

# ANNUAL REPORT 2020

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2020



**RPCL-NORINCO Intl Power Limited**



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Conceptual View of Patuakhali 1320 (2x660) MW Coal Fired Thermal Power Plant

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## RPCL-NORINCO INTL POWER LIMITED

(A Joint Venture of RPCL & NORINCO INTL Ltd.)  
 Registered Office: Atlanta Trade Center (Level-7)  
 House # 1, Road # 1/A, Sector # 4  
 Uttara, Dhaka -1230, Bangladesh.

Memo No. – RNPL/1320/2021/86

Date: 28/02/2021

### NOTICE OF THE 3<sup>rd</sup> ANNUAL GENERAL MEETING (AGM)

The 3<sup>rd</sup> Annual General Meeting (AGM) of RPCL-NORINCO INTL POWER LIMITED will be held on Monday the 22<sup>nd</sup> day of March 2021 at 10:00 am through video conferencing to transact the following business:

#### AGENDA

1. To receive, consider and adopt the Directors' Report, Audited Accounts and the Auditor's Report for the year ended 30 June 2020.
2. To appoint Auditor and fix their remuneration for the Financial Year 2020-2021.
3. To transact any other business of the company with the permission of the chair.

All the concerned personnel are requested to attend the aforesaid momentous meeting.

By order of the Board

**Kazi Mohammad Tanvir**  
 Company Secretary, RNPL

N.B Members entitled to attend & vote at the Annual General Meeting (AGM) may appoint a Proxy to attend in his/her stead. The Proxy Form, duly completed & stamped must be deposited to the Company's Corporate Office located at "Atlanta Trade Center" (Level-7), House# 01, Road#1/A, Sector # 4, Uttara Model Town, Dhaka-1230 not later than 72 hours before the meeting.

## Overview

Bangladesh has undergone major socio-economic development in last few years, especially in rapid expansion of power supply, information technology, construction and manufacturing sector. The Government of Bangladesh has undertaken various projects for generating electricity to bring all citizens under power coverage by 2021 through coordinated programs in the power sector. As part of the government's plan to bring all people under electricity network, state-owned Rural Power Company Limited (RPCL) and Chinese state-owned NORINCO International Cooperation Ltd (NORINCO) would jointly install a 1,320 MW coal fired thermal power plant in the vicinity of Payra seaport in Patuakhali. To implement the project, a Joint Venture Company "RPCL-NORINCO Intl Power Limited" (RNPL) was formed and registered with the Registrar of Joint Stock Companies and Firms, Bangladesh on 21.12.2017 under the banner of RPCL and NORINCO.

RPCL has already acquired 915.74 acres of land and handed over 500 acres of land to RNPL under a long term Land Lease Agreement. BPDB will purchase all the electricity generation from the Power Plant. In this regard Power Purchase Agreement (PPA) and Implementation Agreement (IA) has already been signed. The Power Plant will be a two unit ( $2 \times 660$  MW) Ultra-Super Critical Coal fired thermal power plant having a total

capacity of 1320 MW. This project comprises of construction of jetty and coal handling facilities for coal import, coal storage, power plant construction, township development and construction of transmission facilities and road communication. A modern village for resettling of approximately 281 affected family caused by Land Acquisition with House, School, Play Ground, Mosque, Community Center, Shops, Health Center is now under construction through a separate project.

To construct the power plant, the company has already signed EPC contract on 06.03.2019 and issued Notice to Proceed on 31.08.2019. As part of the construction process, contracts have been signed to procure major equipment of the plant, i.e Boiler, Turbine & Generator. The power plant will be built using ultra-super critical technology along with high quality coal.

The Loan & Equity Ratio of this project is 70:30. The Export-Import Bank of China – along with the Bank of China – will provide the syndicated loan worth USD 1777 Million. The construction work of Access Road from jetty to project site is also going-on. Soil investigation at the project site has been completed and Grid Study for power evacuation was submitted to PGCB & Power Division for necessary action

