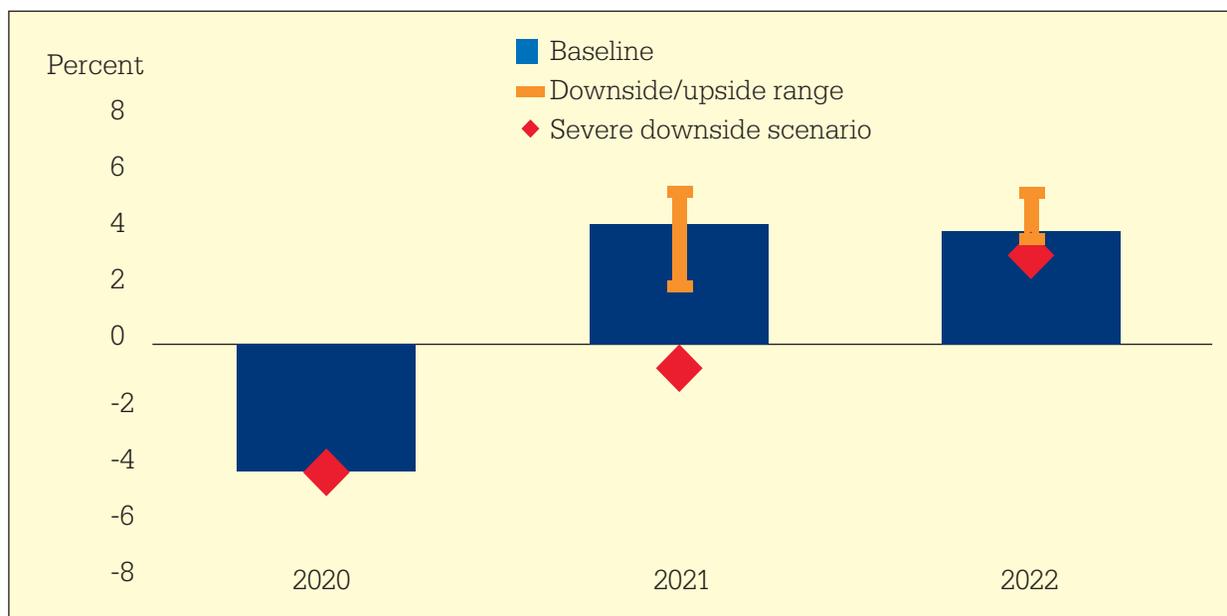
**Regional Economic Growth Projection:**



Source: World Bank.

Note: EAP = East Asia and Pacific, ECA = Europe and Central Asia, LAC = Latin America and the Caribbean, MNA = Middle East and North Africa, SAR = South Asia, SSA = Sub-Saharan Africa. Bars denote latest forecast; diamonds denote regional growth downside scenarios. Aggregate growth rates calculated using GDP weights at 2010 prices and market exchange rates. Since largest economies account for about 50 percent of GDP in some regions, weighted averages predominantly reflect the developments in the largest economies in each region.

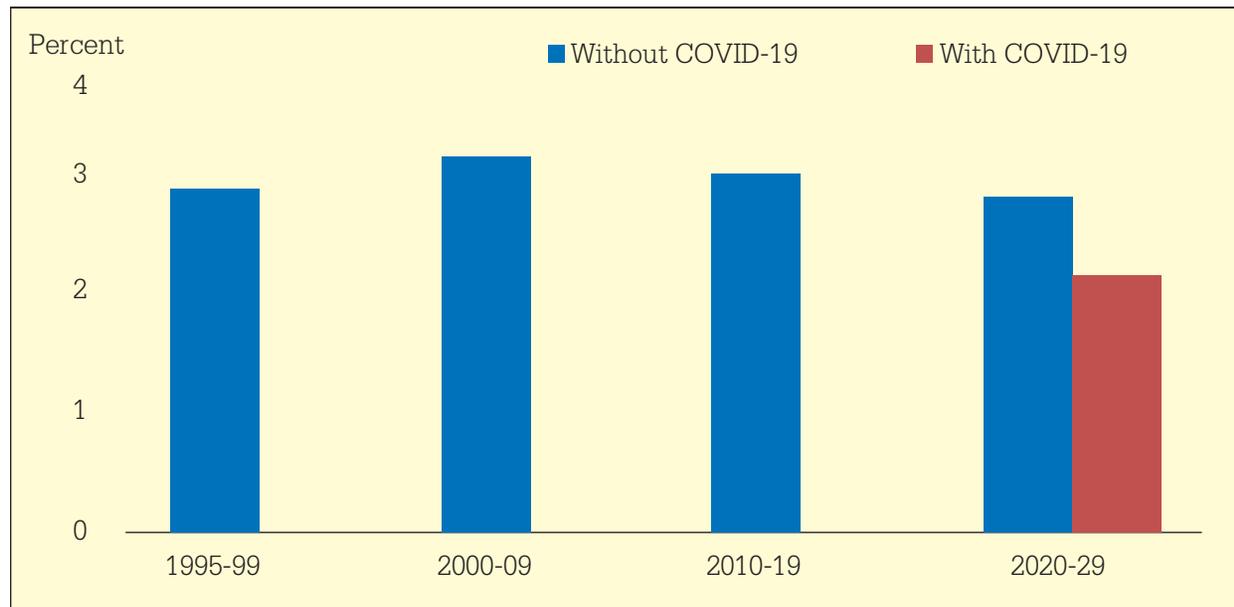
## Global Growth under the circumstances of baseline, downside/ upside and severe down size scenario:



Following a collapse last year caused by COVID-19, global output is expected to expand 4% in 2021 but remain well below pre-pandemic projections. Downside risks include the possibility of a further resurgence of the virus vaccination delays, more severe effects on potential output from the pandemic, and financial stress. The heightened level of uncertainty highlights the role of policy makers in raising the likelihood of better outcomes while warding off worse ones. Policy actions will need to balance the risks from large debt loads with those from premature fiscal tightening, as well as foster resilience by safeguarding health and education, improving governance, and enhancing debt transparency.

Investment growth is expected to resume in 2021, but, despite an uplift from advances in digital technology, not add enough to reverse the large 2020 decline. The experience of past crises raises a further concern—without urgent course correction, investment could remain feeble for years to come. To counter the investment headwind, there needs to be a major push to improve business environments, increase labor and product market flexibility, and strengthen transparency and governance. These can re-ignite investment and help allocate it more effectively. During the pandemic, many governments have supported lending to firms to address liquidity constraints, including loan guarantees, payment moratoria, and regulatory forbearance. A projection on world economic growth in next decade (2020-2029) showed a gloomy picture if COVID-19 situation prolongs. On the other hand, availability of reliable vaccine will increase the confidence of people and thus will affect positively in industrial production. Faster recovery from pandemic shows a more optimistic picture in the next decade.

## Global Growth Scenario with and without COVID-19:

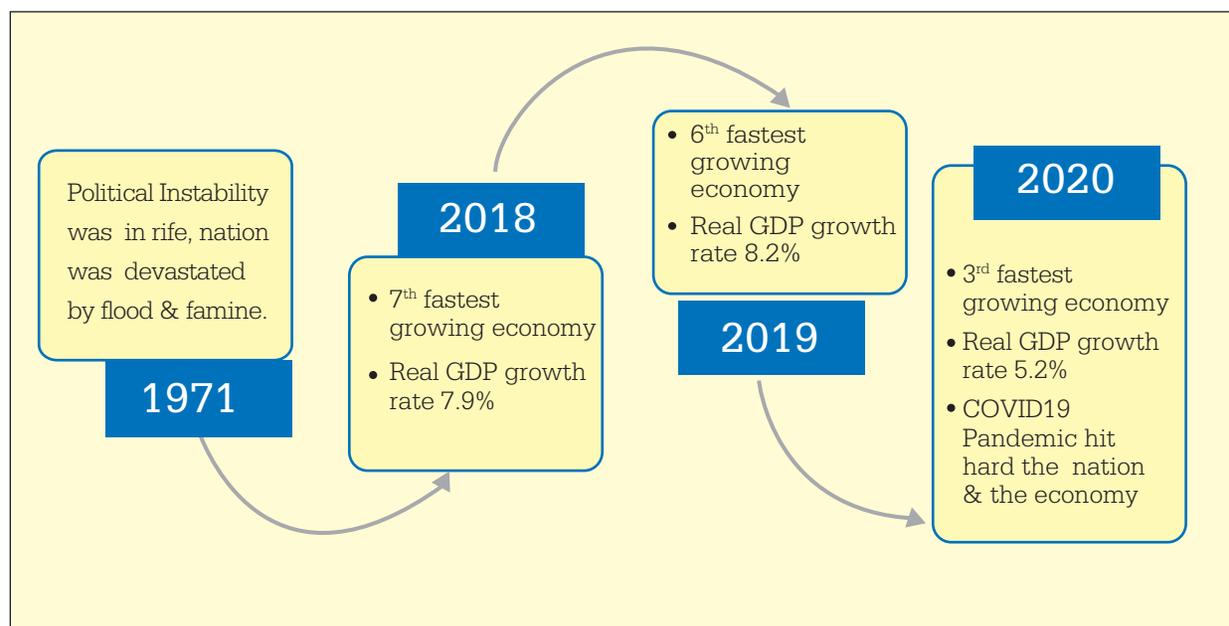


As the health and economic crisis abates, these policies need to be reassessed periodically to ensure asset quality transparency and avoid undermining bank capitalization. Policymakers also need to enhance supervisory assessments of loan quality and improve resolution and recovery regimes to address the potential challenges associated with elevated corporate debt levels. With non-performing loans likely to rise, more rapid bankruptcy and domestic debt resolution processes will be important in allowing assets to be relieved of litigation and repurposed for new uses. Adding new investment to productive existing assets will be vital for sustainable development. In both the external and internal debt resolution processes, transparency is critical to bolster accountability, make future investment and debt more productive, and support the economic recoveries that are crucial for poverty reduction. Left unaddressed, the problem of unsustainable debt, and restructurings that do too little, will delay vital recoveries, especially in the poorest countries. Mounting climate and environmental challenges add to the urgency of policy action, including on debt reduction and an improved investment framework. As countries formulate policies for recovery, they have a chance to embark on a greener, smarter, and more equitable development path. Investing in green infrastructure projects, phasing out fossil fuel subsidies, and offering incentives for environmentally sustainable technologies can buttress long-term growth, lower carbon output, create jobs, and help adapt to the effects of climate change. Making the right investments now is vital both to support the recovery when it is urgently needed and foster resilience.

Source: Global-Economic-Prospect: January-2021

## Bangladesh Economy – A Miracle:

*One of the world's fastest growing economy*



### International Outlook on Bangladesh Economy:

Organizations	Remarks on Bangladesh Economy
Goldman Sachs Investment Bank	Next Eleven Emerging Market [N-11] [having a high potential of becoming the world's largest economies in the 21 <sup>st</sup> century along with the BRICs]
World Economic Forum [WE Forum]	Ranks Bangladesh as world's 34 <sup>th</sup> largest economy now and 24 <sup>th</sup> in 2030 ahead of many established nations in its Inclusive Development Index.
Centre for Economics & Business Research (CEBR)	Ranks Bangladesh as world's 28 <sup>th</sup> largest economy in 2030 and 25 <sup>th</sup> in 2035
PWC	Ranks Bangladesh as world's 23 <sup>rd</sup> largest economy in 2050; One of the three countries to achieve 5%+ growth till 2050
Forbes	One of the 30 <sup>th</sup> largest economies by a decade; purchasing power will be at par with South Africa
Citi	Bangladesh will be the 4 <sup>th</sup> fastest growing economy for the next 40 years
HSBC	Bangladesh will be the 31 <sup>st</sup> largest economy by 2050

## World Economic League Table 2021: South Asia:

Figures represent rank out of 193 countries

	Country	2020	2021	2025	2030	2035
1	India	6	6	5	3	3
2	<b>Bangladesh</b>	<b>41</b>	<b>41</b>	<b>34</b>	<b>28</b>	<b>25</b>
3	Pakistan	45	48	45	42	36
4	Sri Lanka	66	66	63	65	67
5	Nepal	98	97	96	95	95
6	Afghanistan	111	113	117	122	129
7	Maldives	154	153	152	150	150
8	Bhutan	163	164	164	164	164

## Bangladesh on World Economic League Table 2021

	2020	2021	2025	2030	2035
GDP, Billion Taka (constant prices)	11,478	11,983	15,979	21,893	29,995
GDP, Billion USD (constant prices)	301	313	420	594	855
GDP, Billion USD (current prices)	318	338	488	760	1,203
Rank	41	41	34	28	25

Source: World economic league table with forecasts for 193 countries to 2035

## Other Key Indicators of Bangladesh Economy:

	Current	Reference	Previous	Range	Frequency
Unemployment Rate (%)	4.2	Dec/19	4.3	2.2: 5.1	Yearly
Inflation Rate (%)	5.29	Dec/20	5.52	-0.03:16	Monthly
Interest Rate (%)	4.75	Dec/20	4.75	4.5: 8.75	Daily
Balance of Trade (BDT Billion)	-77.6	Oct/20	-78.3	-210: 0	Monthly
Current Account (USD Million)	3534	Sep/20	-2439	-3293: 3534	Quarterly
Current Account to GDP (%)	-1.7	Dec/19	-3.5	-4.4: 3.2	Yearly
Government Debt to GDP (%)	29.3	Dec/19	28	27: 50	Yearly
Government Budget (% of GDP)	-5.5	Dec/19	-4.8	-5.5: -1.3	Yearly
Corporate Tax Rate (%)	25	Dec/19	25	25: 40	Yearly
Personal Income Tax Rate (%)	30	Dec/19	30	25: 30	Yearly
Coronavirus Cases (Persons)	527063	Jan/21	526485	0:527063	Daily
Coronavirus Deaths (Persons)	7883	Jan/21	7862	0: 7883	Daily
Coronavirus Recovered (Persons)	471123	Jan/21	470405	0: 471123	Daily

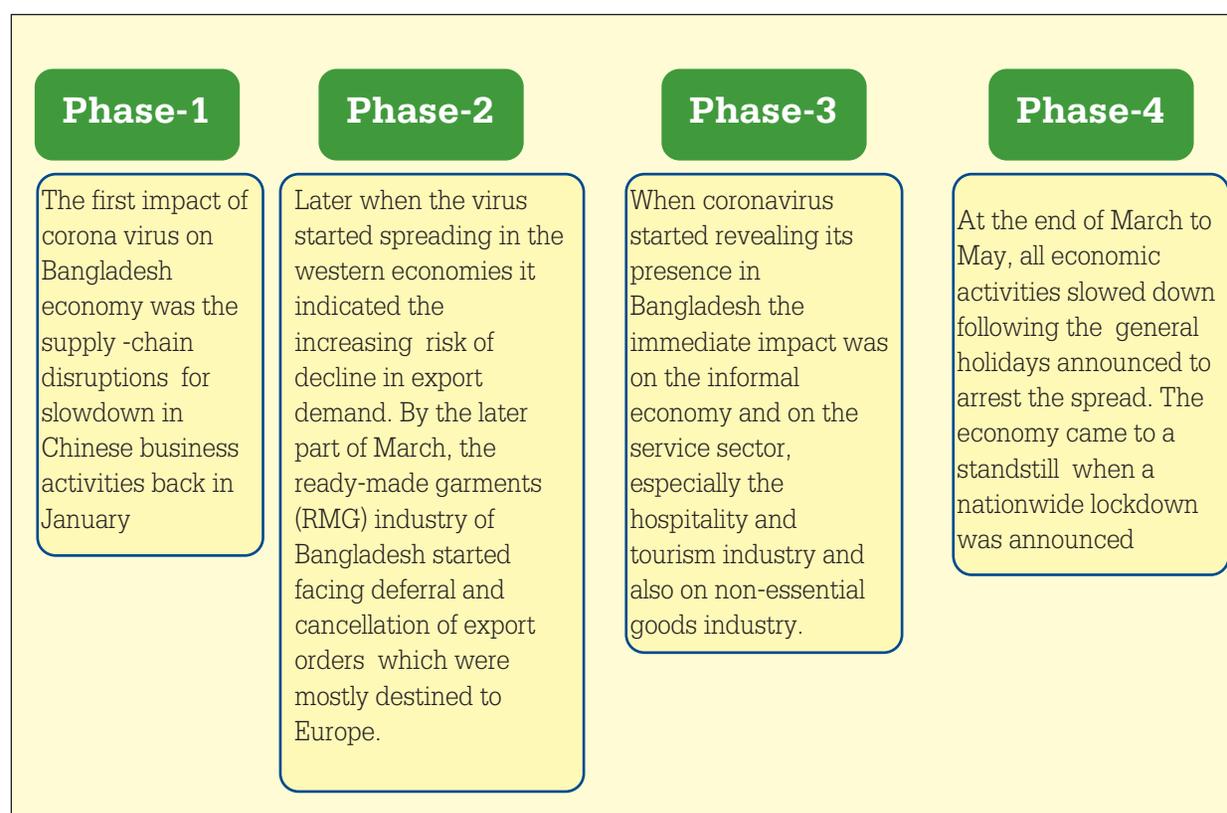
Source: tradingeconomics.com

## Challenges to Overcome for Continuing Economic Miracle

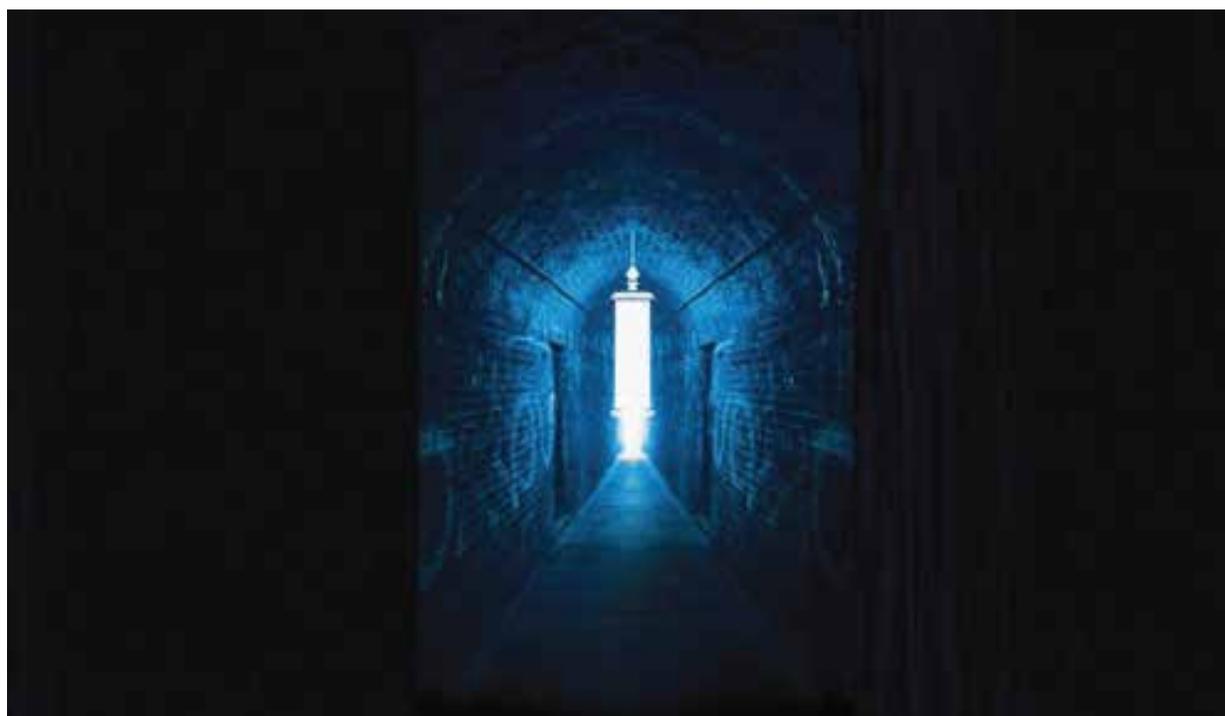
GDP per Capita	GoB	141st (Nominal) 135th (PPP)	USD 2,064 (Nominal) USD 5,139 (PPP)	2020 est.
Ease of Doing Business	World Bank	168th (Below Average)	India 63rd (Easy), Bhutan 89th (Easy), Nepal 94th (Easy), Sri Lanka 99th (Medium), Pakistan 103rd (Medium) and Myanmar 165th (Below Average)	2020 Ease of Doing Business Report
Human Development Index (HDI)	United Nations Development Program (UNDP)	133rd (Medium Human Development)	Sri Lanka 72nd (High Human Development), Bhutan 129th, India 131st , Nepal 142nd , Myanmar 147th , Pakistan 154th (Medium Human Development)	Human Development Report 2020
Global Competitiveness	World Economic Forum	105th	India 68th , Sri Lanka 84th , Nepal 108th , Pakistan 110th	The Global Competitiveness Report 2019

Source : International Energy Agency (IEA).

## COVID19 & Its Impacts on Bangladesh Economy:



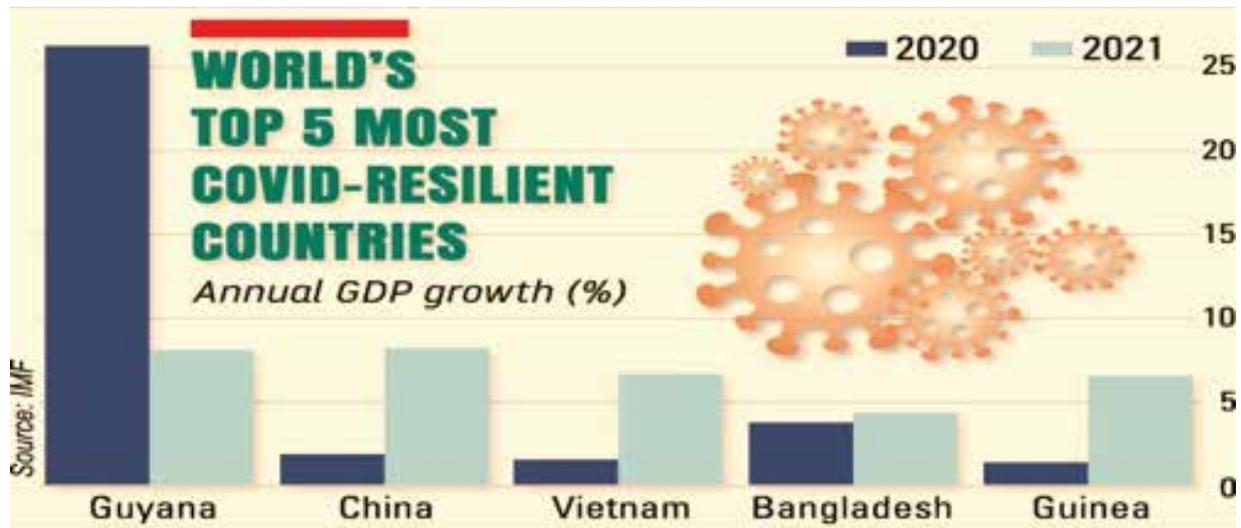
## Still there are reasons to be optimistic



### COVID-19 & the Path to Recovery:

Actions Taken	Outcome
<b>Bold Move of the Government</b>	After a two-month long lockdown, the government took a bold move to gradually opening up the economy by withdrawing the lockdown
<b>Hefty Agricultural Harvests</b>	Agricultural harvests have been very good in Bangladesh, despite the pandemic. Aman rice production was higher in FY2020 than in FY2019. Bangladeshi farmers have also gifted the country with good harvests of other agricultural products, which has been a respite for the government.
<b>Massive Stimulus Package</b>	Govt. rolled out BDT1.25 tn stimulus package, mainly as credit support from banks/FIs. The central bank has created additional liquidity for the financial system through monetary tools, like reducing CRR and increasing ADR.
<b>Favorable Foreign Trade</b>	Govt. provided interest subsidy by sharing interest to be charged by banks/FIs. Lower import payments have helped to manage fiscal stress. Bangladesh's reliance on the hardest-hit sectors, like export & tourism is relatively low. Domestic demand is the major driving force behind the economy.
<b>Inflow of Remittance reaches a record high</b>	As per the projection of World Bank Bangladesh will gain eight percent more remittance this year and will be 8th most remittance receiving country. The total remittance flow will be USD 20 billion. Strong flow of remittance helped maintaining strong reserve.
<b>Quick response of Multilateral banks and bilateral partners</b>	Govt. received around USD 2 billion as budgetary support from ADB, AIIB, IMF, World Bank & JICA. Disbursement of foreign assistance increased to USD 7.2 billion in FY2020 compared to USD 6.5 billion in FY2019.

**IMF, in their report, included Bangladesh as one of the World's top 5 most COVID-Resilient Countries:**



### The Sector we operate in

*An energy world in lockdown*

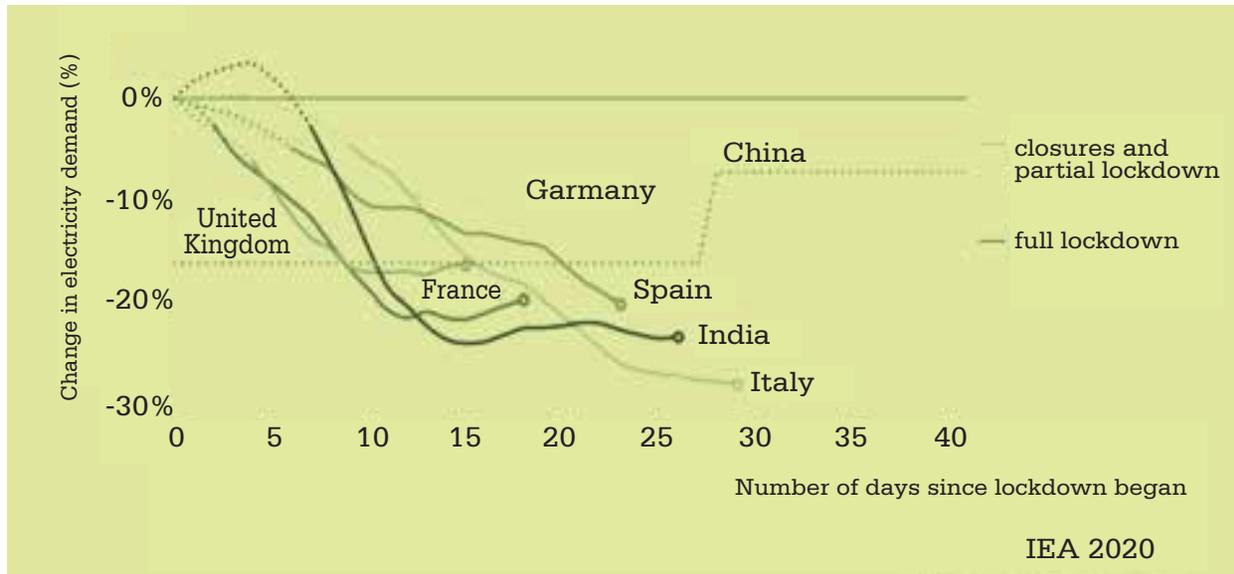
The Covid-19 pandemic has introduced major new uncertainties for the energy sector and increased dramatically the range of pathways that it could follow. Without access to reliable and affordable electricity, the lockdowns introduced by governments to tackle the public health crisis would have resulted in far greater economic damage.

The key questions include the duration of the pandemic, the shape of the recovery, and whether energy and sustainability are built into the strategies adopted by governments to kick-start their economies. Capital investment in the energy sector is anticipated to fall by 18% in 2020, with the largest drop in spending on new oil and natural gas supply. This slump in investment is likely to have major repercussions for energy markets in the coming years, even though the economic downturn is also putting downward pressure on demand. The crisis is meanwhile provoking changes in the strategic orientation of companies and investors, as well as in consumer behavior.

### Global electricity demand is expected to fall by 5% in 2020

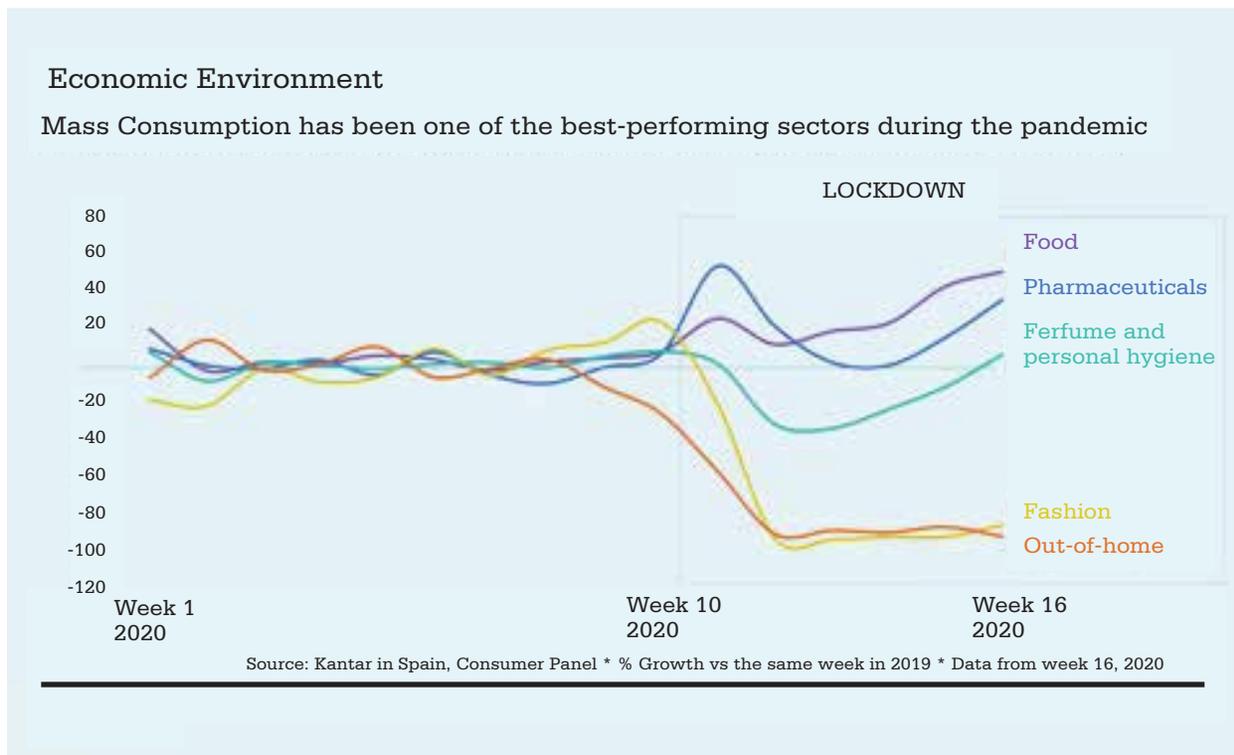
Global electricity demand is expected to fall by 5% in 2020, eight times the reduction in 2009 due to the global financial crisis. A faster recovery would reduce electricity demand by 2%, as all areas of economic activity resume. But wider spread of Covid-19 in Africa, Latin America and other areas of the developing world, and a second wave in autumn in advanced economies, could lead to an even greater decline

## Reductions of electricity demand after implementing lockdown measures in selected regions, weather corrected



### Mass Consumption:

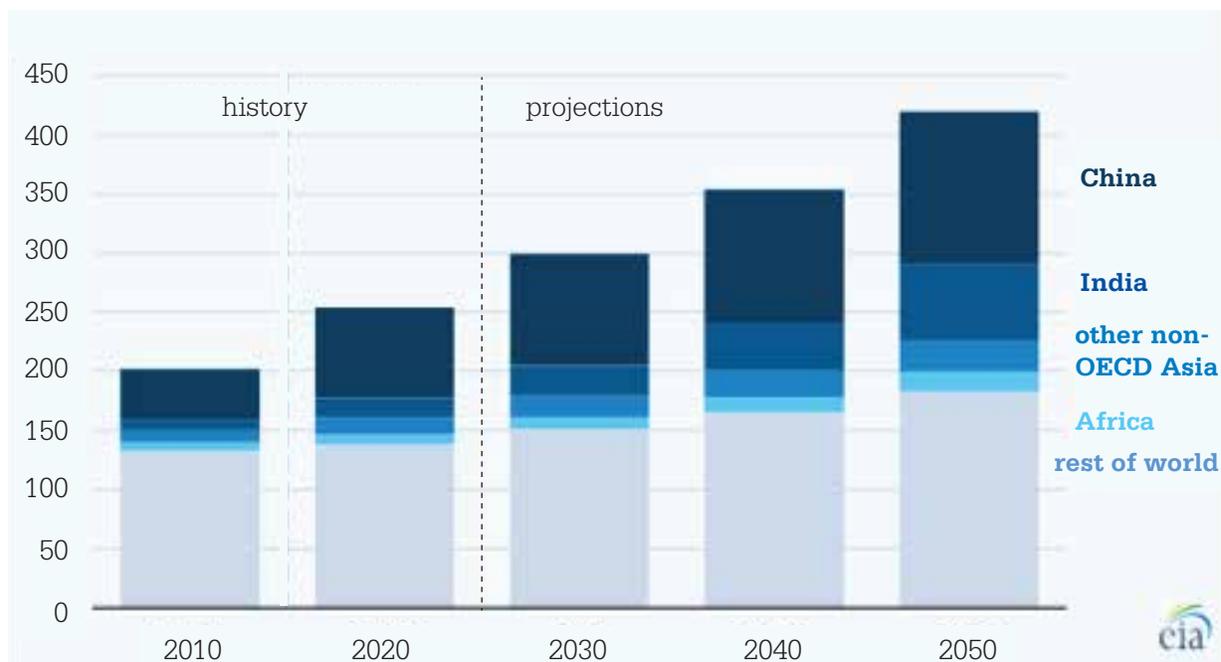
During lockdown periods of pandemic mass consumption of food, pharmaceuticals, perfume, personal hygiene, fashion, out-of-home activities has increased significantly. As a whole, these sectors faced positive growth during this unprecedented uncertain period.



## China will play the leading role in energy consumption in 2020 and onwards

Projected demand growth of around 2% in China which represents about 28% of global electricity consumption, is still significantly below its average since 2015 of 6.5%. After implementing strict health measures early in the year and experiencing subsequent drops in electricity demand in the first quarter, China has seen year-on-year demand growth every month since then. Although demand recovered in many economies during the Northern Hemisphere's summer and autumn, major consumers including the United States, India, Europe, Japan, Korea and Southeast Asia are all set to experience declines for the year as a whole.

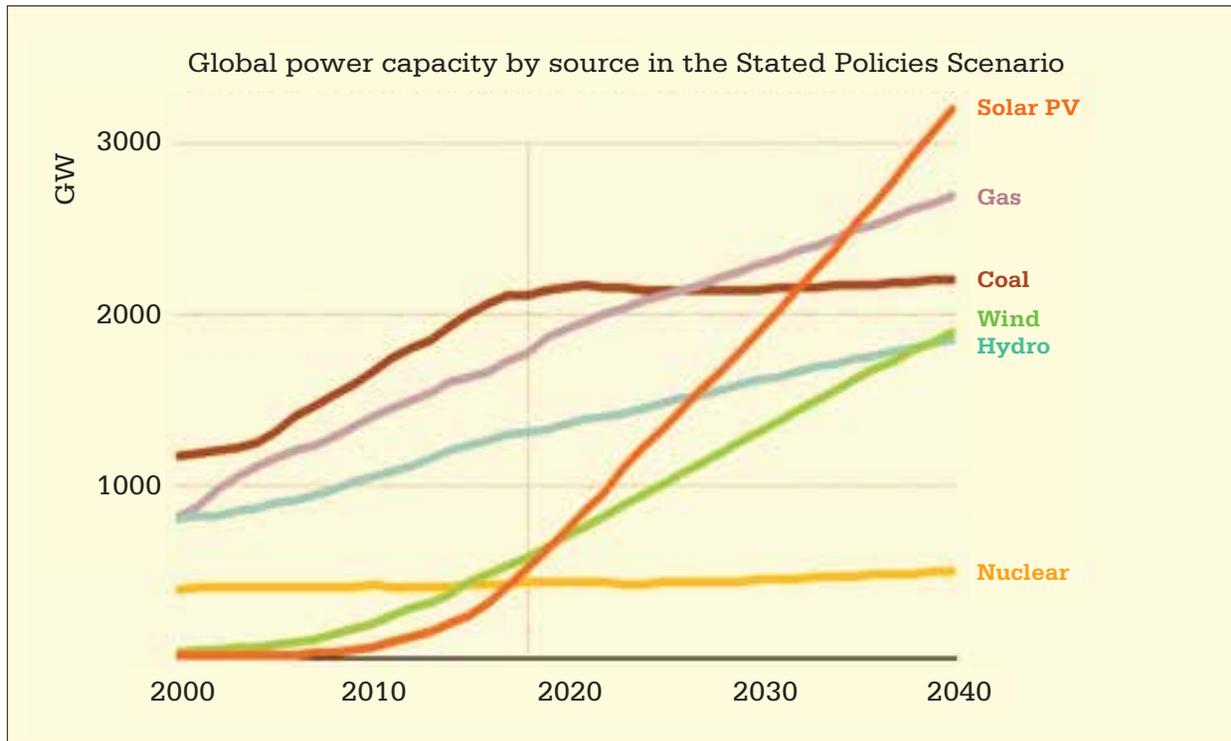
## Global energy consumption for power generation, IEO2020 Reference case (2010-2050) quadrillion British thermal units



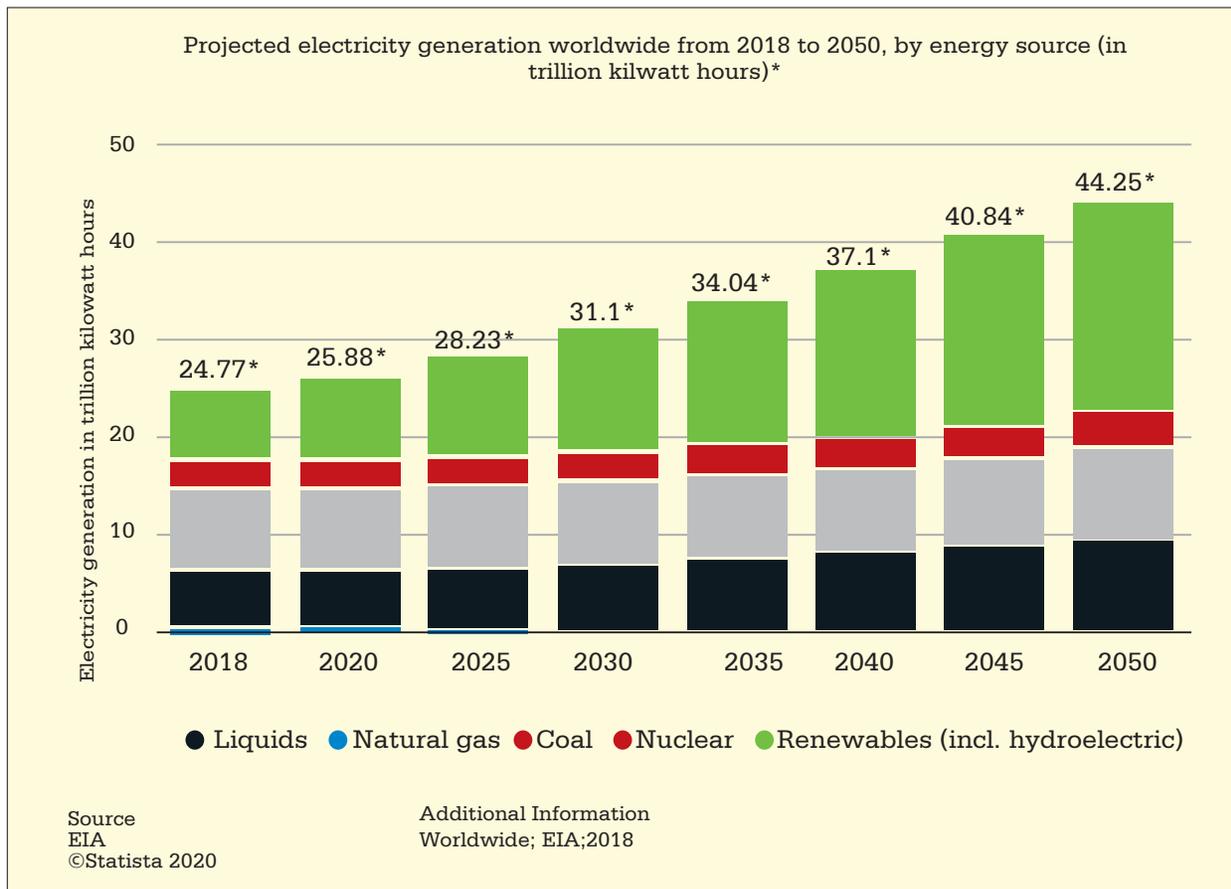
## Following the shock of 2020, a modest rebound is expected in 2021

With the recovery of the global economy in 2021, global electricity demand is expected to grow by around 3%. This rebound is rather low compared with 2010, the year following the global financial crisis, when electricity demand grew by 7.2%. The increase in demand is expected to be driven by emerging and developing economies, particularly China and India.

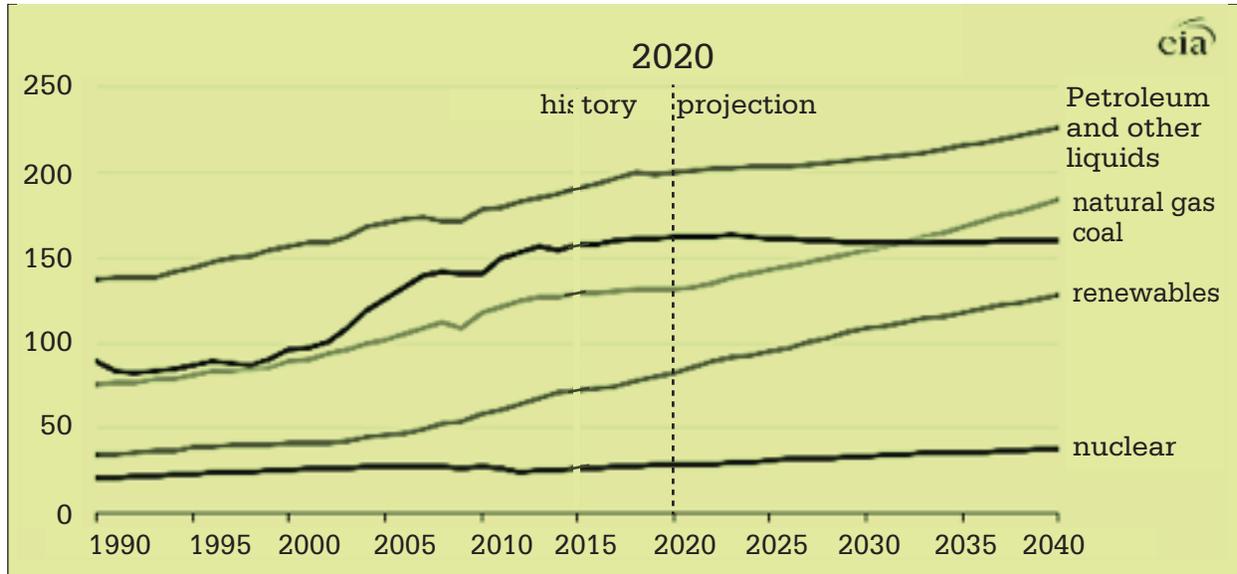
### Global Power Generation Capacity by Sources (GW)



### Projected Global Electricity Generation (Trillion KWh)



### World energy consumption by energy source (1990-2040) quadrillion british thermal units

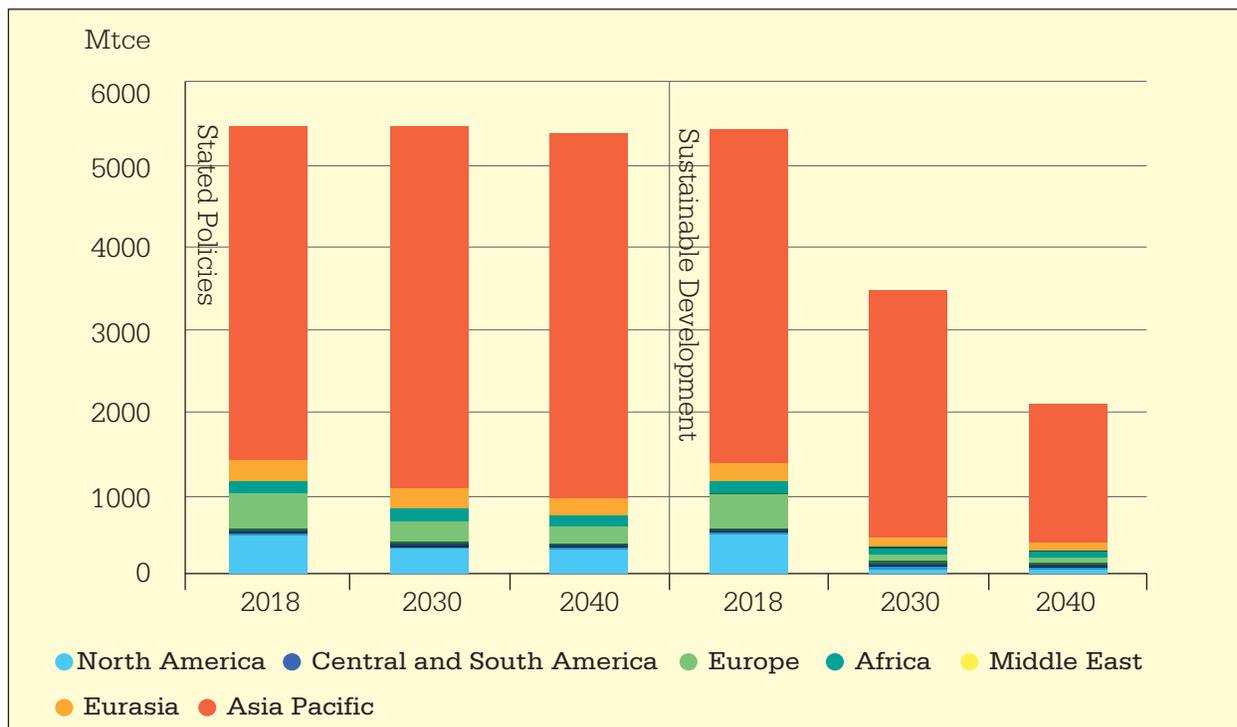


#### Coal supplies over one-third of global electricity generation

Coal plays a crucial role in industries such as iron and steel. Share of global power mix in 2020 was 30.5% for coal.

This rise mainly came from China, India, Indonesia and some other countries in South and Southeast Asian regions where demand for electricity has continued to grow and coal remains the largest source of generated electricity.

#### Coal demand by region and scenario, 2018-2040:



## Power Sector of Bangladesh

*A story of continuous development*

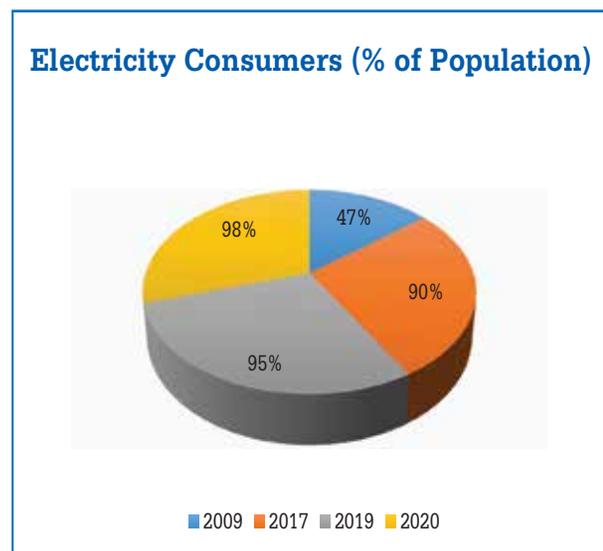
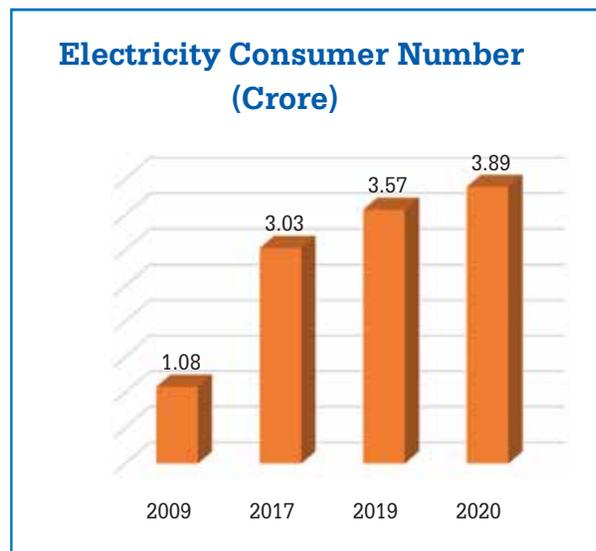
Like other countries of the world, Bangladesh is facing an unprecedented time during pandemic. Every single economy is struggling to maintain their growth in this crisis moment. With the visionary leadership and strategic policies, the country is gradually recovering from the crisis. In spite of all odds, Bangladesh managed to attain its GDP growth at 5.24 % in FY2019-20, which was 8.15% in previous fiscal year. Power sector played a critical role in the response to the Covid-19 crisis. Uninterrupted energy supplies have enabled hospitals to provide care, food and other essentials to be delivered, and millions of people to work and study from home while maintaining social contact online.

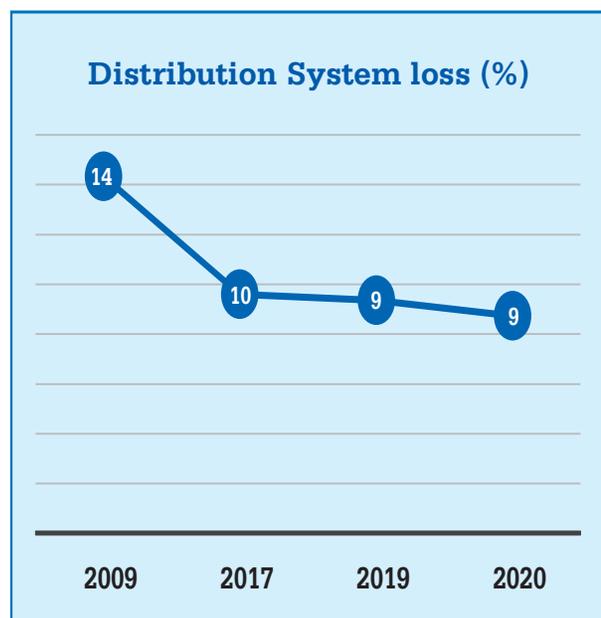
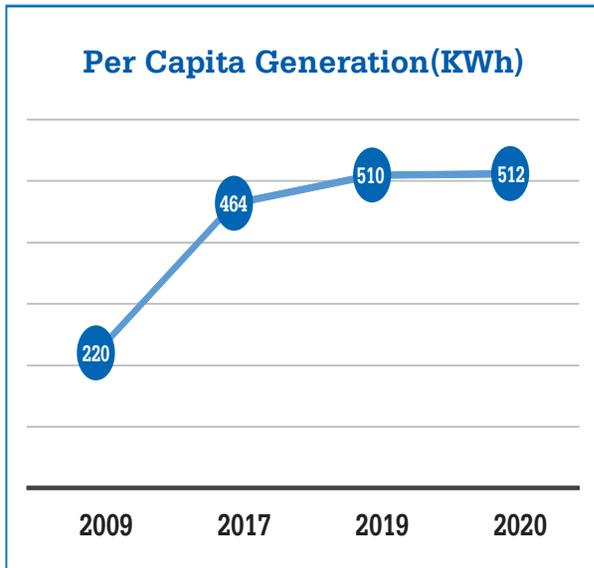
Currently country's electricity coverage is 98% of its total population which was only 47% in a few years back. Besides, per capita generation has mounted from 220 KWh in 2009 to 512 KWh in 2020.

	2009	2017	2019	2020	Achievement Last 11 Years (2009-2020)
Number of Power Plants	27	121	137	140	113
Installed Generation capacity (MW)	4,942	18,753	22,727	23,548	18,606
Highest Generation (MW)	3,268	10,958	12,893	12,892	9,625
Transmission line (Ckt.KM)	8,000	10,950	11,905	12,444	4,444
Population Access to Electricity (%)	47	90	95	98	51
Per Capita Generation (KWh)	220	464	510	512	292
Electricity Consumer Number (In Crore)	1.08	3.03	3.57	3.89	2.81
Allocation in ADP (In Crore BDT)	2,677	26,293	28,862	27,637	24,960
Distribution System loss (%)	14.33	9.6	9.35	8.73	-5.6

Source: Bangladesh Economic Review 2020 & Power Cell

### Electricity coverage from 2009 to 2020:





Realizing the importance of electricity, the Government has set a target to provide electricity to all citizens by 2021. It has declared 'Vision 2021' to raise the economy at the level of a middle-income country scaling up economic growth rate to 12% by 2021 and a developed country by 2041. To meet the demand of electricity quick, short, mid and long-term generation, distribution & transmission projects are in different phases of implementation. As a part of innovating financing, the Government has managed to G2G, bidder's financing and ECA financing for the power projects. However, the co-operation of development partners and the private sector is very essential.

## Project Management

The Company has a plan to establish a state-of-the-art IT enabled Project Monitoring Centre (PMC) for facilitating fast track project implementation. It intends to establish an integrated Enterprise Resource Planning (ERP) platform for monitoring and controlling of critical project activities spread across various functions like engineering, contracts and finance. This interface will help in getting timely inputs for decision making.

### Salient Features of Payra 1320 MW Thermal Power Project (1<sup>st</sup> Phase)

Invitation for Bid	29.09.2015
EPC Contract signing	29.03.2016
EPC Contractor	Consortium of NEPC & CECC, China
EPC Contract Price	1.56 Billion USD
Total Project Cost	2.48 Billion USD
Project Financier	CEXIM Bank
Progress (Up to Dec 2020)	Physical Progress: 99.76 % Financial Progress: 82.50 %
Plant Capacity	1320 MW (2 x 660 MW)
Boiler Technology	Ultra Supercritical (27 MPa/600/610°C )
Cooling Water System	Closed Circulation of Water Using Cooling Tower
Power Evacuation	400 KV GIS Substation 400 KV Transmission Line (Payra Power Plant – Gopalganj – Dhaka)
Primary Fuel	Sub – Bituminous / Bituminous Coal
Coal Sourcing	P.T. Bayan Resources Tbk, Indonesia
Coal Transportation	Oldendorff, Germany
Commercial Operation Date	IOD (1 <sup>st</sup> Unit): 15 May 2020 COD (1 <sup>st</sup> Phase): 08 December 2020

### At a glance Payra 1320 MW Thermal Power Plant (1<sup>st</sup> Phase)

(as on 22 December 2020)

1 <sup>st</sup> Unit Synchronization	13 January 2020
Initial Operation Date (IOD)	15 May 2020
2 <sup>nd</sup> Unit Synchronization	26 August 2020
Commercial Operation Date (COD)	8 December 2020
Total Generation	3036091119 kWh
Total Coal Consumption	1308846 Tons
Total HSD Consumption	5152 Tons
Total Limestone Consumption	17428 Tons
Availability Factor	83.43%
Plant Factor	68.42%



Overview of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)



Night View of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)



Central Control Room of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)



Turbine Hall of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)



Generator & Turbine Assembly of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)



Water Treatment Plant of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)



Cooling Tower of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)



Administration Building of Payra Thermal Power Plant



GIS Substation of Payra 1320MW Thermal Power Plant Project (1<sup>st</sup> Phase)



Power Block of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)

## PROJECTS OF BCPCL

### (1) Project-in-progress: Payra 1320 MW TPP Project (2<sup>nd</sup> Phase)

Name of the Project	Fuel	Generation Capacity	Expected COD
Payra 1320 MW (2x660) Thermal Power Plant Project (2 <sup>nd</sup> Phase), Patuakhali	Coal	1320 MW	3 <sup>rd</sup> Unit: November, 2023 4 <sup>th</sup> Unit: December, 2023

### Salient Features of Payra 1320 MW TPP Project (2<sup>nd</sup> Phase)

(as in December 2020)

Invitation for Bid	14.06.2018
EPC Contract Signing	16.05.2019
EPC Contractor	Consortium of CECC & NEPC, China
EPC Contract Price	1.44 Billion USD
Total Project Cost	2.06 Billion USD
Project Financier	CEXIM Bank
Physical Progress	20%
Plant Capacity	1320MW (2x660)
Boiler Technology	Ultra-supercritical (27 Mpa/600/610c)
Cooling Water System	Closed circulation of water using cooling tower
Power Evacuation	400KV GIS Substation 400 KV Transmission Line (Payra Power Plant-Gopalganj-Dhaka)
Primary Fuel	Sub-Bituminous/Bituminous coal
Coal Sourcing	Indonesia & Australia





Civil Works of Payra 1320MW Thermal Power Plant Project (2<sup>nd</sup> Phase)



Load Test on Test Piles Construction of Payra 1320MW Thermal Power Plant Project (2<sup>nd</sup> Phase)

## (2) Project-in-progress: Payra-Gopalganj-Aminbazar 400kV Double Circuit Transmission Line (2<sup>nd</sup> Phase)

Name of the Project	Description	Expected COD
Payra-Gopalganj-Aminbazar 400kV Double Circuit Transmission Line (2 <sup>nd</sup> Phase)	Power Transmission Line	December,2023

### Salient Features of Payra-Gopalganj-Aminbazar 400kV Double Circuit Transmission Line (2<sup>nd</sup> Phase)

Project Feasibility Study	October, 2020
Invitation for Bid	14.12.2020
Bid Closing Date	04.02.2021
Type of Bid	International Competitive Bid (ICB) based on Single Stage Two Envelope Method
Total Project Cost	370.96 Million USD
Debt in percentage	70%
Equity in percentage	30%
Project Financier	CEXIM Bank
Voltage Level	400kV
No. of Circuit	Two
Length of the Line (approx.)	256.314 route km
Power Evacuation Line	From Payra Thermal Power Plant to Aminbazar Via Gopalganj
Description	Power Transmission Line



400kV Substation of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)

## Implementation of Payra 1320MW Thermal Power Plant Connecting Road & its associated Infrastructure Project



Construction of Payra Thermal Power Plant Connecting Road



Construction of Payra Thermal Power Plant Connecting Road

# LEGACY of COAL



**What is Coal:** Coal is a combustible black or brownish-black sedimentary rock, formed as rock strata called coal seams. Coal is mostly carbon with variable amounts of other elements; chiefly hydrogen, sulfur, oxygen, and nitrogen. Coal has lots of energy in it. When it is burned, coal makes heat and light energy. The cave men used coal for heating, and later for cooking. Burning coal was easier because coal burned longer than wood and, therefore, did not have to be collected as often. People began using coal in the 1800s to heat their homes. Trains and ships used coal for fuel. Factories used coal to make iron and steel. Today, we burn coal mainly to make electricity.

**Coal is a Fossil Fuel:** Coal was formed during the Permo-Carboniferous Period. Back then, much of the earth was covered by huge swamps. They were filled with giant ferns and plants. As the plants died, they sank to the bottom of the swamps. Over the years, thick layers of plants were covered by dirt and water. They were packed down by the weight. After a long time, the heat and pressure changed the plants into coal. Coal is called a fossil fuel because it was made from plants that were once alive. Since coal comes from plants, and plants get their energy from the sun, the energy in coal also came from the sun. The coal we use today took millions of years to form. We can't make more in a short time. That is why coal is called non-renewable.

**A Brief History of Coal:** Coal is the most plentiful fuel in the fossil family and it has the longest and, perhaps, the most varied history. Coal has been used for heating since the cave man. Archeologists have found evidence that the Romans in England used it in the second and third centuries (100- 200 AD). In the 1700s, the English found that coal could produce a fuel that burned cleaner and hotter than wood charcoal. During the 1300s in North America, the Hopi Indians used coal for cooking, heating and to bake the pottery they made from clay. Coal was later rediscovered in the United States by explorers in 1673. The Industrial Revolution played a major role in expanding the use of coal. James Watt invented the steam engine which made it possible for machines to do work previously done by humans and animals. Mr. Watt used coal to make the steam to run his engine. During the first half of the 1800s, the Industrial Revolution spread to the United States. Steamships and steam-powered railroads were main forms of transportation, and they used coal to fuel their boilers. In the second half of the 1800s, more uses for coal were found. During the Civil War, weapons factories were beginning to use coal. By 1875, coke (which is made from coal) replaced charcoal as the primary fuel for iron blast furnaces to make steel.

The burning of coal to generate electricity is a relative newcomer in the long history of this fossil fuel. It was in the 1880s when coal was first used to generate electricity for homes and factories. By 1961, coal had become the major fuel used to generate electricity in the United States. Long after homes were being lighted by electricity produced by coal, many of them continued to have furnaces for heating and some had stoves for cooking that were fueled by coal.

**Coal Mining and Transportation:** Most coal is buried under the ground. If coal is near the surface, miners dig it up with huge machines. First, they scrape off the dirt and rock, then dig out the coal. This is called surface mining. After the coal is mined, they put back the dirt and rock. They plant trees and grass. The land can then be used again. This is called reclamation. If the coal is deep in the ground, tunnels called mine shafts are dug down to the coal. Machines dig the coal and carry it to the surface. Some mine shafts are 1,000 feet deep. This is called deep mining, or underground mining.

In the mine, coal is loaded in small coal cars or on conveyor belts which carry it outside the mine to where the larger chunks of coal are loaded into trucks that take it to be crushed (smaller pieces of coal are easier to transport, clean, and burn). The crushed coal can then be sent by truck, ship, railroad, or barge. You may be surprised to know that coal can also be shipped by pipeline. Crushed coal can be mixed with oil or water (the mixture is called a slurry) and sent by pipeline to an industrial user.

**Converting Coal into Electricity:** Nine out of every 10 tons of coal mined in the world today are used to make electricity. Electricity from coal is the electric power made from the energy stored in coal. Carbon, made from ancient plant material, gives coal most of its energy. This energy is released when coal is burned.

The process of converting coal into electricity has multiple steps and is similar to the process used to convert oil and natural gas into electricity:

1. A machine called a pulverizer grinds the coal into a fine powder.
2. The coal powder mixes with hot air, which helps the coal burn more efficiently, and the mixture moves to the furnace.
3. The burning coal heats water in a boiler, creating steam.
4. Steam from the boiler spins the blades of an engine called a turbine, transforming heat energy from burning coal into mechanical energy that spins the turbine engine.
5. The spinning turbine is used to power a generator, a machine that turns mechanical energy into electric energy. This happens when magnets inside a copper coil in the generator spin.
6. A condenser cools the steam moving through the turbine. As the steam is condensed, it turns back into water.
7. The water returns to the boiler, and the cycle begins again.

**Delivering Electricity:** Electricity-generating plants send out electricity using a transformer, which changes the electricity from low voltage to high voltage. This is an important step, as it gives electricity the jolt it needs to travel from the power plant to its final destination. Voltages are often as high as 500,000 volts at this point. Electricity flows along transmission lines to substation transformers. These transformers reduce the voltage for use in the local areas to be served. From the substation transformers, electricity travels along distribution lines, which can be either above or below the ground, to cities and towns. Transformers once again reduce the voltage — this time to about 220 to 240 volts — for safe use inside homes and businesses. The delivery process is instantaneous. By the time you have flipped a switch to turn on a light, electricity has been delivered.

**Coal's Role in Electrical Supply:** Natural gas and oil are also used to make electricity. How does coal compare to these other fossil fuels? In terms of supply, coal has a clear advantage as it has abundant deposit and supplies in many countries in the world. But what about costs? The mining, transportation, electricity generation, and pollution-control costs associated with using coal are increasing, but both natural gas and oil are becoming more expensive to use as well. The cost of using coal should continue to be even more competitive, compared with the rising cost of other fuels. In fact, generating electricity from coal is cheaper than the cost of producing electricity from natural gas. Inexpensive electricity, such as that generated by coal, means lower operating costs for businesses and for homeowners. This advantage can help increase coal's competitiveness in the marketplace.

**Cleaning up Coal:** Coal is our most abundant fossil fuel. But coal is not a perfect fuel. Trapped inside coal are traces of impurities like sulfur and nitrogen. When coal burns, these impurities are released into the air. While floating in the air, these substances can combine with water vapor (for example, in clouds) and form droplets that fall to earth as weak forms of sulfuric and nitric acid. Scientists call it "acid rain." There are also tiny specks of minerals—including common dirt—mixed in coal. These tiny particles don't burn and make up the ash left behind in a coal combustor. Some of the tiny particles also get caught up in the swirling combustion gases and, along with water vapor, form the smoke that comes out of a coal plant's smokestack. Some of these particles are so small that 30 of them laid side-by-side would barely equal the width of a human hair! Also, coal like all fossil fuels is formed out of carbon. All living things—even people—are made up of carbon. (Remember—coal started out as living plants.) But when coal burns, its carbon combines with oxygen in the air and forms carbon dioxide. Carbon dioxide is a colorless, odorless gas, but in the atmosphere, it is one of several gases that can trap the earth's heat. Many scientists believe this is causing the earth's temperature to rise, and this warming could be altering the earth's climate. Sounds like coal is a dirty fuel to burn. Many years ago, it was. But things have changed. Especially in the last 20 years, scientists have developed ways to capture the pollutants trapped in coal before they can escape into the air. We also have new technologies that cut back on the release of carbon dioxide by burning coal more efficiently. Many of these technologies belong to a family of energy systems called "**clean coal technologies.**"

**How do We make Coal cleaner?** Actually there are several ways. One way is to clean the coal before it arrives at the power plant. This is done by simply crushing the coal into small chunks and washing it. Another way is to use "scrubbers" that remove the sulfur dioxide (a pollutant) from the smoke of coal-burning power plants.

**How do Scrubbers work?** Most scrubbers rely on a very common substance found in nature called "limestone." We literally have mountains of limestone throughout the world. When crushed and processed, limestone can be made into a white powder. Limestone can be made to absorb sulfur gases under the right conditions—much like a sponge absorbs water. In most scrubbers, limestone (or another similar material called lime) is mixed with water and sprayed into the coal combustion gases (called "flue gases"). The limestone captures the sulfur and "pulls" it out of the gases. The limestone and sulfur combine with each other to form either a wet paste (it looks like toothpaste), or in some newer scrubbers, a dry powder. In either case, the sulfur is trapped and prevented from escaping into the air.

**The Cleanest Coal Technology —a real gas!** We can even turn coal into a gas—using lots of heat and water—in a process called gasification. When coal is turned into a gas, we can burn it and use it to spin a gas turbine to generate electricity. The exhaust gases coming out of the gas turbine are hot enough to boil water to make steam that can spin another type of turbine to generate even more electricity. But why go to all the trouble to turn the coal into gas if all you are going to do is burn it? A big reason is that the pollutants in coal—like sulfur, nitrogen and carbon dioxide —can be almost entirely cleaned up when coal is changed into a gas. In fact, scientists have ways to remove 99.9 percent of the sulfur and small dirt particles from coal gas. Gasifying coal is one of the best ways to clean pollutants out of coal. Another reason is that the coal gases don't have to be burned. They can also be used as valuable chemicals. Scientists have developed ways to turn coal gases into everything from liquid fuels for cars and trucks to plastic toothbrushes!

**Coal and Climate Change:** Carbon dioxide (CO<sub>2</sub>) is a colorless, odorless gas that is produced naturally when humans and animals breathe. The main source of manmade CO<sub>2</sub> emissions, however, is the burning of fossil fuels (oil, natural gas and coal) for energy production. Carbon dioxide is important for plants and animals, but if too much of it is produced, it can build up in the air and trap heat near the earth's surface. This is called the greenhouse effect. To clean CO<sub>2</sub> from power plants, scientists have been studying how to capture the CO<sub>2</sub> coming up a power plant's smokestack before it gets into the air. The CO<sub>2</sub> can then gather, transported, and eventually stored deep underground or in the ocean, where it's supposed to sit for a long, long time. Scientists are even studying ways to recycle the CO<sub>2</sub> into new materials. The technical name for this process is carbon capture and storage, or carbon sequestration. It is expected that coal and other fossil fuels will remain a major energy source for years to come. Many environmentalists believe that capturing and storing CO<sub>2</sub> from power plants, combined with other efforts, could help fight climate change. Scientists continue to research and develop carbon sequestration technologies. It is important to make sure these new processes are environmentally acceptable and safe. For example, scientists must determine that CO<sub>2</sub> will not escape from under the ground, or contaminate drinking water supplies. Carbon capture and storage is an exciting area of research and development for today's scientists.

**Import of Coal:** The coal requirement for the plant is estimated to be 4.12 million tons per year (Mt/y), which will be imported from Indonesia, China and Australia. From September 2019, the plant has initiated importing coal from Indonesia to feed its requirement for testing, commissioning and synchronization work and the initial operation of unit 1 has been successfully completed on May 15, 2020. Total Quantity of coal import from September 2019 to December 2020 is amounting MT 1,549,471.

## Coal Transportation Route



In the above map, it is visible that Indonesia and Australia are two potential coal producing and exporting countries. Both the countries are prominent globally for their high calorific valued coal, which are mostly used in power generation and other heavy industries. Indonesia is comparatively feasible for Payra 1320MW Thermal Power Plant (1st phase & 2nd phase) for its geographic location; and for the better quality and competitive price of coal. At present, we are importing coal from Indonesia for the time being and later on we shall import coal from Australia also.

PAYRA 1320 MW THERMAL POWER PLANT: COAL SUPPLY CHAIN –  
A PERTAINING REALITY, PERSISTING CHALLENGE

**MV XIN HAI TONG 8 created the History!** She was the first ever coal carrying mother vessel in September 2019 for the very first coal based thermal power plant in Bangladesh – Payra 1320 MW Thermal Power Plant of Bangladesh-China Power Company (Pvt) Ltd. (BCPCL). She brought 19,790 MT Coal to the plant jetty at that time. Afterwards, more 59 mother vessels have been brought to the same jetty carrying worth over 1.55 million metric tons of coal for the plant operation.

Coal Supply Chain is the life-line of any coal based thermal power plant. To ensure this, a Coal Supply Agreement (CSA) has been signed with M/s. PT Bayan Resources Tbk., Indonesia, later rearranged with M/s. China National Machinery Import & Export Corporation incorporating deferred payment module for procurement of coal on FOBI basis; and a Coal Transportation Agreement (CTA) has been signed with M/s. Oldendorff Carriers GmbH & Co. KG., Germany for overseas marine transportation. Since September 2019 to till date, the required amount of coal has been procured and transported successfully for the Payra 1320 MW Thermal Power Plant.

Throughout this period, expected or unexpected, many challenges have been met out of which the most importantly persisting one is the Rabnabad Channel Draft. Geographically, Bangladesh belongs to the high siltation zone. Several prominent rivers originating in the Himalaya ended up to the Bay of Bengal washing out large amount of soils through Bangladesh. Out of those prominent rivers, the Rabnabad Channel works as the exit point of high amount of siltation carried over the Meghna, Tetulia and Kajal Rivers. Naturally, the rate of siltation deposit is much higher in the Rabnabad Channel.

Payra 1320 MW Thermal Power Plant is situated on the west bank of the Rabnabad Channel. The channel length from BCPCL Jetty to the Payra Fairway is appx. 41 nautical miles (76 km/47 miles). Due to high rate of siltation, the channel has blockages at several points which have to be dredged intermittently in order to maintain navigability. Once the jetty area, turning basin and the entire channel have been dredged in the end of 2019 which ended in the beginning of 2020. After dredging, the draft near the jetty and in the turning basin was 8.5 M CD and that in the channel was 6.3 M CD. Five months later in June 2020, Payra Port Authority (PPA) routine survey showed astonishing result. The jetty and turning basin draft drastically reduced by 2 M and that in the channel reduced by more or less 1 M in some places. This caused an alarming situation for the coal vessels' navigation at that time. Several coal vessels have sustained detention, dual navigation and partial lightering operation at the inner anchorage until further emergency dredging at the jetty area was over.

As the executing agency, PPA requires to ensure timely dredging and to maintain navigability of the Rabnabad Channel which is long expected and awaited. Meantime, the draft of the Rabnabad Channel further reduced and it became below 6 M in the month of December 2020. This way, it became impossible to navigate even empty mother vessels as the water level became inadequate for vessels' propeller emulsion.

Since the relevant formalities are taking time for commencement of dredging by PPA, while Payra 1320 MW Thermal Power Plant official launching has been declared leading to huge monthly requirement of coal for the plant's uninterrupted operation, it was observed and realized much earlier that the only workable option left in this situation is adopting lightering method to feed the plant for the time being.

A trial lightering operation was conducted in the months of May and June 2020. Later on, through proper procedure, a Coal Lightering Agreement (CLA) was signed with M/s. South-Asia Energy Engineering & Technology Co. Ltd. (SAEET), Dhaka – a subsidiary of CMC, for performing lightering operations. From 53rd to 60th shipments of coal, a total of 8 (eight) shipments of 46,200 MT each, have been lightered at the Chittagong OPL (outside port limit) and at the Payra Fairway successfully. Consequently, the coal lightering method emerged as the most cost effective and efficient mode of coal transportation compared to direct shipments.

As a matter of fact, the lightering method plays a vital role in coal transportation for ensuring smoothness of supply chain. But it is not the sole permanent remedy for all the

times. For the time being – tentatively upto the end of 2022, Payra 1320 MW Thermal Power Plant one unit of 660 MW only can be in full-load operation since the required power evacuation line is yet to develop. When the power evacuation line is completed as expected by the end of 2022, both the units of Payra 1320 MW TPP will be in operation at full load. This will multiply the quantity of required coal. Simultaneously, the 2nd Phase of Payra 1320 MW TPP will also be ready in 2023, which will load additional coal quantity for operation. Thus, the size of yearly required coal for both the phases would be around 8 million metric tons, perhaps from the year of 2023-2024. At that time, the lightening method alone will not be adequate to support the big volume of coal transportation.

Definitely, such a huge amount of coal requires a wider handling option along with other related facilities. Briefly, from the experiences of available practices and measure, we have the following options in front of us out of which we may choose one or a combination of several for a sustainable and smooth coal transportation system:

Sl.	Option Details	Executing Agency	Remarks
01	Capital Dredging of the Rabnabad Channel to make the channel draft at least 9 meters so that the mother vessels (Supramax) can enter the port and take berth at BCPCL jetty with appx. 35,000 ~ 40,000 MT load of coal	Payra Port Authority (PPA)	* Contract not yet signed * Capital Dredging will take appx. 2 years after contract signing and effectiveness
02	Maintenance Dredging of the Rabnabad Channel for proper removal of siltation to maintain and ensure the channel draft at least 9 meters	Do	* Contract not yet signed * Maintenance Dredging will be carried out for 10 years after completion of Capital Dredging
03	Full-load Shipments by Supramax vessels and partly lighten at the Payra Fairway for gaining the mother vessel's permissible draft for onward entrance to the port and jetty	BCPCL	This option is confined within November to February only. Rest of the year, it can be conducted at the Chittagong OPL, if required. But, this option is not suitable for large volume of coal imports.
04	Construction of Break Water Terminal with unloading, conveying and reloading facilities at the Payra Fairway to make the sea condition calm and tranquil for round the year to facilitate full-load ship handling and lightening operations	Payra Port Authority (PPA)	This option is to be explored. Experts opine that though it will take some time and cost to build the Break Water Terminal, but this will be the best and most economical solution to resolve the coal transportation impediments. This can serve all the coal based thermal power plants in the nearby locations, for a long time.

Importantly to mention, the CTA has been signed with the root objective of coal transportation by transshipment method at the Andaman Islands. As planned, Capesize mother vessels will carry appx. 1,50,000 M/Tons of coal to the Andaman Islands, which will be transhipped onto Supramax vessels in smaller quantities. The Supramax vessels will carry the coal to the BCPCL Jetty at Payra. The transshipment facilities at the Andaman Islands are expected to be ready by the end 2021. From this point, the regular shipment period will commence and the CTA will endure for 5 (five) years. At present, all the coal shipments are made by Supramax vessels as direct shipments under Initial Shipment Period.

The government has taken initiative to build up a Coal Transshipment Terminal (CTT) at Matarbari. As scheduled, this will be ready by 2025. Once this facility is developed, the transshipment arrangement at the Andaman Islands under CTA may not be required anymore. The objective can be fulfilled at Matarbari at more ease and less expenses.

However, whatever the transshipment arrangements are, until and unless the capital dredging is carried out by PPA at Payra, the lightering method will always be a vital part of the coal transportation system in the long run, most possibly. In this case, we shall require sufficient number of customized lighter vessels which can carry comparatively bigger load at shallow waters. At the same time, we will require a strong, sound and dedicated team of shipping and maritime legal professionals to cater the needs. Experts with vast maritime knowledge will help BCPCL continue the coal transportation and supply chain smoothly. It is not unlikely, in the next 25 years of operation, there would be disputes, anomalies, litigations, claims, loss adjustments with related vendors, service providers and other parties. We need to address them properly under guidance of expert hands.

In fine, among others, Payra 1320 MW Thermal Power Plant (1st Phase) is not only the first ever coal based ultra-super critical power plant in Bangladesh, it is also playing the most important role as the Icebreaker for rest of the fleet. As a part of it, it is passing through all the odds of 'first run' and setting ideal examples of the mode of coal transportation, shipping, supply chain etc. to be followed by the others.



First Ship of Coal reached Payra Thermal Power Plant Jetty on 19 September 2019



Coal Yard of Payra 1320MW Thermal Power Plant Project(1<sup>st</sup> Phase)



Coal Unloading at the Coal Jetty of Payra Thermal Power Plant



Coal Lightering from Mother Vessel for Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)



Coal Unloading at the Coal Jetty of Payra Thermal Power Plant

## RECENT AGREEMENTS & CONTRACTS

S/L	Name of Agreement	By and between	Date of Signing
01	EPC Contract for Payra 1320 MW Thermal Power Plant Project (2 <sup>nd</sup> Phase)	BCPCL & Consortium of CECC and NEPC, China	16.05.2019
02	Coal Transportation Agreement (CTA)	BCPCL & Oldendorff Carriers Gmbh & Co. KG	07.06.2019
03	Coal Supply Agreement (CSA)	BCPCL & PT Bayan Resources Tbk.	17.06.2019
04	O&M Contract for Payra 1320 MW Thermal Power Plant Project (1 <sup>st</sup> Phase)	BCPCL & Consortium of China Datang Overseas Electric Technology and O&M Co. Ltd and CECC	29.06.2019
05	Disposal / Selling of Dry Ash from Payra 1320MW Thermal Power Plant (Phase I)	i. BCPCL & PVL-ICM JV ii. BCPCL & RNPGE Alliance	05.07.2020
06	Selling of Gypsum from Payra 1320MW Thermal Power Plant (1 <sup>st</sup> Phase)	BCPCL & Madina Cement Industries Ltd	06.10.2020
07	Coal Lightering Agreement (CLA)	BCPCL & South-Asia Energy Engineering & Technology co. Ltd (SAEET)	08.10.2020
08	Morphological Study of Different River (Padma, Payra, Sugandha) Crossing for Infrastructure Development for Payra-Gopalganj-Aminbazar 2 <sup>nd</sup> 400KV Double Circuit Transmission Line.	BCPCL & Institute of Water Modelling (IWM)	06.12.2020

## SECURITY MANAGEMENT

BCPCL has adapted 360-degree security system at Payra 1320 MW Thermal Power Plant. In consideration of security importance, Payra 1320MW Thermal Power Plant has been declared as Key Point Installation (KPI) by Ministry of Home Affairs. As it is one of the significant KPIs of the country and to protect this valuable establishment from any kind of unpleasant occurrence, advanced security system has been deployed in the site area.

### Security System of Payra 1320MW Thermal Power Plant (1<sup>st</sup> Phase)

- ◆ For entrance and exit, two main gates have been built in the site area. And for ensuring high level security, gate pass system has been initiated which needs approval or permission from the competent authority for every entrance or exit of people and goods.
- ◆ At entrance and exit points, metal detectors and checking devices are available to avoid access or egress of any unacceptable object, material or goods.
- ◆ The site is located over a vast parcel of land covering nearly 1000 acres of land and this ample area has been protected from outside with a long and stretched boundary having a length of approximately 9.7 kilometers.
- ◆ Concertina wire has been installed over the boundary wall to add on an additional layer of security.
- ◆ Along the boundary wall, embankment road has been prepared for patrolling. Twelve numbers of watch towers have been erected maintaining the proper distance along the patrolling road.
- ◆ On every important location, CCTVs are installed to surveil the movement of people and these CCTVs are monitored centrally.
- ◆ For the security personnel of the sites, vehicle service is available. Motorbikes are used by the personnel to patrol and watch out the plant premises.
- ◆ Apart from high-tech automatic systems and devices, huge manpower is engaged for security purpose in the site area.
- ◆ Besides Police, BCPCL has arranged the departmental security personnel, G4S, Pitasa and EPC Chinese security personnel are also involved in maintaining safety and security of the site.

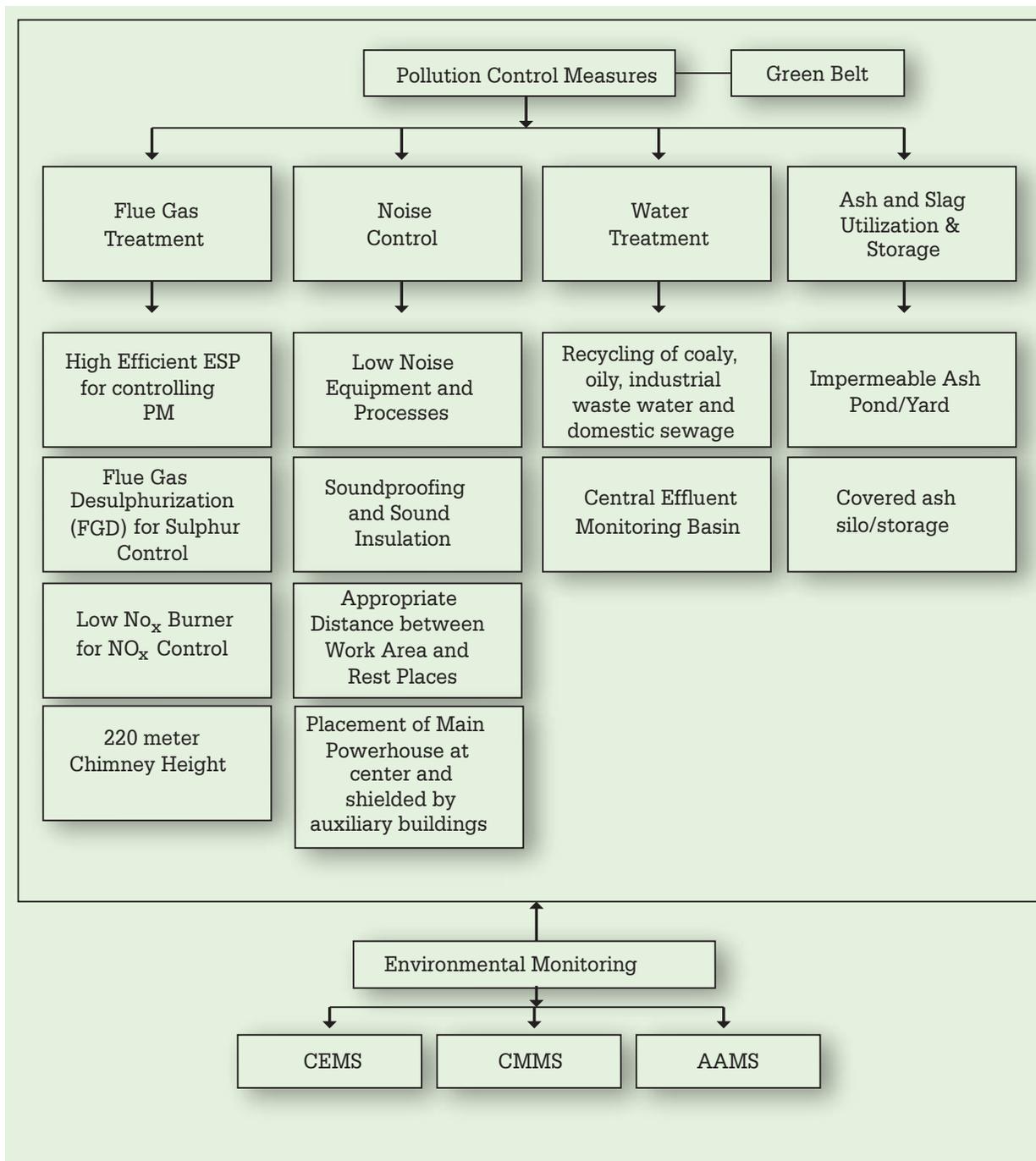
Integrated contribution of relentless efforts of the dedicated security personnel, responsible authority, improved security management system and advanced technology have made the security system of the site remarkable which is indispensable for such an important site.

## Environmental Management System & Emission Control Technology

Bangladesh-China Power Company (Pvt.) Limited (BCPCL) has established Payra 1320MW Thermal Power Plant which is harnessed with eco-friendly Ultra-Supercritical (USC) technology, ensuring less coal consumption per megawatt-hour; leading to lower emissions (including carbon dioxide and mercury), higher efficiency and lower fuel costs.

- ◆ For environmental friendly operation of the power plant, BCPCL has installed 220 Meter Chimney, Waste Water Treatment Plant (WWTP), Flue Gas Desulfurization (FGD), Advanced Low NOx Burner and Continuous Emission Monitoring System (CEMS) and Online Air & Water Quality Monitoring System.
- ◆ Payra 1320 MW Thermal Power Plant can also result in reduced emission of NOx, SOx and Particulate Matter (PM). In Ultra-Super Critical power plant 1% increase in energy efficiency can decrease 2% emissions of CO<sub>2</sub>, NOx, SOx and PM. Moreover, USC technology-based power plants equipped with flue gas cleaning system can drastically decrease the amount of pollutants produced. Flue Gas Desulphurization (FGD) System can reduce SO<sub>2</sub> emission for more than 93%. Similarly, NOx can be reduced by installing low NOx burners with the USC System. NOx reduction ranges from 35% to 45% for tangential and wall-fired boilers equipped with Low NOx Burner.
- ◆ The USC technology based Payra 1320 MW Thermal Power Plant integrated with High Efficiency Electrostatic Precipitator (ESP) with advanced and sophisticated control systems can keep the Suspended Particulate Matter (SPM) below permissible limits and also in a great extent reduce fine particles like dust, smoke, fly ash that will be released to the atmosphere by the force of electrostatic charge from any flowing gas. Ultra-Supercritical Technology-based power plants largely contribute in the reduction of solid waste such as fly ash. Efficient ESP can reduce 99.8% fly ash from flue gas.
- ◆ Ultra-Supercritical Technology has impact not only upon atmospheric improvement but also on the aquatic environment. Water consumption can be reduced with the help of USC technology. Ultra-supercritical plants use close-loop boiler technology which has facility to use boiler blow down water for reuse. The plant has also Induced Draft Cooling Tower (IDCT) where water is being used in cooling tower as recirculating way and this means less cooling water will be required and accordingly very less waste water will face disposal. It has been found that water used by supercritical plants is around 13% less than sub-critical plants. USC technology combined with Waste Water Treatment Plant treats all the waste water that has been produced during plant operation and maintenance period. This also can treat waste water mixed with fly ash & bottom ash and can treat coal run-off contaminated water too.
- ◆ Payra 1320 MW Thermal Power Plant has obtained Environmental Clearance Certificate (ECC) from the Department of Environment (DOE) for Operation of Power Plant on 20 October, 2020.

## Environmental Protection Measures at Payra 1320MW TPPP at a glance:



## Human Resource Management

Human Resource Management is one of the top priorities of the Management of Bangladesh-China Power Company (Pvt.) Limited. The Company draws in highly motivated, dedicated and competent human resource to ensure Company's success in its business endeavors. To retain a well-diversified pool of human resources with highly qualified academic and experienced background, the Company has been implementing its vision to reshape the Human Resource Department through robust training and innovation programs. The demographic characteristics have continued to contribute to the stability of teamwork that ensures effective and efficient service delivery. The young generation makes up a significant portion of the Company's workforce. They are learning to succeed the more experienced professionals in their area. Employees are trained to promote mutual respect at the workplace and carry out tasks through efficient collaboration.

### Recruitment and Selection Process

The Management of BCPCL seeks to discover and attract potential employees to involve them with appropriate organizational works. Human Resource keeps an outreach for prospective candidates with the qualifications, skills and qualities required by the Company. The Service Rules of the Company promotes strict and transparent recruitment through its well defined selection policy to ensure that the best people for the best role is selected and recruited.

### Training and Development:

Training and Development of the employees of Bangladesh-China Power Company (Pvt.) Limited is one of the top priorities of the Management. It is the firm belief of the Management that effective training and development leads to efficiency, transparency, co-ordination, effective communication and productivity. The Board of Directors sets ambitious Training Hours Target which is included in the Company Target in a financial year.

The summary of the Training Target and Achievement for the FY 2019-2020 are as follows-

Financial Year	Training Hour Target	Training Hour Achieved
2019-2020	60 Hours	69 Hours



## Employee Relations

The Company believes in the stability of Employee Relations is the key to sustainability of business. The Human Resource is the backbone of the Company in driving excellence in operational and financial performance. As part of its commitment towards the core values of the Company, employees' participation in management is effective based on mutual respect, trust and a feeling of being a progressive partner in growth and success. It is ensured that employees and management complement each other's efforts in furthering the interest of the Company as well as its stakeholders, signifying and highlighting overall harmony and cordial employee relations prevalent in the Company.

## Key Performance Indicators (KPIs)

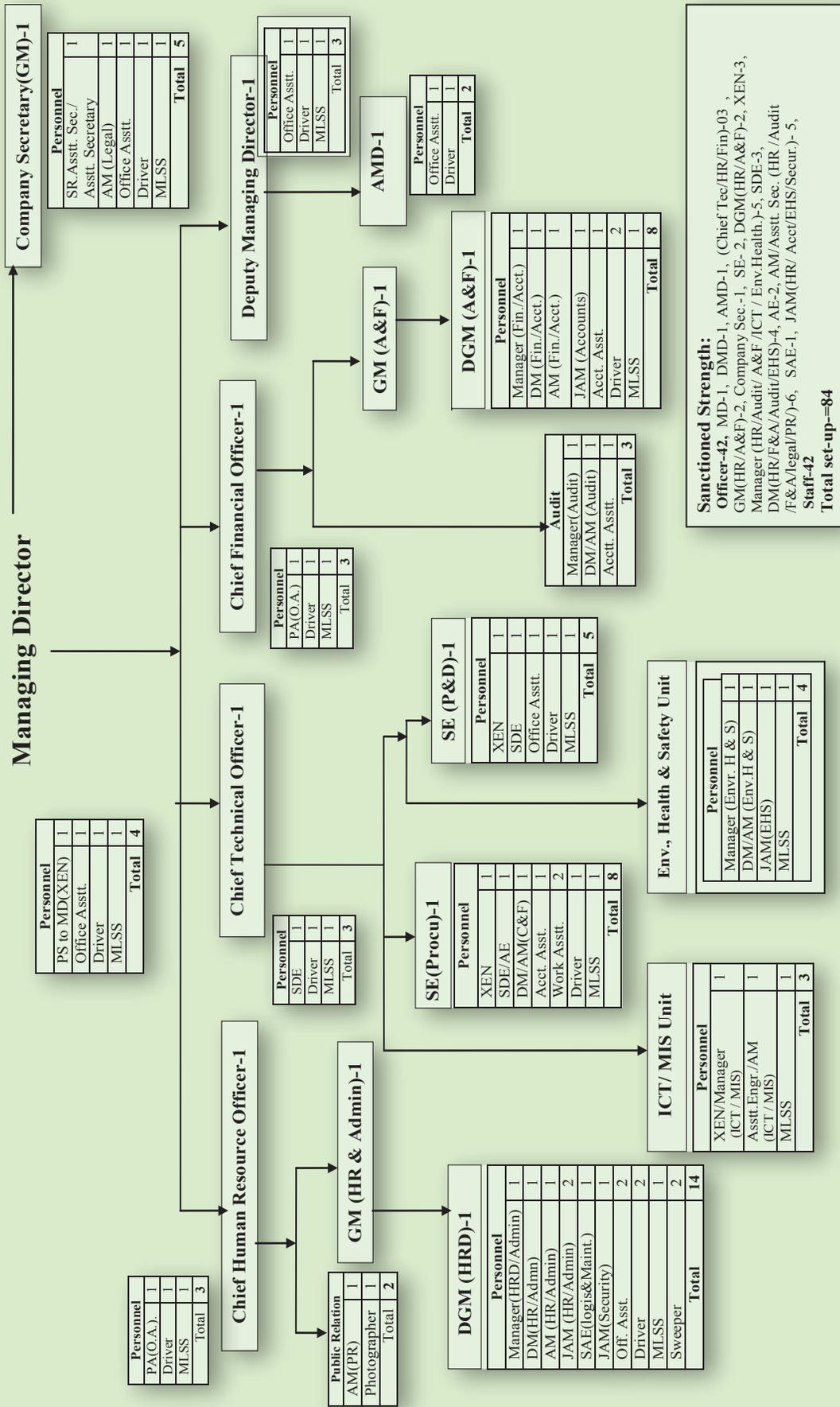
The Board annually assigns performance targets to its employees through the management.

The performance targets for the FY 2020-2021 had been set in the 35<sup>th</sup> Board Meeting using a reliable tool for monitoring and regulating business activities, technical standards, cost reduction, maximum availability of the project to ensure reliable commissioning power plant. It is poised to effectively guide the Company to become a financially viable company. The KPI targets of BCPCL for the FY 2020-2021 are placed below:

Performance Indicator	Targets			
	100%	90%	80%	70%
Financial progress of Payra 1320 MW TPPP (Phase-1)	95%	92%	89%	86%
Physical Progress of Payra 1320 MW TPP Project (Phase-2)	25%	23%	21%	19%
Financial Closing of Payra 1320 MW TPP Project (Phase-2)	80%	75%	70%	65%
Training Hours	70	65	60	55
Availability Factor	90%	85%	80%	75%
Heat Rate (Kcal/kWh)	2300	2350	2400	2450
Auxiliary Consumption	5.7%	6.0%	6.3%	6.6%
Plant Factor	60%	55%	50%	48%

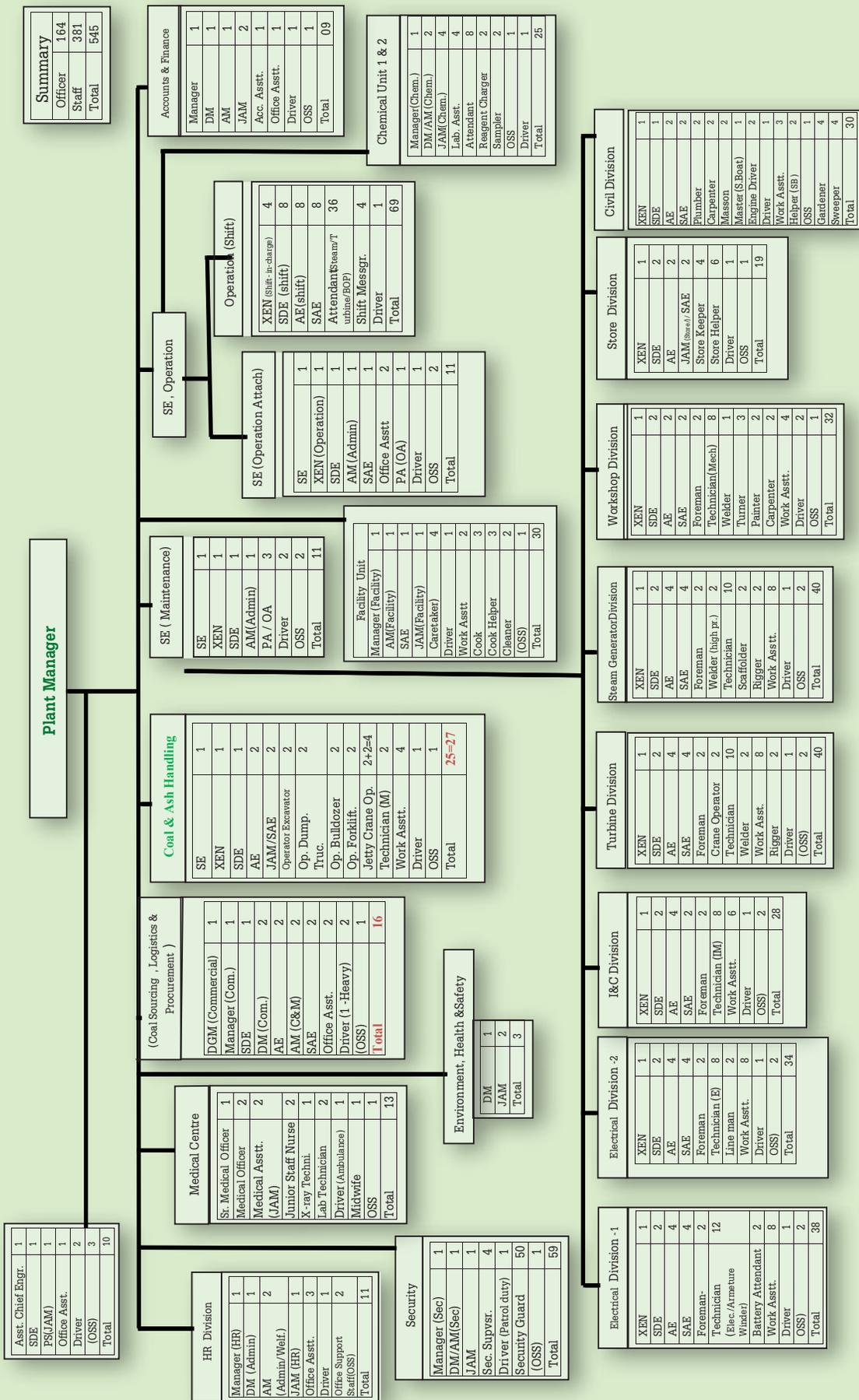


# Organogram of Corporate Office of Bangladesh China Power Company (Pvt.) Limited



**Sanctioned Strength:**  
**Officer-42:** MD-1, DMD-1, AMD-1, (Chief Tec/HR/Fin)-03, GM(HR/A&F)-2, Company Sec.-1, SE-2, DGM(HR/A&F)-2, XEN-3, Manager (HR/Audit/A&F/ICT / Env Health.)-5, SDE-3, DM(HR/F&A/Audit/EHS)-4, AE-2, AM/Asstt. Sec. (HR /Audit /F&A/legal/PR)-6, SAE-1, JAM(HR/ Acct/EHS/Secur.)- 5, Staff-42  
**Total set-up=84**

# Organogram for O & M of Payra 1320 MW Thermal Power Plant



# CORPORATE SOCIAL RESPONSIBILITY

## SHAWPNER THIKANA: RESETTLEMENT OF THE PROJECT AFFECTED PERSONS

Bangladesh-China Power Company (Pvt.) Limited (BCPCL) is committed to help the people affected by its power plant projects due to acquisition of land and has been making all its efforts to improve the socio-economic status of the project affected persons. In order to meet its social objectives, the Company has focused on effective Resettlement Action Plan (RAP) and undertaken community development activities in and around the power plant projects.

As per commitment of the Company, the RAP has successfully been done and the "Shawpner Thikana" Payra Thermal Power Plant Resettlement Project has been inaugurated and the Keys of the Houses and related Documents have been handed over by Her Excellency Sheikh Hasina, Hon'ble Prime Minister, Government of the People's Republic of Bangladesh on October 27, 2018 to the concerned affected people.

### Salient Features of Shawpner Thikana

Name of the Project	:	Shawpner Thikana - Thermal Power Plant Resettlement Project
Executing Entity	:	North-West Power Generation Company Limited
Maintaining Entity	:	Bangladesh-China Power Company (Pvt.) Limited
Location	:	Mouza: Nishanbaria&Madhupara; Union: Dhankhali
		Thana: Kalapara; District: Patuakhali
Area of the Project	:	16 Acres of Land
Number of Houses	:	130
Common Facilities	:	a) Entrance; Fencing; Internal Road with Drainage System
		b) Bangladesh-China Technical Institute
		c) Mosque & Grave Yard
		d) Tube Wells - 48 and Ponds- 02
		e) Office-cum Community Centre
		f) Community Clinic
		g) Cyclone Shelter
		h) Electricity Connection to Each House



Hon'ble Prime Minister, Bangladesh handed over the key & documents to a beneficiary of "Swapner Thikana"



Hon'ble Prime Minister, Bangladesh handed over the key & documents to another beneficiary of "Swapner Thikana"



Key & documents of a House at "Swapner Thikana" were handed over to a physically challenged beneficiary



Handing over the key & documents to a beneficiary of "Swapner Thikana"



Entrance Gate of "Swapner Thikana"



Overview of the Payra Resettlement Project "Swapner Thikana"



Central Mosque at Payra Resettlement Project "Swapner Thikana"



Cyclone Shelter at Payra Resettlement Project "Swapner Thikana"

## EDUCATION: BANGLADESH-CHINA TECHNICAL INSTITUTE

Education is power. In order to empower the people by means of technical education in and around the Payra Thermal Power Plant, Bangladesh-China Power Company (Pvt.) Limited (BCPCL) has established Bangladesh-China Technical Institute (BCTI) at Dhankhali, Kalapara, Patuakhali. Hon'ble Managing Director of Bangladesh-China Power Company (Pvt.) Limited inaugurated the BCTI on 15 February 2020. The Institute commenced educational activities at the level of SSC (Voc.) through introducing three trade courses: Electrical Maintenance Works, General Mechanics and Computer & Information Technology. In the meantime, total 42 (forty-two) students have been enrolled in this Institute and required numbers of teachers including a Principal have been appointed. The Institute will be a milestone to improve their socio-economic status.



Bangladesh-China Technical Institute





Inauguration of Bangladesh-China Technical Institute (BCTI)



Managing Director's Press Briefing on Inauguration Ceremony of BCTI

## MITIGATION OF COVID-19 PANDEMIC

Coronavirus Disease-2019 (Covid-19) pandemic declared by the World Health Organization (WHO) on 11 March 2020 caused by SARS CoV-2 virus is at exponentially rising state across the globe. Bangladesh is also facing the toll of this highly transmissible zoonotic disease with hint of community transmission in some places. This is a new coronavirus, still evolving, and put the scientific authority in a puzzle. To handle the pandemic, the strategy is containment, delay the peak of epidemic curve by diagnosis and treatment, and mitigation through various processes including non-therapeutic interventions are crucial. From Draconian process of complete lockdown to confirmatory diagnosis and isolation should be practiced by every nation. Bangladesh has already started the mitigation process. (Source: National Guidelines on Clinical Management of Covid-19)

### Addressing the Impact of Covid-19

People and organizations have been affected by Covid-19 pandemic. Covid-19 has become a public health emergency of international concern and containment of the virus, and providing health care to the victims remains a top priority for many governments and businesses. Besides the clear visible impact on people lives, families and communities, Covid-19 has economic, operation and financial ramifications as well. Although the full impact of Covid-19 is still working, many organizations that do significant business with the affected areas are being impacted by declining sales and reduced consumer demand, supply chain disruptions, transport restrictions, lack of personnel mobility and production difficulties. Those issues will a domino effect of global market. This escalating risk has led organizations not yet directly impacted to consider their pandemic preparedness measures. It is important that organizations are proactive and prepared, focusing on risk identification and organizational exposure, identifying critical dependencies and developing pragmatic and effective crisis and resilience solutions when planning for the impact of Covid-19.

### BCPCL Activities against the Covid-19 Pandemic

Bangladesh-China Power Company (Pvt.) Limited (BCPCL) is committed to improve the health condition of the underprivileged people of the local community in and around the Payra 1320 MW Thermal Power Plant. A Community Clinic has been established and well equipped in the Resettlement Area of the Plant/ Project. Regularly more than 350 people have been benefited through health care service from the said community clinic.

Besides these, the Company authority has extended its hand and handed over 14 high flow nasal cannula to the local administration for the secured life of the local people during the COVID-19 pandemic.



Hon'ble Secretary, Power Division at the Handing over Program of High Flow Nasal Cannula



Hon'ble Secretary, Power Division is handing over the High Flow Nasal Cannula to the Divisional Commissioner, Barishal



Community Clinic under Payra Thermal Power Plant Resettlement Project



Treatment at the Community Clinic under Payra Thermal Power Plant Resettlement Project



## FOOD ASSISTANCE DURING THE COVID-19

Bangladesh-China Power Company (Pvt.) Limited (BCPCL) authority has distributed foodstuff to almost 500 families including 128 from the resettlement project “Shawpner Thikana” and rest 372 to the nearby residents of Dhankhali area under Kalapara Upazila, Patuakhali during the Covid-19 pandemic. This type of assistance was also provided by the Company Authority during another natural calamity like Amphan etc.



Food Assistance to the Local People of the Plant Area maintaining Social Distance



Food Assistance to the Local People of the Plant Area

## BCPCL ROLE TO THE GREENERIES

Bangladesh-China Power Company (Pvt.) Limited (BCPCL) owns an eco-friendly coal based thermal power plant. BCPCL is very much conscious of the green planet. Various plants have been planted inside and surrounding the Plant and Project Area.



Tree Plantation by the Hon'ble Prime Minister, Bangladesh



Tree Plantation by His Excellency Ambassador of China in Bangladesh



Greenary at Officer's Dormitory Area of the Plant



Greenary at VIP Rest House Area of the Plant



Greenery at the Plant Area



Plantation of Date Trees at the Plant Area

## Corporate Governance

Corporate governance is the overall control of activities in a corporation (company). It is concerned with the formulation of long-term objectives and plans and the proper management structure (organization, systems and people) to achieve them. At the same time, it entails making sure that the structure functions to maintain the corporation's integrity and responsibility to its various constituencies. The structure to ensure corporate governance, for our purpose, includes the Honorable Shareholders & Creditors, Board of Directors, top management and others. Role of each of these stakeholders is crucial in guaranteeing responsible corporate performance. Before examining the role of each of these groups, it is useful to understand the relevance of corporate governance in the present context. From the very beginning, the Company tries its level best to nurture and follow the good corporate governance. At present, the governance of the Company is formally provided at three levels: the Board of Directors, its Committees and the Management Team.

The Company continues to maintain its industry leadership, by pursuing excellence in everything it does including standards of business conduct. The Company's philosophy on Corporate Governance revolves around principle of ethical governance and is aimed at conducting of business in an efficient, accountable and transparent manner and in meeting its obligations to shareholders and other stakeholders. This objective has been achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long-term sustainable value for all its stakeholders.

### Right to Information (RTI):

The Company is very much conscious of the issues following the rules and regulations under the Right to Information Act, 2009 and the Right to Information Rules 2010.

## BUSINESS PERFORMANCE

As a Joint Venture Company (JVC), Bangladesh-China Power Company (Pvt.) Limited (BCPCL) was incorporated on 1st October, 2014 under the banner of NWPGL, Bangladesh and CMC, China in order to implement two coal based thermal Power Plant Projects (1320 MW each) in the area of Payra, Potuakhali, Bangladesh.

First Phase of this project achieved its Initial Operation Date (IOD) and Commercial Operation Date (COD) on 15 May 2020 and 08 December 2020 respectively and started supplying Electricity to the national Grid as per NLDC (national load dispatch center) demand. Payra 1320 MW thermal power plant project (Phase -2) loan negotiation is going with CEXIM Bank and the Standard Committee on Non Concessional Loan (SCNCL) of Government of Bangladesh (GOB) have already approved the terms and conditions through the ERD division of Ministry of Finance.

The Government of Bangladesh has issued the Sovereign Guarantee of USD 1.0 billion for NWPGL loan portion (50% of the total loan) in favor of BCPCL towards CEXIM Bank against the said loan facility of USD 1.984 billion for implementing Payra 1320 MW Coal-based Thermal Power Plant Project - Phase I. The Financial Framework Agreement (FFA) of USD 1.984 Billion for Payra 1320 MW Thermal Power Plant Project between the CEXIM and BCPCL was signed on 14.10.2016 and the Facility Agreement (FA) was signed on 12 May 2017.

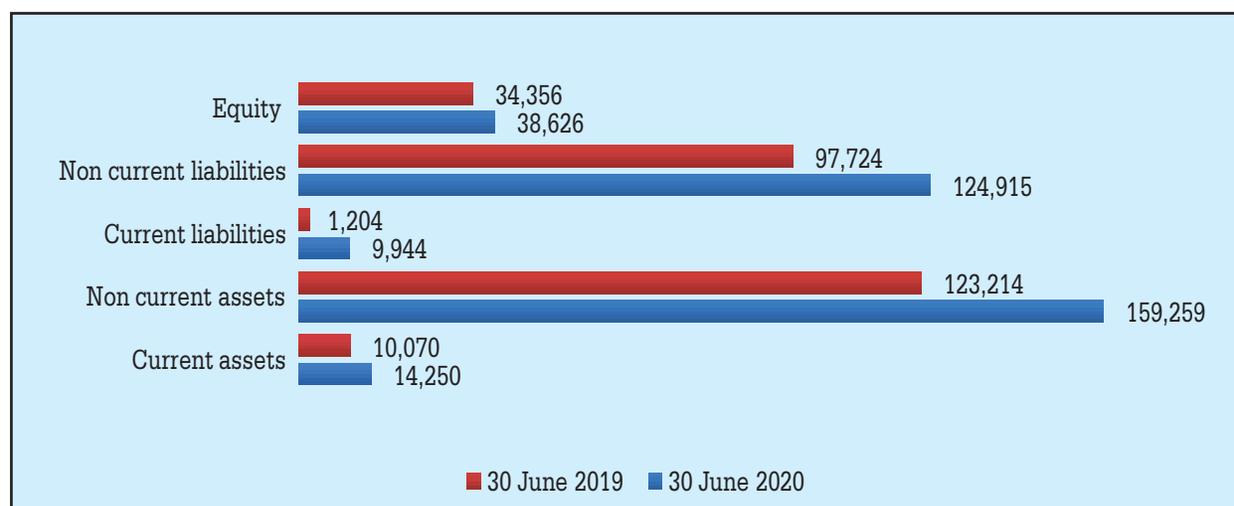
### Financial Position

The Comparative Financial Position of the Company for the FY 2019-20 and FY 2018-2019 is as follows:

(Figure in million BDT)

Particulars	2019-2020	2018-2019	% Change
Non-Current Assets	159,258.58	123,213.91	29.25%
Current Assets	14,226.52	10,069.83	41.51%
Total Equity	38,626.00	34,356.08	12.43%
Non-Current Liabilities	124,914.85	97,723.62	27.82%
Current Liabilities	9,944.25	1,204.04	725.91%

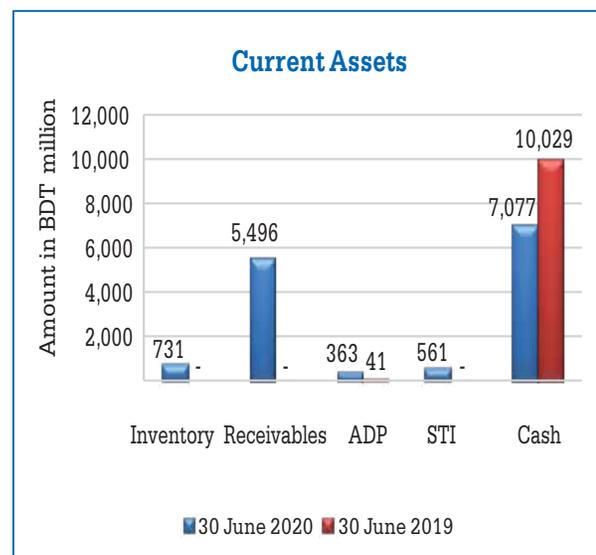
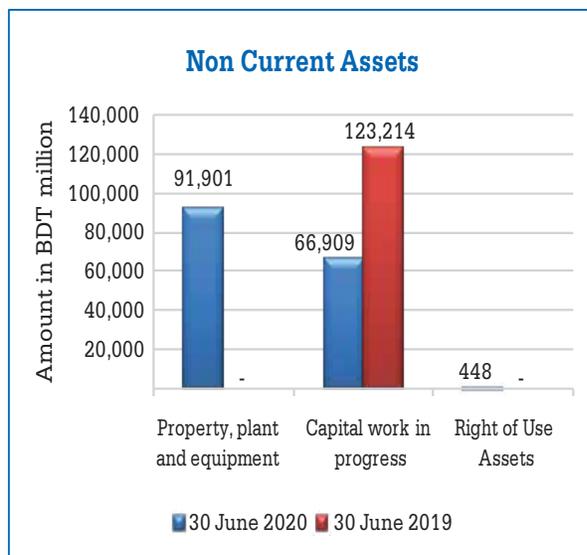
(Figure in million BDT)



During the FY 2019-2020, the Non-Current Assets increased by BDT 36,045 million (29.25%) from the FY 2018-19 indicating 91.71% of total asset in the FY 2019-20. The Capital Work-in-Progress is representing most part of the Total Assets. The Current Asset increased by BDT 4,180 million (41.51%) from the FY 2018-19 to the FY 2019-20 and Equity increased by BDT 4,270 million (12.43%) from the FY 2018-19 to the FY 2019-20 as a result of capital injection by the respective shareholders of the Company. Non-Current Liabilities increased by 27.82% compared to the FY 2018-19 due to long term loan financing of BDT 26,070.23 million from the Export-Import Bank of China during the FY 2019-20.

## Component of Financial Position

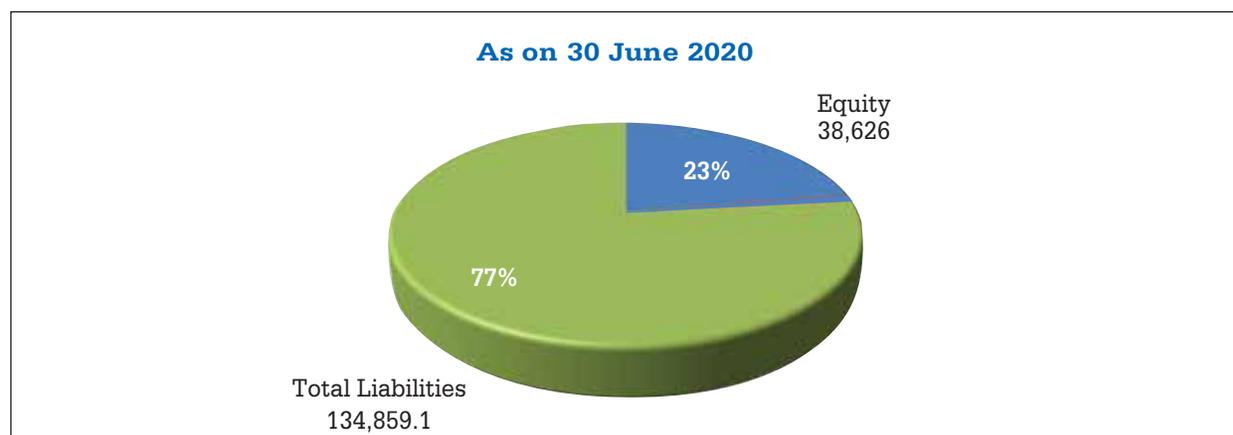
### Assets



Total non-current asset of the Company reached to BDT 123,213.91 million as on 30 June 2019 and BDT 154,211 Million on 31 May 2020. After IOD, 60% of non-current assets transferred as Property, plant and equipment (PPE) and total non-current asset reached to BDT 159,259.00 Million as at 30 June 2020 which is 29.25% higher than the preceding financial year. Current liabilities have been increased by 36% in the portion of total equity and liabilities due to the provision kept for coal purchase on credit to maintain optimum level of coal stock.

### Equity and Liabilities

(Amount in BDT million)



## Investment as Equity Capital

Bangladesh-China Power Company (Pvt.) Limited is a joint venture company under the banner of NWPGL and CMC. The shareholders (NWPGL and CMC) invested Equity Capital amounting BDT 37,471 million as on 30 June 2020 which was shown in the Statement of Financial Position in the form of BDT 36,332 million as Paid-up-Capital and BDT 1,139 million as Share Money Deposit.

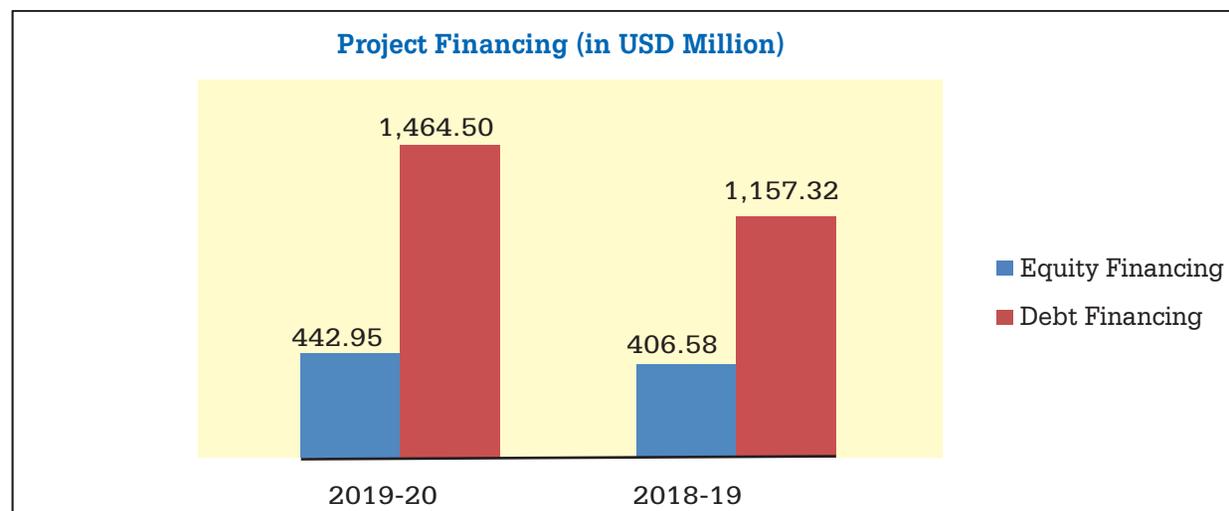
Total Equity and Total Debt Financing for Payra 1320 MW TPP (1<sup>st</sup> Phase) as on 30 June 2020 is as follows:

(Figures in USD million)

Financing (1 <sup>st</sup> Phase)	Financing Plan	Actual Financing	Percentage
Equity Financing (20% of Total Project cost)	496.00	442.95	89.30%
Debt Financing (80% of Total Project cost)	1,984.00	1,464.50	73.82%
<b>Total Project Financing</b>	<b>2,480.00</b>	<b>1,906.00</b>	<b>76.85%</b>

## Project Financing

A comparative graph of Project Financing as on 30 June 2020 and 30 June 2019 is as follows:



The Company (BCPCL) has been implementing Payra 1320 MW Thermal Power Plant Project (1st Phase) with the estimated project cost of USD 2.48 Billion financed through 20% equity investment provided by BCPCL's shareholders (CMC, China and NWPGL, Bangladesh) and the rest 80% provided through debt financing from the Export- Import Bank of China (CEXIM Bank).

The Company had to arrange the project loan. For this purpose, the Framework Financial Agreement of USD 1.984 Billion for Payra 1320 MW Thermal Power Plant Project between the CEXIM Bank and BCPCL was signed on 14.10.2016 in presence of the Hon'ble President of the People's Republic of China and the Hon'ble Prime Minister of the Government of Bangladesh at the Prime Minister's Office, Bangladesh. Then, the Government of Bangladesh through Ministry of Finance has issued the Sovereign Guarantee of USD 1.0 billion for the NWPGL loan portion (50% of the total loan) in favor of BCPCL towards CEXIM Bank against the said loan facility of USD 1.984 billion for implementing the Payra 1320 MW Thermal Power Plant Project (1<sup>st</sup> Phase).

Amount in USD million

### Project Financing as on 30 Nov 2020



### Operational Information

Total power generated for the FY 2019-20 was 875 Million KWh (Kilowatt hours) from the date of synchronization.

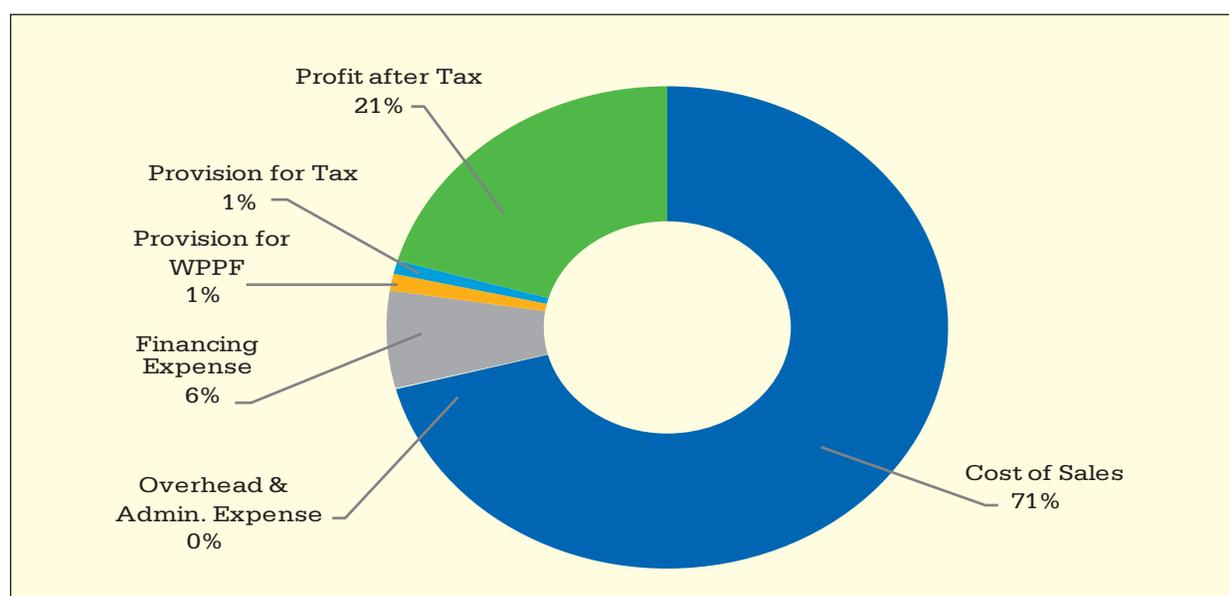
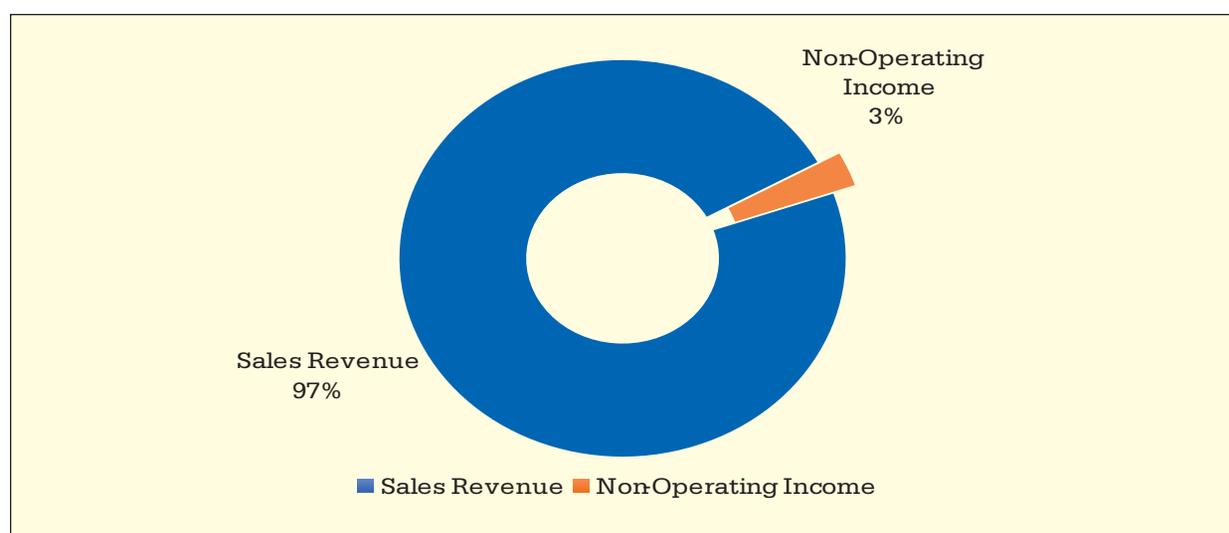
Power Generation	KWh (Kilowatt hours)
Commissioning period	556,590,849
15 May 2020 (IOD) – 31 May 2020	43,215,432
01 June 2020 – 30 June 2020	275,347,621
Total Power Generated for This FY	875,153,902

### Financial Performance for the year ended 30 June 2020

	In Million BDT
Sales Revenue	5472.99
Cost of Sales	3989.21
Gross Profit	1483.78
Overhead & Admin. Expense	4.14
Operating Profit	1479.64
Non-Operating Income	156.01
Profit before Financing Expenses	1635.65
Financing Expense	366.16
Profit before WPPF	1269.49
Provision for WPPF	63.47
Profit before Tax	1206.02
Provision for Tax	50.71
Profit after Tax	1155.31

## Value Added Statement for the year ended 30 June 2020

	Amount in Million BDT
<b>Value Addition</b>	
Sales Revenue	5472.99
Non-Operating Income	156.01
<b>Total Value Added</b>	<b>5629.00</b>
<b>Distribution of Value</b>	
Cost of Sales	3989.21
Overhead & Admin. Expense	4.14
Financing Expense	366.16
Provision for WPPF	63.47
Provision for Tax	50.71
Profit after Tax	1155.3055
<b>Total Value Distributed</b>	<b>5629.00</b>



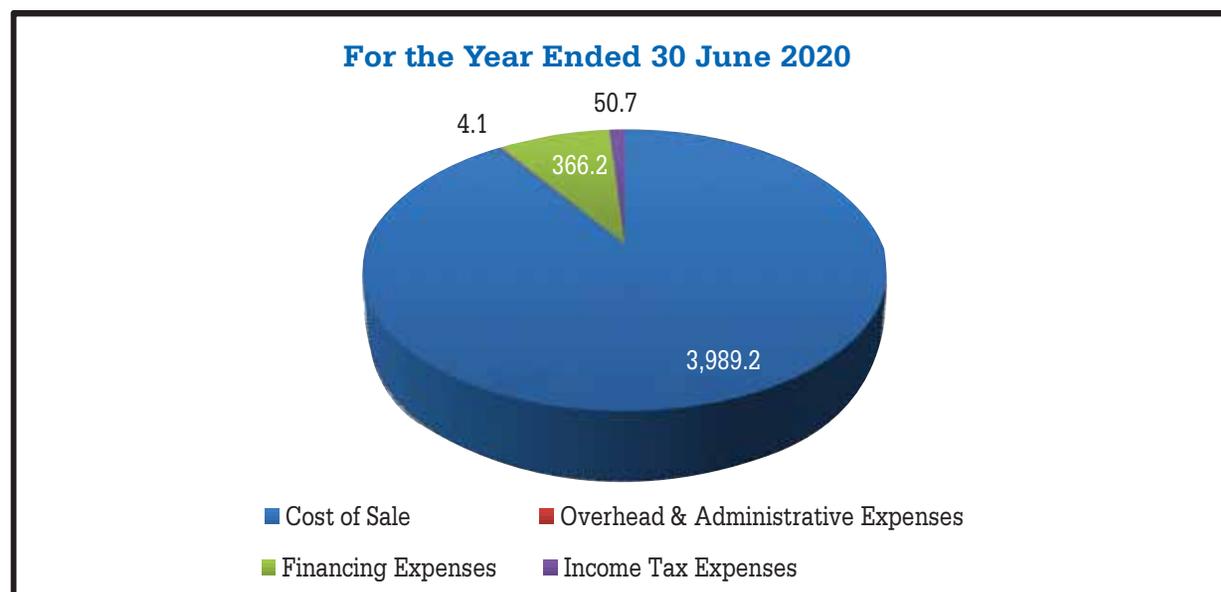
The Company earned total revenue of BDT 5,473 million for the year ended 30 June 2020 which was recognized from its Initial Operation Date (IOD) as on 15 May 2020. BCPCL earned BDT 1,484 million as Gross Profit (GP) after taking in to account of 72.89% Cost of Sale. Net Income which amounts to BDT 1,155 million was available for the distribution to its shareholders.

## Components of Revenue

Sales Revenue	Amount in BDT (Million)	Amount in USD (Million)
Energy Payment (including commissioning period)	3,567.88	41.99
Capacity Payment (1.5 months)	1,905.82	22.43
<b>Total Revenue</b>	<b>5,473.00</b>	<b>64.43</b>

## Components of total cost

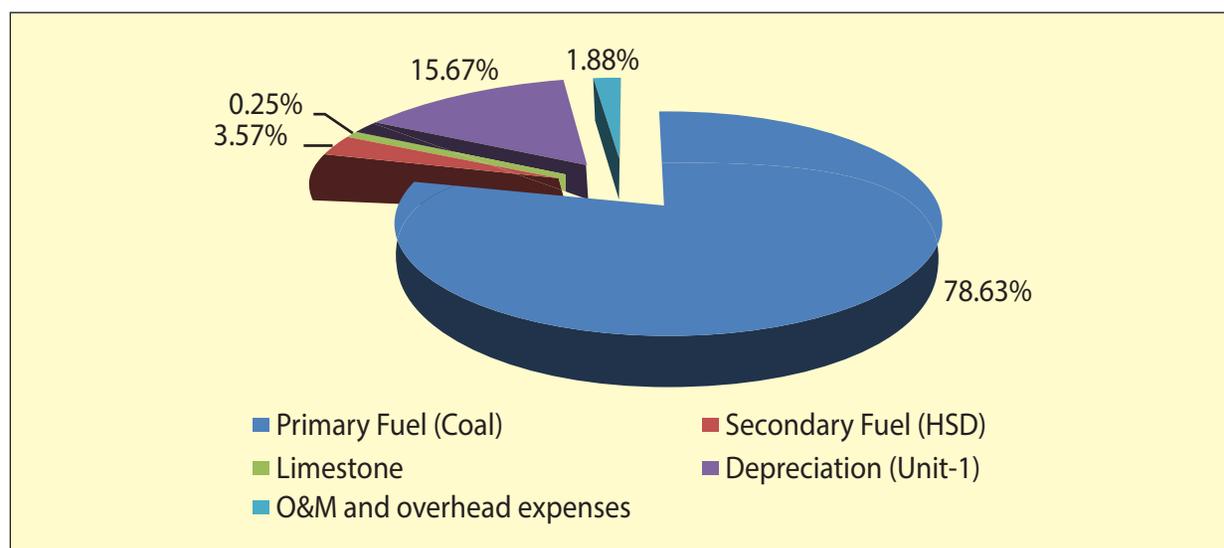
Amount in BDT million



The Cost of Sale of the Company was BDT 3,989 million which was 72.89% of Revenue. Financing Expense BDT 366 million which mainly consists of IDC payment. Although income tax was exempted from the sale of electricity to Bangladesh Power Development Board, an amount of BDT 51 million was deposited to Government exchequer as Income Tax on other non-operating income like sale of scrape materials, Fly ash, tender documents etc.

## Cost of Sales (COS)

Component of COS	BDT million	USD million
Primary Fuel (Coal)	3,136.68	36.92
Secondary Fuel (HSD)	142.41	1.68
Limestone	9.97	0.12
Depreciation (Unit-1)	625.24	7.36
O&M and Overhead expenses	74.91	0.88
<b>Total</b>	<b>3,989.21</b>	<b>46.96</b>

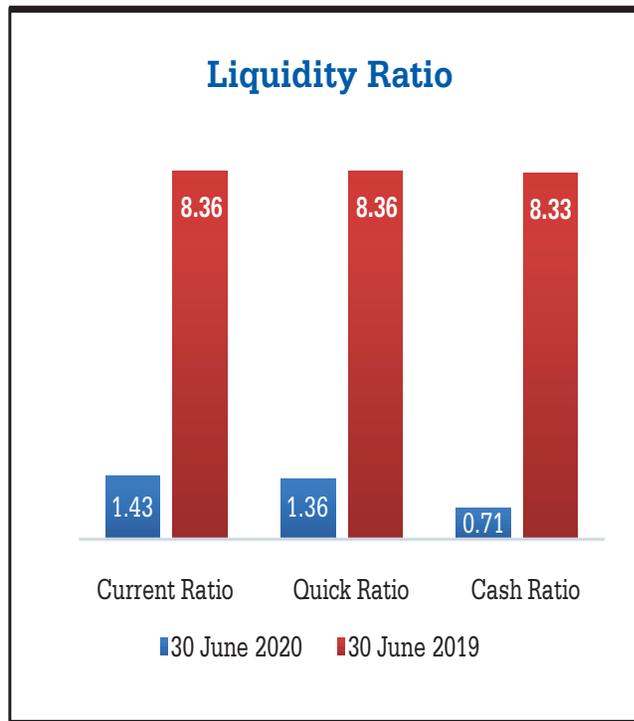


- ◆ COS consist 72.89% of Sales revenue.
- ◆ Prime component of this cost of sale is Coal, budgeted coal cost per ton \$85 while actual cost \$83 per ton.
- ◆ High Speed diesel (HSD) is used during the initial ignition of the Burner.
- ◆ Limestone is used for absorbing SO<sub>x</sub> (Sulphur Oxides) from the emission of the plant.
- ◆ Depreciation is calculated on PPE for IOD to end date of the FY 2019-20. BDT 625.24 Million (BDT Six Hundred Twenty-Five Million) is charged for this year as per adopted BCPCL's depreciation policy.
- ◆ Operation & maintenance expenses, personnel expenses, office & administrative expenses related to Plant charged in P&L.

## Contribution to National Exchequer

The Company is exempted from income tax on sale of electricity for 15 years from the commercial production date as per SRO no 213-AIN/Income tax/2013. Conversely, the Company has contributed an amount of BDT 950.35 million during the FY 2019-20 and BDT 224.62 million during the FY 2018-19 to the National Exchequer for CD-VAT, AIT etc.

## Key Financial Ratios



A liquidity ratio is a type of financial ratio used to determine a company's ability to pay its short-term debt obligations. The metric helps determine if a company can use its current, or liquid, assets to cover its current liabilities. Current ratio for the FY 2019-20 was 1.43 which was lower than the previous financial year. This was because of the increasing of current liabilities in the FY 2019-20. The cash ratio takes the test of liquidity even further. This ratio only considers a company's most liquid assets – cash and marketable securities. They are the assets that are most readily available to a company to pay short-term obligations. Cash ratio was lower during FY 2019-20 than the last year due to the decreasing of cash and cash equivalent and significantly increase in current liabilities.

Efficiency ratios are metrics that are used in analyzing a company's ability to effectively employ its resources, such as capital and assets, to produce income. The ratios serve as a comparison of expenses made to generate revenues, essentially reflecting what kind of return in revenue or profit a company can make from the amount it spends to operate its business. The more efficiently a company is managed and operates, the more likely it is to generate maximum profitability for its owners and shareholders over the long term. Inventory turnover, Receivable turnover and asset turnover were 2.73 times, 2.00 times and 0.04 times respectively.

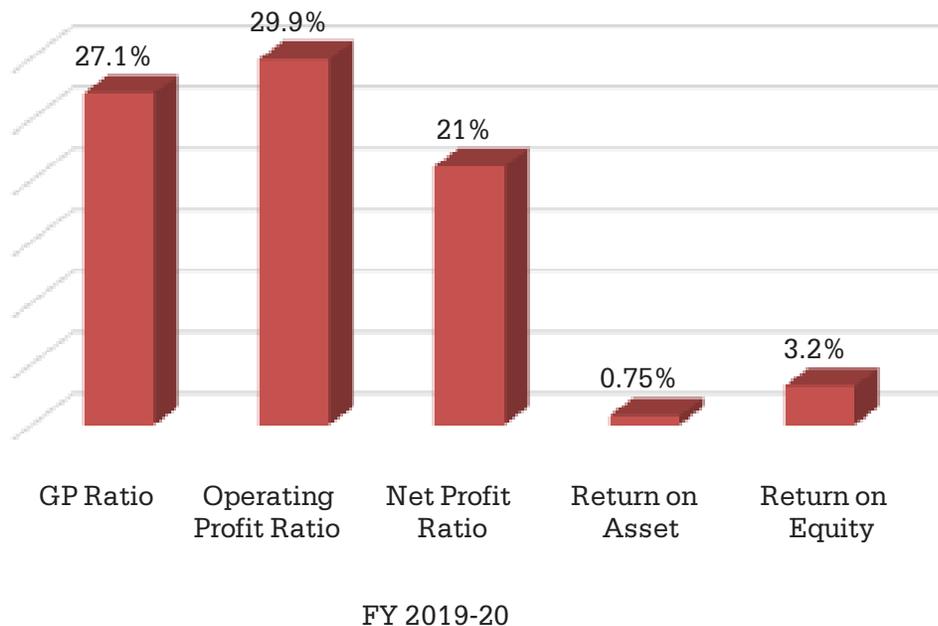


### Leverage Ratio



A leverage ratio is any kind of financial ratio that indicates the level of debt incurred by a business entity against several other accounts in its balance sheet, income statement, or cash flow statement. These ratios provide an indication of how the company's assets and business operations are financed (using debt or equity). Debt to equity ratio for the FY 2019-20 was 3.22 times and for the FY 2018-19 was 2.84 times which is comparatively higher due to increase of debt financing.

### Profitability Ratio



Profitability ratios are financial metrics used by analysts and investors to measure and evaluate the ability of a company to generate income (profit) relative to revenue, assets, operating costs, and shareholders' equity during a specific period of time. It represents how well a company utilizes its assets to produce profit and value to shareholders.

In the FY 2019-20, Operating Profit Ratio, GP Ratio and Net Profit Ratio were 29.9%, 27.1% and 21% respectively. Return on Asset was 0.75% and Return on Equity was 3.2%.

A higher ratio or value is commonly sought-after by most companies, as this usually means the business is performing well by generating revenues, profits, and cash flow. The ratios are most useful when they are analyzed in comparison to similar companies or compared to previous periods. Return on assets (ROA) measures how efficient a company's management is in generating earnings from their economic resources or assets on their balance sheet.

The company has recognized net revenues between the period from achievement of IOD on 15 May 2020 and the Financial Year closing on 30 June 2020. The total asset for the FY 2019-20 was BDT 173,508 million which was 30.18% higher than the FY 2018-19. ROA was 0.75% which was significantly low because of lower revenues (1.5 months' revenue) in comparison to the total assets.

## Risk Factors and Management Perception Regarding the Risk

**Credit Risk:** Credit risk is the risk of financial loss to the company if a customer or counterparty fails to meet its contractual obligations. BCPCL's product is sold exclusively to Bangladesh Power Development Board, which is a government entity. The sales are made under the conditions of long term Power Purchase Agreement (PPA). Moreover the history of payment and sovereign backing ensures the risk of failure to pay by our customer is minimal.



**Liquidity Risk:** Liquidity risk is the risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and / or income in the process. BCPCL have their focus on repayment when it comes to meeting short & long term debt. BCPCL has maintained debt levels within operational limits to ensure there is no liquidity crisis. It has a strong base which enables the company to service its debt obligations in particular through operating earnings. The strong revenue and operating margin shown by BCPCL will mitigate any such liquidity risk.

**Competitive Condition of the Business:** BCPCL is operating in a free market economy regime. The company may face competition challenging the profitability of the business. The Company is working in a sector for which the demand is always increasing. Hence the risk of competition causing a fall in profitability is very low.

**Interest & Exchange Rate Risk:** Interest rate risk is the risk that the company faces due to unfavorable movement in the interest rates. On the other hand, exchange rate risk arise when taka may be devalued significantly against dollar and BCPCL may suffer due to such fluctuation. In order to mitigate such risks appropriate and reasonable hedging mechanisms may be employed by BCPCL with a view to keeping the cost minimum and similar strategies will be followed in the future.



## Debt Service Reserved Account (DSRA) Obligation

It is required to maintain Debt Service Reserve at any time during the period from and including the date falling six months prior to the First Repayment Date to (but excluding) the First Repayment Date, an amount equal to the aggregate Debt Service payable on the First Repayment Date (and, if that day falls before the expiry of the Availability Period or at any time falling on or after the First Repayment Date, an amount equal to the aggregate Debt Service payable on or prior to the upcoming Repayment Date. It is also required to maintain Debt Service Accrual Balance from the last Business Day of the 6th Operating Month falling prior to the Relevant Repayment Date until (but excluding) the first day of the next Time Period which is 1/6th of the Debt Service due on the Relevant Repayment Date. Moreover, BCPCL needs to maintain Working Capital in order to continue coal related various operating expenses to keep continuing its operations.

## Dividend



Bangladesh-China Power Company (Pvt.) Limited (BCPCL) has realized earning after tax which amounts to BDT 1,155,322,357 (USD 13,600,027.75) during the FY 2019-20. At present the paid up capital of the Company is BDT 36,331,974,700 (USD 442,945,000) as on 30 June 2020 which is divided into 3,633,197,470 shares at par value of BDT 10. The basic Earnings Per Share (EPS) of the Company based on the profit of the FY 2019-20 was BDT 0.318.

According to Facility Agreement (FA) for Dividend distribution, "Distribution Test" need to be complied. "Distribution test" means:

- (a) the Financial Completion Date has occurred;
- (b) the First Repayment Date has occurred and the Borrower has paid all Debt Service due on such date;
- (c) no Default is continuing or would result from the making of the relevant Distribution;
- (d) the Balance of the DSRA is at least equal to the DSRA Requirement;
- (e) the Balance of the MRA is at least equal to the MRA Requirement (if applicable); and
- (f) On the most recent Calculation Date, each Ratio lock-up level is satisfied.

"The Financial Completion Date" means "the Lender has received written confirmation from the Technical Adviser that the Power Facility (i) has been completed in accordance with the EPC Contract, the Implementation Agreement, the Power Purchase Agreement, the Land Lease Agreement and all requirements therein; and (ii) is capable of safe and continuous operation in accordance with the EPC Contract, the Implementation Agreement, the Power Purchase Agreement and the Land Lease Agreement;"

Under the above circumstances, "The Financial Completion Date" yet to complete and which is the requirement for Dividend declaration. As the Company not completed the full facility and yet not achieved the "Distribution Test" as per FA, the Company Board in its 39th Board Meeting recommended to declare no dividend from its Profit for the FY 2019-20.

### Post-Balance Sheet Events

No material events occurred after the balance sheet/ reporting date, non-disclosure of which could affect the ability of the users of these financial statements to make an appropriate evaluation.

### Corporate and Financial Reporting Framework

The Company prepares its financial statements in accordance with the International Financial Reporting Standard (IFRS), the Companies Act-1994 and other applicable laws and regulations. The Company maintains its books of accounts and prepares financial statements considering the following:

Selection of appropriate accounting policy and apply the same consistently

- ◆ Preparation of financial statements on the going-concern basis and accrual basis of accounting.
- ◆ Preparation of financial statements as per the guidelines of the International Financial Reporting Standards (IFRS).
- ◆ Making reasonable and prudent judgments and estimates, if necessary, for ensuring free and fair presentation of financial information so that the users of information can make their reasonable decisions.
- ◆ Maintaining the books of accounts up-to-date so that the financial position of the Company is reflected with reasonably accuracy.

### Directors' responsibilities for financial statements

The Board is responsible to present a true and fair view of the Company's financial performance and position as a part of good governance and to that end the Directors confirm to the best of their knowledge that:

- ◆ The Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- ◆ Proper books of accounts of the Company have been maintained;
- ◆ Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgments;
- ◆ The International Financial Reporting Standards (IFRSs) have been followed in preparation of the Financial Statements and any departure therefrom has been adequately disclosed;
- ◆ The system of internal control is sound in design and has been effectively implemented and monitored;
- ◆ There is no doubt upon the Company's ability to continue as a going concern.

## Going Concern



The Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. The Company has adequate resources to continue in operation for the foreseeable future. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business. Since, there is no material uncertainty related to events or conditions at reporting date which may cast significant doubt upon the Company's ability to continue as a going concern, for this reason, management continues to adopt going concern basis in preparing the financial statements.

## Auditor's Report

The auditors, A. Qasem & Co., Chartered Accountants, have submitted the Audited Report for the FY 2019-2020. I, on behalf of the Board of Directors, request the honor of the Hon'ble Shareholders (Members) to receive and adopt the Auditor's Report.

## Appointment of Auditors

As per the Facility Agreement signed between The Export-Import Bank of China and Bangladesh-China Power Company (Pvt.) Limited on May 12, 2017, "Auditor" means Price Waterhouse Coopers, KPMG, Ernst & Young or Deloitte (including a local affiliate of any of the foregoing), or such other firms of independent accountants of recognized international standing as may be appointed by the Borrower with the prior approval of the Lender. Provided that these audit firms are treated as Big-4 in Bangladesh. In accordance with the Lender's requirements, it is necessary to appoint any audit firm under the direct affiliation of any Big- 4 audit firms. In Bangladesh, there is no Big-4 audit firm working directly but only the three affiliated firms of the Big- 4 namely A Qasem & Co (affiliated of Ernst & Young), Rahman Rahman Huq (affiliated of KPMG) and Deloitte are working.

Pursuant to Section-210 of the Companies Act 1994, the Board of Directors of BCPCL took a resolution of assent in its 39<sup>th</sup> Board Meeting for placing the Expression of Interest (EOI) of M/s A Qasem & Co (Ernst & Young in Bangladesh) in its 6<sup>th</sup> AGM to appoint them as external auditors of the Company for the Financial Year 2020-2021 until the conclusion of the next AGM at audit fees of BDT 420,000.00 (Four Hundred Twenty Thousand) only excluding VAT. They were the Auditors of the Company for the last FY 2019-20 and had conducted their audit successfully.

In order to build the corporate image and fulfill the Lender's requirements, it is inevitable to appoint M/s A Qasem & Co (Ernst & Young in Bangladesh) as the auditors of the Company for the FY 2020-2021. The Hon'ble Shareholders (Members) are, therefore, requested to receive and adopt the proposal. If appointed at ensuing annual general meeting, they will hold office until the conclusion of next annual general meeting of the Company on fixed remuneration and other terms and conditions as may be agreed upon by the Company and the auditors.

## Business Philosophy

The business philosophy of BCPCL is to provide reliable electricity and services of such quality that the stakeholders will receive the superior value; the employees will share in the success and the investors will receive a superior return on investment. It attempts to gain a reputation for a long time.

## Acknowledgement

The Board places on record its deep and sincere appreciation for the strenuous services of Managing Director and Secretary of the Company. The Board also wishes to convey its grateful thanks to the Company's esteemed Shareholders (Members) and other associated officers and employees of the Company for their full support and hearty co-operation.



**(Dr. Ahmad Kaikaus)**

Chairman, BCPCL

&

Principal Secretary to the HPM  
Prime Minister's Office, Dhaka

# **Memorable Events & Remarkable Views**



Hon'ble Prime Minister Sheikh Hasina handing over the Award to the MD of BCPCL For becoming Fastest Growing Power Generation Organization of Bangladesh



Hon'ble Chairman, CMC, China handing over a Cheque to the Hon'ble Prime Minister For the Boy Scout Activities during the inauguration of Payra TPP Resettlement Project



MD, BCPCL briefing the Hon'ble Prime Minister on Payra 1320 MW TPP Project (1<sup>st</sup> Phase)



Hon'ble Prime Minister at the Inauguration Ceremony of Payra TPP Resettlement Project



MD, BCPCL offering the Floral Wreath to the Hon'ble Chairman, BCPCL & Principal Secretary to the HPM at the Corporate Office of BCPCL



Hon'ble Chairman, BCPCL & Principal Secretary to the HPM visiting Payra 1320MW Thermal Power Plant



Hon'ble Chairman, BCPCL & Principal Secretary to the HPM visiting Payra 1320MW Thermal Power Plant



Workshop for determining the Chimney Height of Coal Based Power Plants at the Department of Environment



Meeting at the Payra 1320MW Thermal Power Plant Project Site



Basic Design Meeting For Payra 1320 MW Thermal Power Plant Project (2<sup>nd</sup> Phase)





**INDEPENDENT AUDITOR'S REPORT  
AND  
AUDITED FINANCIAL STATEMENTS**  
of

**Bangladesh-China Power Company (Pvt.) Limited**  
As at & for the year ended 30 June 2020

**A. QASEM & Co.**

Chartered Accountants

Since 1953

Gulshan Pink City

Suites # 01-03, Level:7, Plot #15, Road #103

Gulshan Avenue, Dhaka-1212, Bangladesh

Phone : 880-2-8881824-6

Fax : 880-2-8881822

E-mail : a.qasem@bd.ey.com

**Independent Auditor's Report**  
**To**  
**the shareholders of**  
**Bangladesh-China Power Company (Pvt.) Limited**

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Bangladesh-China Power Company (Pvt.) Limited (the "Company"), which comprise the statement of financial position as at 30 June 2020, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Companies Act, 1994 and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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BCPCL

112

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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EY refers to the global organization, and/or one or more of the independent member firms of & Young Global Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994 we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- (iii) the financial statements of the Company with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Dated, Dhaka  
26 November 2020

**A. Qasem & Co.**  
Chartered Accountants

**Bangladesh-China Power Company (Pvt.) Limited**  
**Statement of Financial Position**  
As at 30 June 2020

	Notes	Amount in BDT	
		30 June 2020	30 June 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	91,901,346,329	-
Capital work in progress	5	66,909,397,483	123,213,907,725
Right of Use Assets	6	447,833,000	-
		<b>159,258,576,812</b>	<b>123,213,907,725</b>
<b>Current assets</b>			
Inventory	7	730,749,276	-
Accounts Receivable	8	5,472,990,891	-
Other Receivable	9	22,505,930	-
Advances, deposits and prepayments	10	362,741,717	41,134,137
Short Term Investment	11	560,670,000	-
Cash and cash equivalents	12	7,076,863,471	10,028,700,506
		<b>14,226,521,285</b>	<b>10,069,834,643</b>
<b>TOTAL ASSETS</b>		<b>173,485,098,097</b>	<b>133,283,742,368</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	13	36,331,974,700	23,610,191,500
Share money deposit	14	1,138,700,000	10,745,891,600
Retained Earnings	15	1,155,322,357	-
<b>Total equity</b>		<b>38,625,997,057</b>	<b>34,356,083,100</b>
<b>Non-current liabilities</b>			
Long term loan	16	124,406,369,455	97,723,618,954
Land lease liabilities	17	508,477,052	-
		<b>124,914,846,507</b>	<b>97,723,618,954</b>
<b>Current liabilities</b>			
Accounts Payable	18	815,470,191	-
Others Payable	19	8,955,150,993	1,144,227,737
Provision for tax	20	59,995,682	44,950,327
Provision for WPPF	21	63,475,170	-
Provision for gratuity	22	28,194,067	14,862,250
Interest Payable	23	21,968,430	-
		<b>9,944,254,533</b>	<b>1,204,040,314</b>
<b>TOTAL LIABILITIES</b>		<b>134,859,101,040</b>	<b>98,927,659,268</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>173,485,098,097</b>	<b>133,283,742,368</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.  
For and on behalf of the Board of Directors of Bangladesh-China Power Company (Pvt.) Limited.

  
Company Secretary

  
Managing Director

  
Director

See annexed report of even date

Dated, Dhaka  
26 November 2020

  
**A. Qasem & Co.**  
Chartered Accountants

**Bangladesh-China Power Company (Pvt.) Limited**  
**Statement of Profit or Loss and Comprehensive Income**  
For the year ended 30 June 2020

	Notes	Amount in BDT	
		30 June 2020	30 June 2019
Revenue	24	5,472,990,891	-
Less. Cost of Sales	25	3,989,213,810	-
<b>Gross Profit</b>		<b>1,483,777,081</b>	-
Less. Overhead & Administrative Expenses	26	4,135,611	-
<b>Operating Profit</b>		<b>1,479,641,470</b>	-
Add. Non-Operating Income	27	156,018,050	-
<b>Profit from Operation</b>		<b>1,635,659,520</b>	-
Less. Financial Expenses	28	366,156,127	-
<b>Profit Before WPPF</b>		<b>1,269,503,393</b>	-
Less. WPPF (5%)	29	63,475,170	-
<b>Profit Before Tax</b>		<b>1,206,028,223</b>	-
Less. Income Tax Expenses (32.5%)	30	50,705,866	-
<b>Profit after Income Tax</b>		<b>1,155,322,357</b>	-
Add. Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>1,155,322,357</b>	-

The annexed notes from 1 to 30 form an integral part of these financial statements.  
For and on behalf of the Board of Directors of Bangladesh-China Power Company (Pvt.) Limited.

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Managing Director  
See annexed report of even date

  
\_\_\_\_\_  
Director

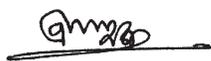
Dated, Dhaka  
26 November 2020

  
\_\_\_\_\_  
A. Qasem & Co.  
Chartered Accountants

**Bangladesh-China Power Company (Pvt.) Limited**  
**Statement of Changes in Equity**  
For the year ended 30 June 2020

	Share capital	Share Money Deposit	Amount in BDT	
			Retained Earnings	Total
<b>As at 01 July 2018</b>	10,400,000,000	13,210,191,500	-	23,610,191,500
Addition during the year	-	10,745,891,600	-	10,745,891,600
Issuance of common share	13,210,191,500	(13,210,191,500)	-	-
<b>As at 30 June 2019</b>	<b>23,610,191,500</b>	<b>10,745,891,600</b>	-	<b>34,356,083,100</b>
<b>As at 01 July 2019</b>	<b>23,610,191,500</b>	<b>10,745,891,600</b>	-	<b>34,356,083,100</b>
Addition during the year	-	3,114,591,600	-	3,114,591,600
Issuance of common share	12,721,783,200	(12,721,783,200)	-	-
Net Profit for the year	-	-	1,155,322,357	1,155,322,357
<b>As at 30 June 2020</b>	<b>36,331,974,700</b>	<b>1,138,700,000</b>	<b>1,155,322,357</b>	<b>38,625,997,057</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.  
For and on behalf of the Board of Directors of Bangladesh-China Power Company (Pvt.) Limited.

  
Company Secretary

  
Managing Director

  
Director

See annexed report of even date

Dated, Dhaka  
26 November 2020

  
**A. Qasem & Co.**  
Chartered Accountants

**Bangladesh-China Power Company (Pvt.) Limited**  
**Statement of Cash Flows**  
For the year ended 30 June 2020

	Amount in BDT	
	30 June 2020	30 June 2019
<b>Cash Flow from Operating Activities</b>		
Profit before tax	1,206,028,223	-
<b>Adjustment for non-cash Items:</b>		
Depreciation	643,898,602	-
WPF	63,475,170	-
Financial Expenses	366,156,127	-
<b>Cash generated from operating activities</b>	<b>2,279,558,122</b>	-
<b>Changes in Working Capital</b>		
Increase/(Decrease) in Provision & Other Payables	7,422,438,436	815,347,767
Decrease/(Increase) in Inventories	(730,749,276)	-
Decrease/(Increase) in Advance, Deposit & Prepayments	(321,607,581)	24,164,476
Decrease/(Increase) in Receivables	(5,495,496,821)	12,546,688
Increase/(Decrease) in Accounts Payables	815,470,191	-
Increase/(Decrease) in Interest Payables	63,952,773	-
	<b>1,754,007,722</b>	<b>852,058,931</b>
<b>Net cash generated from Operating activities</b>	<b>4,033,565,844</b>	<b>852,058,931</b>
<b>Cash flows from Investing activities:</b>		
Short term Investment	(560,670,000)	-
Payment towards Capital work in progress	(36,222,074,981)	(69,400,338,728)
<b>Net cash flow from Investing activities</b>	<b>(36,782,744,981)</b>	<b>(69,400,338,728)</b>
<b>Cash flows from financing activities:</b>		
Received share money deposit	3,114,591,600	10,745,891,600
Received long term loan	26,682,750,502	63,955,618,954
<b>Net cash flows from financing activities</b>	<b>29,797,342,102</b>	<b>74,701,510,554</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(2,951,837,036)</b>	<b>6,153,230,757</b>
Opening cash & cash equivalents	10,028,700,506	3,875,469,749
<b>Closing Cash and Cash Equivalents</b>	<b>7,076,863,470</b>	<b>10,028,700,506</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.  
For and on behalf of the Board of Directors of Bangladesh-China Power Company (Pvt.) Limited.

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
Director

See annexed report of even date

Dated, Dhaka  
26 November 2020

  
**A. Qasem & Co.**  
Chartered Accountants

## Bangladesh-China Power Company (Pvt.) Limited

### Notes to the Financial Statements

For the year ended 30 June 2020

## 1 Reporting entity

### 1.1 Company profile

Bangladesh-China Power Company (Pvt.) Limited (hereinafter referred to as "the Company") was incorporated on 01 October 2014 as a Private Limited Company in Bangladesh under the Companies Act 1994 vide reg. no C- 118576/14. This is a joint venture agreement between China National Machinery Import & Export Corporation (CMC) and North-West Power Generation Company Limited (NWPGL). NWPGL signed a Memorandum of Understanding (MOU) with China National Machinery Import & Export Corporation (CMC), China on 19 March 2014. Later on, NWPGL signed the Joint Venture Agreement (JVA) with CMC on 09 June 2014 at the Great Hall of the People, Beijing, China in presence of the Hon'ble Prime Minister of the Government of Bangladesh and the Hon'ble Prime Minister of the People's Republic of China in order to implement thermal power plant project (TPPP) by using eco-friendly ultra-supercritical technology on turn-key basis and by establishing a Joint Venture Company (JVC). Then, Bangladesh-China Power Company (Pvt.) Limited (BCPCL) was formed. The registered and corporate head office is located at UTC Building (Level # 5), 8 Panthapath, Kawran Bazar, Dhaka- 1215, Bangladesh and the power plant is located at Payra, Dhankali Union, Kalapara Upazila, Patuakhali District, Bangladesh. First unit of Phase-I, 1320 MW TPPP achieved its IOD on 15th May 2020 and started providing electricity to National Grid, it has capability to provide 660 MW and Second Unit of Phase-I already synchronized at 26<sup>th</sup> August 2020 and expecting to start commercial operation soon and Phase-II Loan negotiation is going with CEXIM Bank and Government Of Bangladesh (GOB) approved terms and conditions of this loan through ERD division under the Ministry of Finance.

### 1.2 Nature of business

The principal activity of the Company is to set up power plants for generation of electricity and sale the same to Bangladesh Power Development Board (BPDB) to enhance the national development programs.

### 1.3 Environmental Commitment

The Company ethos places a special emphasis on environmental and ecological issues. Its efforts to preserve and regenerate the environment and expression in the slew of projects and programs it has undertaken in and around its facilities and operations. A Focus area, in this context, is the climate change crisis. The Company beliefs on sustainability have led to a company policy that emphasizes environment preservation. Bangladesh-China Power Company (Pvt.) Ltd. works on projects that include experiencing green cover, reducing effluents and emission, maintaining local ecological and improving long term corporate sustainability.

## 2 Basis of preparation of financial statements

### 2.1 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention.

## 2.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB- 2017 dated 14 December 2017. The compliance status of these IFRS is as follows:

Name of IFRS/IAS	Compliance Status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10: Events after the Reporting Period	Complid
IAS 11: Construction Contracts	Not Applicable
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Complied
IAS 20: Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS 21: The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23: Borrowing Costs	Complied
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Complied
IAS 27: Separate Financial Statements	Not Applicable
IAS 28: Investment in Associates and Joint Ventures	Not Applicable
IAS 29: Financial Reporting in Hyperinflationary Economics	Not Applicable
IAS 32: Financial Instruments: Disclosure and Presentation	Complied
IAS 33: Earnings Per Share	Complied
IAS 34: Interim Financial Reporting	Complied
IAS 36: Impairment of Assets	Complied
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Complied
IAS 38: Intangible Assets	Complied
IAS 39: Financial Instruments: Recognition and Measurement	Complied
IAS 40: Investment Property	Not Applicable
IAS 41: Agriculture	Not Applicable
IFRS 1: First time Adoption of International Financial Reporting Standards	Not Applicable
IFRS 2: Share based Payment	Complied
IFRS 3: Business Combinations	Not Applicable
IFRS 4: Insurance Contracts	Complied
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Complied
IFRS 6: Exploration for and Evaluation of Mineral Resources	Not Applicable
IFRS 7: Financial Instruments: Disclosures	Complied
IFRS 8: Operating Segments	Not Applicable
IFRS 9: Financial Instruments	Complied
IFRS 10: Consolidated Financial Statements	Not Applicable
IFRS 11: Joint Arrangements	Complied
IFRS 12: Disclosure of Interests in Other Entities	Complied

IFRS 13: Fair Value Measurement	Complied
IFRS 14: Regulatory Deferral Accounts	Not Applicable
IFRS 15: Revenue from Contracts with Customers	Complied
IFRS 16: Leases	Complied
IFRS 17: Insurance Contracts	Not Applicable

### Compliance with other regulatory requirements

The Company complied with the requirements of following laws and regulations from various government bodies:

- i) The Companies Act, 1994;
- ii) The Income Tax Ordinance, 1984 and amendment thereon;
- iii) The Income Tax Rules, 1984;
- iv) The Value Added Tax Act, 2012;
- v) The Value Added Tax Rules, 2016;
- vi) The Stamp Act, 1899;
- vii) The Bangladesh Labour Act, 2006 and amended in 2015;
- viii) The Bangladesh Securities and Exchange Ordinance, 1969;
- ix) The Bangladesh Securities and Exchange Rules, 1987;
- x) Bangladesh Energy Regulatory Commission Act, 2003;
- xi) Payra Port Authority Act, 2013;
- xii) Environment Conservation Act, 1995 and the Amendments thereafter;
- xiii) Other applicable laws and regulations.

### 2.3 Functional and presentation currency

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

### 2.4 Reporting period

The financial period of the Company covers one year from 01 July 2019 to 30 June 2020 of the corresponding year and is followed consistently.

### 2.5 Comparative information

Comparative information including narrative and descriptive one is disclosed in respect of the preceding period where it is relevant to enhance the understanding of the current period's financial statements.

### 2.6 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## 2.7 Going concern

The management of the Company have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. The Company has adequate resources to continue in operation for the foreseeable future. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business. Since, there is no material uncertainties related to events or conditions at reporting date which may cast significant doubt upon the Company's ability to continue as a going concern, for this reason, management continues to adopt going concern basis in preparing the financial statements.

## 2.8 Accrual basis of accounting

The Company prepares its financial statements, except the statement of cash flows, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognises the elements of financial statements such as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements in the conceptual framework.

## 2.9 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

## 2.10 Offsetting

The entity does not offset any assets and liabilities or income and expenses, unless required or permitted by the IFRS and IASs.

## 3.0 Summary of significant accounting policies

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

### 3.1 Property, Plant and Equipment

#### a. Recognition and Measurement

In compliance with IAS-16 (Property, Plant & Equipment) items of property, plant and equipment (PPE), excluding land, are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

#### b. Capitalization of Borrowing Cost

Finance costs that are directly attributable to the construction of plants are included in the cost of those plants in compliance with IAS-23: Borrowing Cost, allowed alternative treatment. Capitalization of borrowing costs cease from the date of the report submitted by commercial test witness committee which, in accordance with Power Purchase Agreement, confirms the availability of plants for use.

#### c. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will

flow to the Company and its cost can be measured reliably. The cost of the day to day maintaining cost on PPE are recognized in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

#### d. Depreciation

No depreciation is charged on land and land development.

"Depreciation is recognized in the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the estimated useful lives of each item of property, plant & equipment. Each item of PPE are depreciated from the day in which the assets ready for use or capitalized. In case of disposals, no depreciation is charged in the month of disposal.

"Useful life of property, plant and equipment is assumed to 25 years. Two stage depreciation policy is being followed.

**Stage 1:** 70% value of the property, plant and equipment could be depreciated with a period of 11.5 years along with a salvage value of 10%.

**Stage 2:** 30% value of the property, plant and equipment could be depreciated for next 13.5 years along with a salvage value of 10%.

Total project cost was financed by 80% loan and 20% equity. The loan portion will be recovered from Bangladesh Power Development Board (BPDB) during 11.5 years and remaining 20% of equity for the next 13.5 years.

### 3.2 Capital Work in Progress

Capital work in progress consists of acquisition costs, directly attributable borrowing costs, capital components and related installation costs and other development, revenue and administrative expenditures until the date when the assets ready to use for its intended purpose. Capital work in progress is stated at cost less impairment if any, until the construction is completed. Upon completion of construction, the cost of such assets together with the cost directly attributable to construction, including capitalization of the borrowing costs are transferred to the respective class of assets and depreciated when the asset is completed and commissioned. No depreciation is charged on capital work in progress.

### 3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non derivative financial instruments comprise deposits, trade and other receivables, cash and cash equivalents, trade and other payables, share capital and interest-bearing borrowings.

#### 3.3.1 Financial assets

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

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

or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprises advance, deposits & prepayments, investments and cash & cash equivalents.

### 3.3.1.1 Investments

Investment in fixed deposit receipt is shown in the financial statements at its cost and interest income is recognised quarterly.

### 3.3.1.2 Advance, deposits and prepayments

Advances with no stated interest are measured at the original amount if the effect of discounting is immaterial. Deposits are measured at payment value.

### 3.3.1.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance and deposits with financial institutions that are readily convertible.

## 3.3.2 Financial liabilities

The Company initially recognises financial liabilities in its statement of financial position when the Company becomes a party to the contractual provisions of the liability. The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company's financial liabilities comprise other payable.

### 3.3.2.1 Other payables

Other payables are recognised when contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits. Trade and other payable are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method, if necessary.

## 3.3 Inventories

Inventories consisting of Coal, lube oil, alternator grease, coolnet water, spare parts etc. These are for use in the operation and maintenance of power plant. Cost of inventories include expenditure incurred in acquiring the inventories and other costs incurred in bringing them to use. Inventories are valued at cost or net realized valued which ever is lower.

## 3.4 Employee benefits

The Company maintain both defined contribution plan and defined benefit plan for its eligible employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.

The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The Company's employee benefits include the following:

### 3.4.1 Defined contribution plan (provident fund)

The Company has a recognized provident fund with effect from 31 October 2017 vide letter # Nothi No: 1A /PF-4/2017-18/828 dated 29 October 2017. This registered provident fund scheme (defined contribution plan) for employees of the Company are eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange of such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

### 3.4.2 Defined benefit plan (gratuity fund)

A defined benefit plan is a post employment benefit plan (gratuity fund) other than a defined contribution plan. The Company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees.

### 3.5 Provision

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and if 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.

### 3.6 Revenue recognition

Sales revenue shall be recognized upon delivery of goods and services and raising invoices to Bangladesh Power Development Board (BPDB) and other parties in compliance with the requirements of IFRS 15: Revenue from Contracts with Customers.

### 3.7 Foreign currency translation

Foreign currency transaction are recorded on initial recognition in the functional currency at the exchange rate ruling on the transaction date. At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under:

- i) Foreign currency monetary items are translated using the exchange rate at the reporting date.
- ii) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- iii) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

### 3.8 Borrowing cost

Borrowing cost that can be directly attributable to a qualifying asset is capitalized during construction period. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to

the acquisition, construction or production of a qualifying asset are those borrowing cost that would have been avoided if the expenditure or the qualifying asset that not been made. All other borrowing costs are recognized in statement of comprehensive income in the period in which they are incurred.

Borrowing costs relating to projects have been charged to capital work-in-progress as interest during construction (IDC).

### **3.9 Interest bearing loans and borrowings**

All such loans and borrowings are initially recognized at fair-value including transaction costs.

### **3.10 Finance income and expense**

Finance income comprises interest on short term investment and it is recognised on an accrual basis. Finance costs comprise interest expense on borrowings from bank and interest on Working Capital.

### **3.11 Income tax**

There is no income tax provided in this financial year except on other income because coal based private sector power generation Company is exempted from Income tax for 15 years for their Revenue income as per SRO-213/AIN/Aykar/2013, Date- 01 July 2013.

### **3.12 Statement of cash flows**

Statement of cash flows is prepared under indirect method in accordance with IAS 7: Statement of Cash Flows.

### **3.13 Leases**

"Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the income statement."

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

### **3.14 Accounting for government grants and disclosure of government assistance**

Government of Bangladesh issued sovereign guarantee against 50% loan of USD 1.984 billion.

### **3.15 Accounting policies, changes in accounting estimates and error**

#### **Accounting policies**

Accounting policies are the specific principles, bases, conventions, requirements and practices used by an entity in preparing and presenting its Financial Statements. An existing accounting policy should only be changed where a new accounting policy will result in reliable and more relevant information being presented. Any changes in accounting policy required to be accounted for retrospectively except where it is not practicable to determine the effect in prior periods.

**Accounting estimates**

The preparation of financial statements requires many estimates to be made on the basis of latest available, reliable information. The effect of a change in accounting estimates should, therefore, be recognized prospectively.

**Prior period error**

A prior period error is where an error has occurred even though reliable information was available when those Financial Statements were authorized for issue. IAS 8 requires retrospective restatement of financial statements to adjust prior period errors as if the prior period error had never been occurred.

**3.16 Events after the reporting period**

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period.

**3.17 Related party disclosure:**

As per International Accounting Standard (IAS-24) the parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length IAS is with its related parties. During the year, the Company carried out a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been disclosed in accordance with the provisions of IAS-24:

Amount in BDT					
Name of the related party	Relationship	Nature of transaction	Transactions during the period FY 2019-2020	Receivable Closing balance 30 June 2020	Receivable Closing balance 30 June 2020
China National Machinery Import & Export Corporation (CMC)	Ordinary Shareholder	Coal Purchase	682,287,244	-	682,287,244

**3.18 Date of authorisation**

These financial statements are authorised for issue by the Board of Directors in its 39th Board of Directors meeting held on 26 November 2020.



	Amount in BDT	
	30 June 2020	30 June 2019
<b>7 Inventory</b>		
Coal	593,970,681	-
HSD	115,543,172	-
LimeStone	21,235,423	-
(See the details in annexure- E, F & G)	<b>730,749,276</b>	-
<b>8 Account Receivable</b>		
Opening balance	-	-
Addition during the year	5,472,990,891	-
	<b>5,472,990,891</b>	-
Adjustment during the year	-	-
	<b>5,472,990,891</b>	-

Account receivable includes accrued Revenue for energy sales of commissioning period from 13 January 2020 to 14 May 2020 and energy & capacity payment starting from IOD dated 15 May 2020 to 30 June 2020 from Bangladesh Power Development Board (BPDB).

<b>9 Other Receivable</b>			
Interest Receivable	9.1	21,968,430	-
Miscellaneous Receivable	9.2	537,500	-
		<b>22,505,930</b>	-
<b>9.1 Interest Receivable</b>			
Opening balance		-	-
Addition during the year		21,968,430	-
		<b>21,968,430</b>	-
Received during the year		-	-
		<b>21,968,430</b>	-

Interest receivable accrued for short term fixed deposit (FDR) from share money deposit of Phase-II.

<b>9.2 Miscellaneous Receivable</b>			
Miscellaneous Receivable		537,500	-
		<b>537,500</b>	-
<b>10 Advances, deposits and prepayments</b>			
Temporary advance	10.1	1,199,232	2,513,241
Advance income tax	10.2	152,384,522	31,764,958
Advance to contractors	10.3	136,689,216	6,686,938
Security deposit for electricity connection	10.4	4,496,625	169,000
Advance VAT	10.5	67,972,122	-
		<b>362,741,717</b>	<b>41,134,137</b>
<b>10.1 Temporary advance</b>			
Opening balance		2,513,241	1,104,720
Addition during the year		36,914,917	33,013,043
		<b>39,428,158</b>	<b>34,117,763</b>
Adjustment/received during the year		(38,228,926)	(31,604,522)
		<b>1,199,232</b>	<b>2,513,241</b>

Temporary Advance includes various expenses for meeting honorarium, license renewal, vehicle fuel, renewal of tax token and fitness of vehicles etc.

		Amount in BDT	
		30 June 2020	30 June 2019
<b>10.2 Advance income tax</b>			
Opening balance		31,764,958	57,983,569
Addition during the year	10.2.1	153,273,483	18,904,413
		<b>185,038,441</b>	<b>76,887,982</b>
Adjustment during the year	10.2.2	(32,653,919)	(45,123,024)
		<b>152,384,522</b>	<b>31,764,958</b>

Advance Income Tax (TDS) includes TDS on interest on bank deposit, material import for plant construction and primary fuel etc. As Income tax for coal based private power generation company is exempted for 15 years, BCPCL has no tax liability except other income. Here BDT 32,653,919 adjusted against tax liability on other income for tax assessment year 2019-20.

### 10.2.1 Addition during the year

TDS at interest on FDR	-	414,058
TDS at Sales	2,500,000	-
TDS at interest on bank account	12,245,607	9,507,730
TDS at Custom House	138,527,876	8,982,625
	<b>153,273,483</b>	<b>18,904,413</b>

### 10.2.2 Adjustment during the year

Adjustment with tax return FY 2018-19	(32,653,919)	(44,695,151)
Refund excess TDS	-	(427,873)
	<b>(32,653,919)</b>	<b>(45,123,024)</b>

### 10.3 Advance to contractors

Opening balance	2,359,313	6,210,324
Addition during the year	546,529,155	4,161,369
	<b>548,888,468</b>	<b>10,371,693</b>
Adjustment/received during the year	(412,199,252)	(8,012,380)
	<b>136,689,216</b>	<b>2,359,313</b>

Advance to contractor includes advances to Padma Oil Ltd , Bencon Seatranse Ltd and Oldendorff for HSD, Shipping Agency Fee and Freight respectively.

### 10.4 Security deposit for electricity connection

Opening balance	4,496,625	-
Addition during the year	-	4,496,625
	<b>4,496,625</b>	<b>4,496,625</b>

### 10.5 Advance VAT

Opening balance	-	-
Addition during the year	76,822,935	-
	<b>76,822,935</b>	-
Adjustment during the year	(8,850,813)	-
	<b>67,972,122</b>	-

Advance VAT comprises Advance Tax (AT) paid to customs at the time of primary fuel import.

	Amount in BDT	
	30 June 2020	30 June 2019
<b>11 Short Term Investment</b>		
Opening Balance	-	-
Addition	560,670,000	-
	<b>560,670,000</b>	-

Short Term Investment related to short term fixed deposit (FDR) @ 4.5% per annum from share money deposit of Phase-II.

## 12 Cash and cash equivalents

Cash in hand	12.1	40,000	40,000
Cash at bank	12.2	7,076,823,471	10,028,660,506
		<b>7,076,863,471</b>	<b>10,028,700,506</b>

### 12.1 Cash in hand

Corporate office		20,000	20,000
Payra site office		20,000	20,000
		<b>40,000</b>	<b>40,000</b>

Petty Cash fund maintained for corporate office as well as Payra site office.

### 12.2 Cash at bank

#### Phase-I (Standard Chartered Bank)

Taka Revenue Account (32-1308117-07)		189,404,130	27,703,442
Taka Compensation Account (32-1308117-01)		839	839
TAKA Equity Account (32-1308117-03)		6,331,828,982	5,991,519,144
TAKA Loans Account (32-1308117-08)		247,716	278,406
USD Loans Account (01-1308117-02)		356,166	587,121
USD Equity Account (01-1308117-05)		1,468,560	2,870,512,309
TAKA Cheque Account (32-1308117-09)		32,240,592	74,199,961
		<b>6,555,546,985</b>	<b>8,964,801,222</b>

#### Phase-II (Standard Chartered Bank)

BCPCL-BDT Account (01-1308117-11)		11,576,486	562,859,284
BCPCL-USD Account (01-1308117-12)		509,700,000	501,000,000
		<b>521,276,486</b>	<b>1,063,859,284</b>

## 13 Share capital

### Authorised capital

4,000,000,000 ordinary shares of BDT 10 each for FY 2019-20			
4,000,000,000 ordinary shares of BDT 10 each for FY 2018-19		<b>40,000,000,000</b>	<b>40,000,000,000</b>

### Issued, subscribed and paid-up capital

3,633,197,470 ordinary shares of BDT 10 each fully paid in cash FY 2019-20		<b>36,331,974,700</b>	<b>23,610,191,500</b>
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Amount in BDT	
30 June 2020	30 June 2019

**Composition of issued, subscribed and fully paid up share capital during financial year 2019 - 2020**

Name of shareholders	No. of Share	Percentage (%)	Face value per share (Taka)	Amounts in BDT	Amounts in BDT
China National Machinery Import & Export	1,816,598,735	50%	10	18,165,987,350	11,805,095,750
North-West Power Generation Company Limited (NWPGL)	1,816,598,735	50%	10	18,165,987,350	11,805,095,750
<b>Total</b>	<b>3,633,197,470</b>	<b>100%</b>		<b>36,331,974,700</b>	<b>23,610,191,500</b>

**14 Share money deposit**

Phase-I	14.1	-	9,674,891,600
Phase-II	14.2	1,138,700,000	1,071,000,000
		<b>1,138,700,000</b>	<b>10,745,891,600</b>

**14.1 Phase-I**

NWPGL	-	3,314,000,000
CMC	-	6,360,891,600
	-	<b>9,674,891,600</b>

**NWPGL**

Opening balance	3,314,000,000	6,605,095,750
Addition during the year	3,046,891,600	3,314,000,000
	<b>6,360,891,600</b>	<b>9,919,095,750</b>

Less. Share issued during the year	6,360,891,600	6,605,095,750
	-	<b>3,314,000,000</b>

**CMC**

Opening balance	6,360,891,600	6,605,095,750
Addition during the year	-	6,360,891,600

	6,360,891,600	12,965,987,350
Less. Share issued during the year	6,360,891,600	6,605,095,750
	-	<b>6,360,891,600</b>

As on 30 June 2020, total paid up capital of the Company BDT 36,331,974,700.00 for Phase-I. NWPGL contributed BDT 3,046,891,600 to maintain 50:50 equity ratio for Phase-I as CMC contributed the same amount in the FY 2018-2019. All these share money has been converted to equity of BCPCL.

**14.2 Phase-II**

NWPGL	637,700,000	570,000,000
CMC	501,000,000	501,000,000
	<b>1,138,700,000</b>	<b>1,071,000,000</b>

As on 30 June 2020, total contribution of CMC BDT 501,000,000 (USD 6 Million @ BDT 83.50) and contribution of NWPGL BDT 637,700,000 for Phase-II. NWPGL contributed BDT 67,700,000 for Phase-II during the FY 2019-20.

	Amount in BDT	
	30 June 2020	30 June 2019
<b>NWPGCL</b>		
Opening balance	570,000,000	-
Addition during the year	67,700,000	570,000,000
	<b>637,700,000</b>	<b>570,000,000</b>
Less. Share issued during the year	-	-
	<b>637,700,000</b>	<b>570,000,000</b>
<b>CMC</b>		
Opening balance	501,000,000	-
Addition during the year	-	501,000,000
	<b>501,000,000</b>	<b>501,000,000</b>
Less. Share issued during the year	-	-
	<b>501,000,000</b>	<b>501,000,000</b>

Total project cost was financed by 80% loan and 20% equity. The loan portion will be recovered from Bangladesh Power Development Board (BPDB) during 11.5 years and remaining 20% of equity for the next 13.5 years.

### 15 Retained earnings

Opening balance	-	-
Add: Net profit for the year	1,155,322,357	-
	<b>1,155,322,357</b>	-

### 16 Long term loan

Opening balance	97,723,618,954	33,768,000,000
CEXIM Bank loan received	26,070,229,178	63,308,853,058
Foreign currency fluctuation loss	612,521,323	646,765,896
<b>(Details in annexure-D)</b>	<b>124,406,369,455</b>	<b>97,723,618,954</b>

BCPCL entered into a loan agreement of USD 1.984 Billion dated 12 May 2018 with the EXIM bank of China for the construction of Payra 1320 MW Thermal Power Plant (Phase-I) with the following terms & conditions:

<b>Tenor</b>	: 15 years (Including Grace period)
<b>Grace Period</b>	: 4 years
<b>Interest rate</b>	: 6 Month LIBOR plus 2.98%
<b>Interest during grace period</b>	: Payable semi-annually
<b>Repayment</b>	: Principal and Interest is payable in 23 semi-annual installments

### 17 Land lease liabilities

Opening balance	-	-
Addition during the year	466,492,708	-
Interest of RoU Assets	41,984,344	-
	<b>508,477,052</b>	-
Adjustment during the year	-	-
	<b>508,477,052</b>	-

	Amount in BDT	
	30 June 2020	30 June 2019
<b>18 Accounts Payable</b>		
Primary fuel (Coal)	679,125,774	-
Freight Payment	81,092,654	-
Lighterage	53,887,863	-
HSDTransportation	1,363,900	-
	<b>815,470,191</b>	-

Accounts Payable consists of all direct costs related to electricity production.

## 19 Others payable

### Phase-I

Interest payable (IDC)		740,197,164	866,825,380
Telephone, telex & fax, internet		-	447,592
Office equipment		-	19,649,000
Fuels & lubricants		-	286,269
Advertising & promotion		-	103,314
Stationery & printing expenses		-	304,587
Vehicle rent		638,740	594,426
Commitment fees		31,997,462	51,758,173
Retention money	19.1	5,603,069	1,718,710
Consultant's fees (Owner's Engineer)		-	150,436,520
Electricity bill		34,903	15,520
Audit fees		488,111	439,553
Operation & maintenance expenses		68,850,111	-
Third party inspection service		6,042,139	-
Interest accrued for working capital		3,161,470	-
VAT & IT for Development Expenses		3,556,432,656	-
Engineering, procurement, construction & commissioning (Local)		1,685,151,768	-
Engineering, procurement, construction & commissioning (Foreign)		2,855,314,000	-
Private Security Service		104,400	-
Travelling expenses		15,000	-
WithholdingTax payable	19.2	1,120,000	430,000
Withholding VAT payable	19.3	-	344,000
		<b>8,955,150,993</b>	<b>1,093,353,044</b>

### Phase-II

Consultant's fees		-	50,874,693
<b>Total</b>		<b>8,955,150,993</b>	<b>1,144,227,737</b>

Others Payable consists of all other payable except account payable.

### 19.1 Retention money

Opening balance		1,718,710	-
Addition during the year	19.1.2	3,884,359	1,718,710
		<b>5,603,069</b>	<b>1,718,710</b>
Adjustment during the year		-	-
		<b>5,603,069</b>	<b>1,718,710</b>

**19.1.2 Addition during the year**

	Amount in BDT	
	30 June 2020	30 June 2019
LAM Enterprise	422,554	518,029
Times Organization	1,052,688	520,586
Saiuj Consultants	280,627	248,364
Esquire Electronics Limited	57,026	424,231
M/S. BANNA ENTERPRISE	-	7,500
AA International	49,199	-
Era Construction	982,450	-
Secured Solution	17,310	-
Fair Vision Associate	128,016	-
DEBUG BD	73,627	-
HI-TECH Furniture	39,947	-
Metacentre	52,634	-
NIT Creative Solutions	17,388	-
Microtech (bd) system	29,895	-
SHILPANU NURSERY	23,176	-
Bonic traders	401,634	-
Particles Bangladesh Limited	176,948	-
Umbrella Enterprise	79,240	-
	<b>3,884,359</b>	<b>1,718,710</b>

**19.2 Withholding Tax payable**

Addition during the year	430,000	-
	109,730,107	221,257,151
	<b>109,730,107</b>	<b>221,257,151</b>
Payment during the year	(108,610,107)	(220,827,151)
	<b>1,120,000</b>	<b>430,000</b>

Tax deduction at source (TDS) is the Government requirement to deduct tax from different suppliers, contractors, service providers and employees at the time of payments and deposit to the revenue authority. During the year BDT 109,300,107 deducted and BDT 108,610,107 deposited to Govt. Ex-chequer)

**19.3 Withholding VAT payable**

Opening balance	344,000	-
Addition during the year	96,110,919	185,690,496
	<b>96,454,919</b>	<b>185,690,496</b>
Payment during the year	(96,454,919)	(185,346,496)
	-	<b>344,000</b>

VAT deduction at source (TDS) is the Government requirement to deduct tax from different suppliers, contractors, service providers at the time of payments and deposit to the Govt. authority. During the year BDT 95,573,419 deducted and BDT 95,917,419 deposited to Govt. Ex-chequer.

**20 Provision for tax**

Opening balance	44,950,327	47,549,829
Addition during the year (156,018,050*32.5%)	50,705,866	42,095,649
	<b>95,656,193</b>	<b>89,645,478</b>

	Amount in BDT	
	30 June 2020	30 June 2019
Adjustment during the year		
For FY 2017- 2018	-	(44,695,151)
For FY 2018- 2019	(35,660,511)	-
	<b>(35,660,511)</b>	<b>(44,695,151)</b>
	<b>59,995,682</b>	<b>44,950,327</b>

There is no income tax provided in this financial year except on other income because coal based private sector power generation Company is exempted from Income tax for 15 years for their Revenue income.

<b>21 Provision for Workers' Profit Participatory Fund (WPPF)</b>	63,475,170	-
	<b>63,475,170</b>	-

As per Bangladesh Labor Law, 2006 (amended 2013) BCPCL starts keeping provision for WPPF at 5% of profit before tax as BCPCL came to operation in this FinancialYear.

<b>22 Provision for gratuity</b>		
Opening balance	14,862,250	6,851,600
Addition during the year	15,829,595	8,010,650
	<b>30,691,845</b>	<b>14,862,250</b>
Adjustment during the year	(2,497,777)	-
	<b>28,194,067</b>	-

Provision of Gratuity represents gratuity scheme for the Company's employees. Employees are entitled to gratuity benefit after completion of minimum 03 (three) years of service in the company.

<b>23 Interest payable</b>		
Opening balance	-	-
Addition during the year	21,968,430	-
	<b>21,968,430</b>	-
Adjustment during the year	-	-
	<b>21,968,430</b>	-

<b>24 Revenue- Sales</b>		
Energy Payment for Commissioning period	2,501,147,573	-
Energy Payment	1,066,026,274	-
Capacity Payment	1,905,817,044	-
	<b>5,472,990,891</b>	-

Sales revenue includes energy sales for Commissioning period from 13 January 2020 to 14 May 2020 and energy & capacity payment starting from IOD dated 15 May 2020 to 30 June 2020.

<b>25 Cost of Sales</b>		
Primary Fuel (Coal)	3,136,680,964	-
Secondary Fuel (HSD)	142,409,716	-
Limestone	9,974,982	-
Depreciation (Unit-1)	625,238,894	-
Operation and Maintenance Expenses	68,850,111	-
Personnel, Office & Administrative Expenses	6,059,144	-
<b>(See the details in annexure- D,E,F &amp; H)</b>	<b>3,989,213,810</b>	-

		Amount in BDT	
		30 June 2020	30 June 2019
<b>26</b>	<b>Overhead &amp; Administrative Expenses</b>		
	Personnel & overhead expenses	2,755,304	-
	Depreciation of RoU Assets	1,380,307	-
		<b>4,135,611</b>	-
<b>27</b>	<b>Non-Operating Income</b>		
	Payra 1320 MW TPPP Phase-I	154,544,028	-
	Payra 1320 MW TPPP Phase-II	1,474,022	-
		<b>156,018,050</b>	-
<b>27.1</b>	<b>Payra 1320 MW TPPP Phase-I</b>		
	Interest received (SND)	120,876,860	-
	Transportation charge	7,800	-
	Sale of Tender Document	1,530,000	-
	Sale of Srape Materials	31,500,000	-
	Recruitment fees	49,500	-
	Miscellaneous income	579,868	-
		<b>154,544,028</b>	-
<b>27.2</b>	<b>Payra 1320 MW TPPP Phase-II</b>		
	Interest income on SND Accounts	1,474,022	-
	Interest income on shareholder loan	21,968,430	-
		<b>23,442,452</b>	-
	Interest expense on shareholder loan	21,968,430	-
		<b>1,474,022</b>	-
<b>28</b>	<b>Financial Expenses</b>		
	Interest on Working Capital-Coal	3,161,470	-
	Interest on RoU Assets	3,105,691	-
	Interest Expenses	359,888,966	-
		<b>366,156,127</b>	-

As per IAS-23, Borrowing costs are directly attributable to construction of a qualifying asset .As Unit-1 of Phase-I came into operation at 15th May 2020 , for O&M period (IOD-15 May-30 June2020) BDT 359,888,966.00 [This is 60% of IDC payable of that period (BDT 740,197,164.00\*58 Days/47 Days=BDT 599,814,943.00 )] is considered as Interest expenses. As 60 % of total project cost considered for Unit-1 and rest considered as WIP.

<b>29</b>	<b>Workers' Profit Participatory Fund (WPPF)</b>	63,475,170	-
		<b>63,475,170</b>	-

As per Bangladesh Labor Law 2006 (amended 2013) BCPCL starts keeping provision for WPPF at 5% of profit before tax as BCPCL came to operation in this Financial Year.

<b>30</b>	<b>Income Tax Expenses</b>		
	Tax Charged during the year (156,018,050*32.5%)	50,705,866	42,095,649
		<b>50,705,866</b>	<b>89,645,478</b>

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Property, Plant & Equipment & ROU-Assets

As at and for the year ended 30 June 2020

Annexure-A

Amount in BDT

#### Note: 04 Property, Plant & Equipment

Particulars	Cost				Rates %	Depreciation				Written Down Value	
	Opening Balance	Addition during the year	Transfer from capital work in progress	Adjustment/ Disposal		Closing Balance	Charged during the year	Accumulated Depreciation	Disposal		Closing Balance
1	2	3	4	5	7	6=(2+3+4-5)	9	10=(8+9)	11	12=(10-11)	13=(6-12)
Property, Plant & Equipment	-	-	92,526,585,223	-	6.09%	92,526,585,223	625,238,894	625,238,894	-	625,238,894	91,901,346,329

#### Note: 06 Right of Use Assets- Land Lease

Particulars	Cost				Rates %	Depreciation				Written Down Value	
	Opening Balance	Addition during the year	Transfer from capital work in progress	Adjustment/ Disposal		Closing Balance	Charged during the year	Accumulated Depreciation	Disposal		Closing Balance
1	2	3	4	5	7	6=(2+3+4-5)	9	10=(8+9)	11	12=(10-11)	13=(6-12)
Right of Use Assets	-	-	466,492,708	-	4.00%	466,492,708	18,659,708	18,659,708	-	18,659,708	447,833,000

Note: Life of the power plant is 25 years and salvage value is 10%. As we achieved IOD on 15-May-2020, depreciation is charged for one and half month. As at 31 May 2020, actual work in progress BDT 154,210,975,371.00 consists of the cost of both Unit 1 & 2 of Phase-I, among that approximately 60% of work in progress BDT 92,526,585,223 is assumed as Property, Plant & Equipment (PPE) for Unit-1 as the Company has achieved initial operation and rest 40% BDT 67,161,942,293 considered as capital work in progress for Unit-2 while continue adding up the rest of the project expenses.

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Capital Work in Progress (Phase-I)

As at 30 June 2020

Annexure-B

Amount in BDT

Head of Account	30 June 2020	Addition during the year	30 June 2019
<b>Development Expenditure</b>			
CD/VAT Account	893,136,669	725,727,990	167,408,679
AIT on CD/VAT	57,213,375	-	57,213,375
Consultant Expenses (Minco)	1,546,276,104	214,365,932	1,331,910,172
Engineering, procurement & commissioning (Local)	3,393,817,281	1,984,952,026	1,408,865,255
Engineering, procurement & commissioning (Foreign)	118,585,535,574	26,221,378,447	92,364,157,127
Computer & Peripherals	6,851,315	5,014,020	1,837,295
Vehicles	6,926,000	-	6,926,000
Land & Building	295,838,112	-	295,838,112
Office Equipment	37,139,441	6,210,901	30,928,540
Furniture & Fixtures	30,548,465	9,291,302	21,257,163
Web Hosting	23,000	-	23,000
Preliminary Expenses	631,025	-	631,025
Land Development Cost	5,132,553,210	-	5,132,553,210
Legal Advisory Fees	4,064,000	-	4,064,000
LC Commission	5,886,185	-	5,886,185
Civil Works	31,432,182	16,555,182	14,877,000
Renovation & Decoration	61,896,324	33,027,873	28,868,452
Consultant fees Others	89,983,895	9,489,057	80,494,837
Technical Consulting Fees	14,763,844	14,763,844	-
Plant Machinery and Equipment	5,088,950	5,088,950	-
<b>Coal Consumption for Pre-commissioning period</b>			
Bedding Coal	64,342,755	64,342,755	-
Secondary Fuel (HSD)	119,417,487	119,417,487	-
Limestone	19,470,796	19,470,796	-
Financing Expenses			
Management Fees	746,754,131	-	746,754,131
Sinosure insurance premium	15,809,068,167	-	15,809,068,167
Process agent fees	506,309	-	506,309
Foreign exchange loss	1,312,167,457	615,758,576	696,408,881
Security Agency Fees	5,522,995	1,937,145	3,585,850
Financial Advisory Service (Huizi)	333,865,125	-	333,865,125
Depreciation of ROU assets	17,279,401	17,279,401	-
Interest of ROU assets	38,878,653	38,878,653	-
Commitment fees	599,485,272	320,978,309	278,506,963
IDC (Interest During Construction)	9,356,985,668	5,396,362,783	3,960,622,884
<b>(a) Total Development Expenditure</b>	<b>158,623,349,164</b>	<b>35,840,291,427</b>	<b>122,783,057,737</b>

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Capital Work in Progress (Phase-I)

As at 30 June 2020

**Annexure-B****Amount in BDT**

Head of Account	30 June 2020	Addition during the year	30 June 2019
<b>Revenue General Expenditure</b>			
<b>Salary &amp; Allowance</b>			
Pay of officers	124,184,467	52,959,616	71,224,851
Pay of officers (Casual)	15,556,997	5,708,624	9,848,373
Pay of staff	22,135,244	10,175,925	11,959,319
Pay of staff (casual)	17,061,274	7,097,582	9,963,692
House rent allowance of officers	58,741,780	24,701,442	34,040,338
Medical Allowance officers	1,183,335	564,058	619,277
Conveyance Allowance of officers	6,814,135	2,990,849	3,823,286
Project Allowance	23,970,767	13,599,526	10,371,241
NewYear Allowance of officers	2,462,999	1,022,789	1,440,210
Employee electricity allowance officers	2,881,182	1,244,472	1,636,710
Education Support Allowance of officer	241,723	94,134	147,589
Entertainment Allowance of officer	265,202	57,207	207,995
Servant allowance of officers	20,081	-	20,081
Sweeper allowance of officers	20,081	-	20,081
Security allowance of officers	20,081	-	20,081
Gas allowance of officers	359,600	-	359,600
Water & sewerage of officers	196,880	-	196,880
House rent allowance of staff	10,072,060	4,352,524	5,719,536
Medical Allowance staff	2,699,572	1,202,243	1,497,329
Washing Allowance of staff	206,588	115,142	91,446
NewYear Allowance of staff	474,343	174,250	300,093
Conveyance Allowance of staff	3,958,600	1,760,130	2,198,470
Employee electricity allowance staff	1,092,948	490,716	602,232
Project Allowance	6,587,472	3,506,062	3,081,410
Education Support Allowance	291,033	169,000	122,033
Bonus of officers	22,171,565	9,597,963	12,573,602
Bonus of Staff	4,437,115	1,725,650	2,711,465
Bonus of officers (Casual)	456,705	271,260	185,445
Bonus of Staff (Casual)	437,940	364,560	73,380
Incentive Bonus Of Officer	17,483,185	14,470,580	3,012,605
Incentive Bonus Of Officer (Casual)	512,000	472,000	40,000
Incentive Bonus Of Staff	3,691,310	3,192,810	498,500
Incentive Bonus Of Staff (Casual)	714,250	698,750	15,500
Dearness allowance of officers	195,407	-	195,407
Employers Contribution	14,658,494	6,318,596	8,339,898
Medical Reimbursement	10,146,112	4,387,436	5,758,676
Gratuity	30,691,845	15,829,595	14,862,250
Leave Encashment of Officer	3,045,833	1,610,234	1,435,599
Leave Encashment of staff	1,147,191	813,138	334,053
<b>Total Salary &amp; Allowance</b>	<b>411,287,397</b>	<b>191,738,863</b>	<b>219,548,534</b>

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Capital Work in Progress (Phase-I)

As at 30 June 2020

**Annexure-B**

**Amount in BDT**

Head of Account	30 June 2020	Addition during the year	30 June 2019
<b>Administration Expenses</b>			
Traveling Expenses of officers	88,797,083	13,103,912	75,693,171
Traveling Expenses of staff	312,997	174,410	138,587
Conveyance	221,525	86,857	134,668
Medical Expense	342,769	342,769	-
Entertainment	7,717,396	1,872,832	5,844,564
Stationery	9,959,764	2,351,072	7,608,692
Taxes, license & fees	118,108,978	9,102,943	109,006,035
Office Rent	2,546,046		2,546,046
Electricity expense	1,283,218	602,111	681,107
Charge Allowance	38,161,628	9,925,035	28,236,593
Liveries & Uniforms	808,086	329,932	478,154
Postage & Telegraph	345,617	124,318	221,299
Telephone ,Telex & Fax, Internet	3,346,787	1,068,953	2,277,834
Advertising and promotion	5,708,693	1,650,601	4,058,092
Ceremonial expenses	45,252,840	18,395,178	26,857,662
Audit fee	1,898,464	557,111	1,341,353
Legal Fees	47,000	32,000	15,000
Books & Periodicals	2,203,876	50,605	2,153,271
Corporate Social Responsibility	14,414,962	10,914,962	3,500,000
Petrol, diesel & lubricants	11,321,768	3,876,502	7,445,266
Group Insurance Premium	4,309,229	2,004,895	2,304,334
Testing Fees	168,320	157,320	11,000
Donation & Contribution	695,000	25,000	670,000
Training Expense	5,754,301	1,116,358	4,637,943
Insurance of Motor Vehicles	8,201,513	7,713,989	487,524
Bank charges & commission	87,788,555	73,388,448	14,400,107
Honorarium (Board of Directors)	22,647,446	11,724,387	10,923,059
Recruitment Expense	5,557,618	1,639,879	3,917,739
Honorarium (Officer)	2,832,590		2,832,590
Honorarium (Committee & Others)	2,394,435	709,825	1,684,610
Office maintenance	6,650,059	2,266,845	4,383,214
Consultation Fee	39,358,655	4,637,229	34,721,426
Miscellaneous Expenses	433,862	77,751	356,111
Vehicle Rent	25,116,341	7,047,911	18,068,430
Rep. & Maintenance-Car/Vehicle	3,015,629	2,236,201	779,428
Repair & Maintenance- Equipment & Tools	798,019	764,919	33,100
Rep. & Maintenance-Office Furniture	558,956	347,494	211,462
Security Service Expenses	16,049,585	16,049,585	-
Environment, Health & Safety	1,850,195	1,850,195	-
Board meeting expense	11,568,229	1,562,646	10,005,583
AGM expense	4,751,468	1,098,741	3,652,727
<b>Total of Administration Expenses</b>	<b>603,299,502</b>	<b>210,981,721</b>	<b>392,317,781</b>
<b>(b) Revenue General Expenditure</b>	<b>1,014,586,899</b>	<b>402,720,584</b>	<b>611,866,315</b>
<b>Total Project-in-Progress - Local (a+b)</b>	<b>159,637,936,063</b>	<b>36,243,012,011</b>	<b>123,394,924,052</b>

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Capital Work in Progress (Phase-II)

As at 30 June 2020

**Annexure-C**

**Amount in BDT**

Head of Account	30 June 2020	Addition during the year	30 June 2019
<b>Development Expenditure</b>			
Consultant Expenses	60,070,526	2,128,172	57,942,354
Consultant fees_Others	2,744,318	2,744,318	-
<b>(a) Total Development Expenditure</b>	<b>62,814,844</b>	<b>4,872,490</b>	<b>57,942,354</b>
<b>Administration Expenses:</b>			
Traveling Expenses of officers	3,098,068	3,098,068	-
Charge Allowance	761,402	692,055	69,347
Bank charges & commission	61,388	57,681	3,708
Entertainment	9,340	9,340	-
Honorarium (Committee & Others)	33,336	33,336	-
<b>Total of Administration Expenses</b>	<b>3,963,534</b>	<b>3,890,480</b>	<b>73,055</b>
<b>(b) Revenue General Expenditure</b>	<b>3,963,534</b>	<b>3,890,480</b>	<b>73,055</b>
<b>Total Project-in-Progress - Local (a+b)</b>	<b>66,778,378</b>	<b>8,762,970</b>	<b>58,015,408</b>

# Bangladesh-China Power Company (Pvt.) Limited

## Foreign Loan

As at 30 June 2020

Annexure-D

Amount in BDT & USD

SL	Name of the Project	Lender	Currency	Opening Balance		Fund Received during the year		Principal Paid During the Year		Total Balance of Principal Not Paid		Fluctuation Loss (Unrealised)		Net Outstanding on 30 June 2020	
				USD	BDT	USD	BDT	USD	BDT	USD	BDT	USD	BDT	USD	BDT
1	2	3	4	5	6	7	8	9	10	11 = (5+7-9)	12 = (6+8-10)	13	14	15	
1	Payra 1320 MW TPPP	CEXIM	USD	1,156,492,532	97,723,618,954	307,973,265	26,070,229,178	-	-	1,464,465,797	123,793,848,132	612,521,323	1,464,465,797	124,406,369,455	
	<b>GRAND TOTAL (BDT)</b>			<b>1,156,492,532</b>	<b>97,723,618,954</b>	<b>307,973,265</b>	<b>26,070,229,178</b>	<b>-</b>	<b>-</b>	<b>1,464,465,797</b>	<b>123,793,848,132</b>	<b>612,521,323</b>	<b>1,464,465,797</b>	<b>124,406,369,455</b>	

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Cost of Sale and Inventory (Coal)

As on 30 June 2020

**Annexure-E**

**Amount in BDT**

Particulars	Opening Balance			Received During the Year			Consumption During the Year (Cost of Sales)			Closing Balance (Inventory)		
	Quantity MT	Rate/MT	Amount	Quantity MT	Rate/MT	Amount	Quantity MT	Rate/MT	Amount	Quantity MT	Rate/MT	Amount
1	2	3	4=(2*3)	5	6	7=(5*6)	8	9	10=(8*9)	11=(2+5-8)	12	13=(11*12)
Primary Fuel (Coal)	-	-	-	529,182	7,049.85	3,730,651,693	444,929	7,049.85	3,136,680,964	84,253	7,050	593,970,729
<b>GRAND TOTAL</b>	-	-	-	<b>529,182</b>	<b>7,050</b>	<b>3,730,651,693</b>	<b>444,929</b>	<b>7,050</b>	<b>3,136,680,964</b>	<b>84,253</b>	<b>7,050</b>	<b>593,970,729</b>

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Cost of Sale and Inventory (High Speed Diesel)

As on 30 June 2020

Annexure-F

Amount in BDT

Particulars	Opening Balance			Received During the Year			Consumption During the Year (Cost of Sales)			Closing Balance (Inventory)		
	Quantity Litre	Rate/Ltr	Amount	Quantity Litre	Rate/Ltr	Amount	Quantity Litre	Rate/Ltr	Amount	Quantity Litre	Rate/Ltr	Amount
1	2	3	4=(2*3)	5	6	7=(5*6)	8	9	10=(8*9)	11=(2+5-8)	12	13=(11*12)
Secondary Fuel (HSD)	-	-	-	4,053,473	63.64	257,952,888	2,237,827	63.64	142,409,716	1,815,646	63.64	115,543,172
<b>GRAND TOTAL (BDT)</b>	-	-	-	<b>4,053,473</b>	<b>63.64</b>	<b>257,952,888</b>	<b>2,237,827</b>	<b>63.64</b>	<b>142,409,716</b>	<b>1,815,646</b>	<b>63.64</b>	<b>115,543,172</b>

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Cost of Sale and Inventory (Limestone)

As on 30 June 2020

Annexure-G

Amount in BDT

Particulars	Opening Balance			Received During the Year			Consumption During the Year (Cost of Sales)			Closing Balance (Inventory)		
	Quantity MT	Rate/Ltr	Amount	Quantity MT	Rate/Ltr	Amount	Quantity MT	Rate/Ltr	Amount	Quantity MT	Rate/Ltr	Amount
1	2	3	4 = (2*3)	5	6	7 = (5*6)	8	9	10 = (8*9)	11 = (2+5-8)	12	13 = (11*12)
Primary Fuel (Limestone)	-	-	-	6,774	4,607	31,210,404	2,165	4,607	9,974,982	4,609	4,607	21,235,423
GRAND TOTAL (BDT)	-	-	-	6,774	4,607	31,210,404	2,165	4,607	9,974,982	4,609	4,607	21,235,423

## Bangladesh-China Power Company (Pvt.) Limited

### Schedule of Capital Work in Progress (Phase-II)

As at 30 June 2020

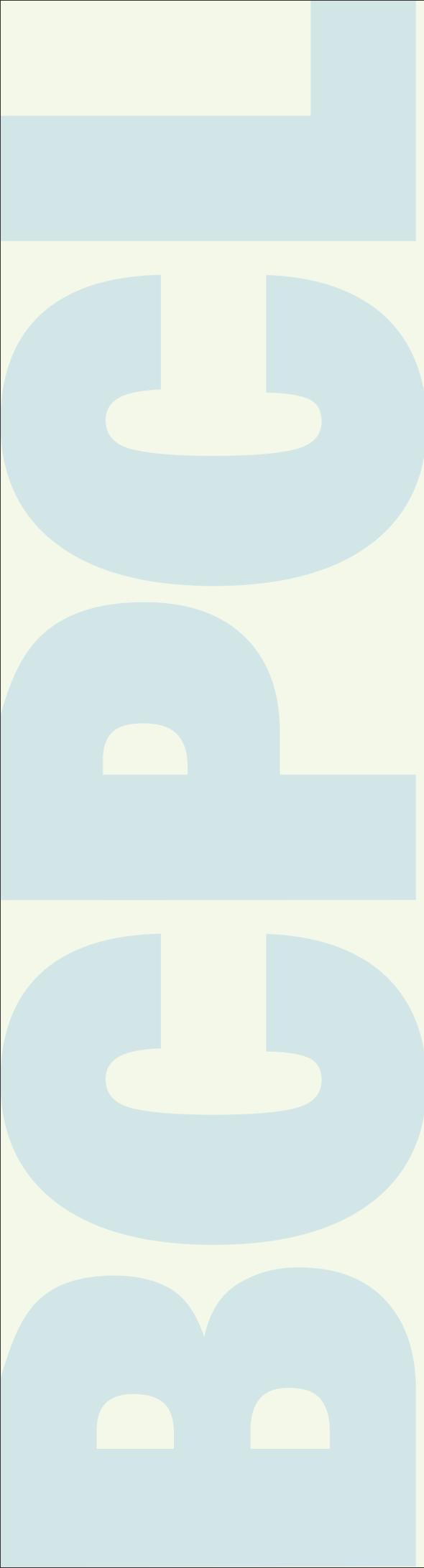
**Annexure-H**

**Amount in BDT**

Head of Account	30 June 2020	Addition during the year		30 June 2019
	Total	O&M	Corporate	
<b>Salary &amp; Allowance</b>				
Pay of officers	3,981,012	2,939,395	1,041,616	-
Pay of staff	271,880	147,760	124,120	-
House rent allowance of officers	1,909,699	1,284,729	624,970	-
Medical Allowance officers	26,246	13,282	12,964	-
Conveyance Allowance of officers	204,500	163,500	41,000	-
Project Allowance	957,816	957,816	-	-
Employee electricity allowance officers	98,201	75,018	23,183	-
Education Support Allowance of officer	7,000	1,000	6,000	-
House rent allowance of staff	133,576	59,104	74,472	-
Medical Allowance staff	28,533	15,476	13,057	-
Washing Allowance of staff	2,400	1,400	1,000	-
Conveyance Allowance of staff	39,000	21,000	18,000	-
Employee electricity allowance staff	13,706	7,330	6,376	-
Project Allowance	59,104	59,104	-	-
Education Support Allowance	4,500	4,500	-	-
Employers Contribution	425,305	308,729	116,576	-
<b>Total Salary &amp; Allowance</b>	<b>8,162,478</b>	<b>6,059,144</b>	<b>2,103,334</b>	-
<b>Administration Expenses</b>				
Stationery	384,524	-	384,524	-
Electricity expense	42,826	-	42,826	-
Office maintenance	96,250	-	96,250	-
Security Service Expenses	128,370	-	128,370	-
<b>Total of Administration Expenses</b>	<b>651,970</b>	-	<b>651,970</b>	-



📍 Jurisdiction of Bangladesh-China Power Company (Pvt.) Limited



# Powering Bangladesh With Eco-friendly Technology



**Bangladesh-China Power Company (Pvt.) Limited**  
(A Joint Venture of CMC and NWPGCL)

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