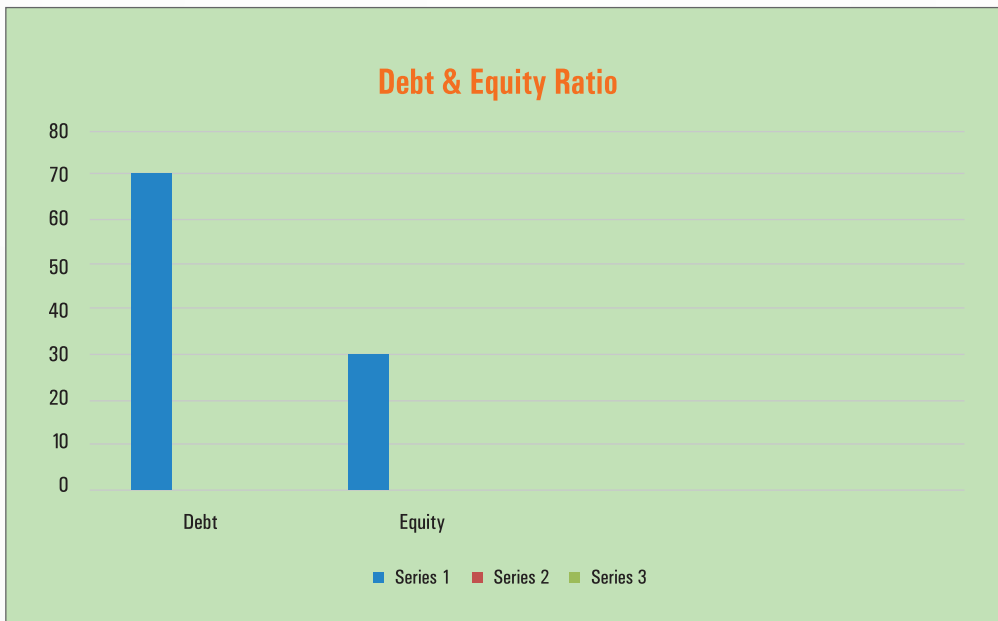
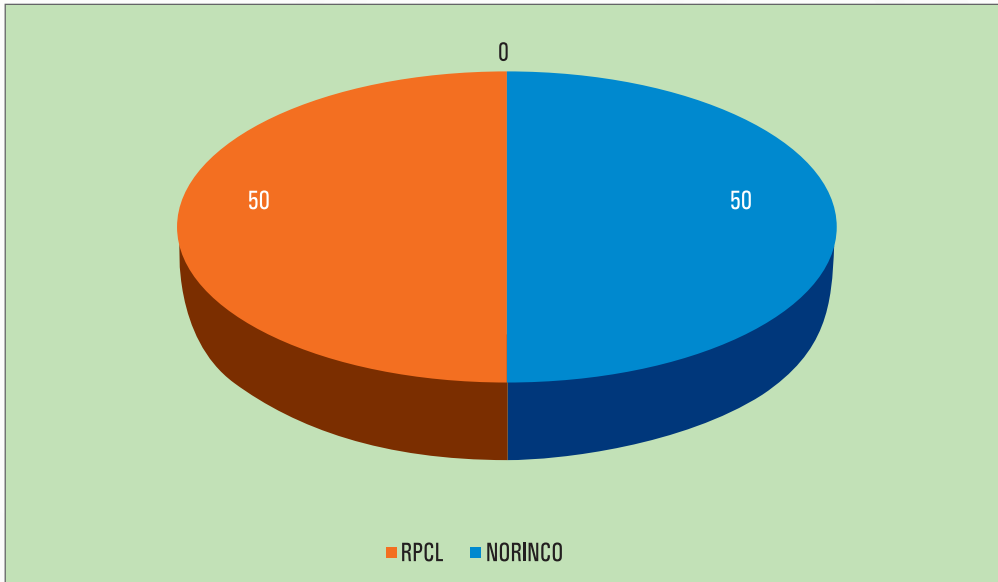
# Company Information

<b>Name of the Company</b>	: <b>RPCL – NORINCO INTL POWER LIMITED (RNPL)</b>
<b>Status of the Company</b>	: Private Limited Company
<b>Date of Incorporation</b>	: 21 December 2017
<b>Registration No.</b>	: C-142098/2017
<b>Shareholders</b>	: Rural Power Company Limited (50%) NORINCO International Cooperation Limited (50%)
<b>Authorized Capital</b>	: BDT 40,000,000.00
<b>Paid-up Capital</b>	: BDT 20,000,000.00
<b>Face Value of each Share</b>	: BDT 100.00
<b>Chairman</b>	: Major General Moin Uddin (Retd.)
<b>Managing Director</b>	: Md. Abdus Sabur
<b>Executive Director</b>	: Qi Yue
<b>Major Area of Business</b>	: Power Generation
<b>Corporate Office</b>	: Atlanta Trade Center (Level-7), Road #1/A, , House # 1, Sector #4, Uttara Model Town, Dhaka-1230, Bangladesh
<b>Auditor</b>	: Hoda Vasi Chowdhury & Co.
<b>Administrative Ministry</b>	: Power Division, Ministry of Power, Energy & Mineral Resources

# Project Information

<b>Name of the Project</b>	:	Patuakhali 1320 (2 x 600) MW Coal Fired Thermal Power Plant
<b>Project Location</b>	:	District: Patuakhali, Upozilla: Kalapara, Union: Dhankhali, Mouza: Dhankhali, Nishanbaria and Londa
<b>Capacity</b>	:	1320 (2 x 660) MW
<b>Project Cost</b>	:	USD 2.54 Billion
<b>Debt : Equity</b>	:	70 : 30
<b>Required Land</b>	:	500 acres
<b>Type of the Power Plant</b>	:	Ultra Supercritical
<b>Cooling System</b>	:	Closed Cycle (Cooling Tower)
<b>Source of Water</b>	:	Ramnabad Channel
<b>Pollution Control Mechanism</b>	:	Low Nox Burner, Electro Static Precipitator (ESP), Flue Gas De-Sulfurization (FGD) Cooling Tower Etc.
<b>Power Evacuation</b>	:	At 400 KV level to the National Grid.
<b>Fuel Type</b>	:	Imported Coal. (from Indonesia & Australia)
<b>Coal Requirement</b>	:	12273 tons (daily) 4.48 Million tons (yearly)
<b>Commercial Operation Date (As per PPA)</b>	:	February 2023 (1 <sup>st</sup> unit 660 MW) August 2023 (2 <sup>nd</sup> Unit 660 MW)
<b>Power Purchaser</b>	:	Bangladesh Power Development Board (BPDB)

# Shareholding Composition





## Success Milestones

SI No	Description	Date
1	Signing of Memorandum of Understanding (MoU) between RPCL & NORINCO Intl.	9 <sup>th</sup> May, 2016
2	Signing of Joint Venture Agreement between RPCL & NORINCO Intl.	12 <sup>th</sup> November, 2017
3	Incorporation of the JV Company (RNPL) from RJSC	21 <sup>st</sup> December, 2017
4	First Board Meeting of the JV Company	30 <sup>th</sup> December, 2017
5	Signing of Service Contract with the Owner's Engineer	19 <sup>th</sup> April, 2018
6	Signing of Power Purchase Agreement (PPA) between Bangladesh Power Development Board (BPDB) & RPCL - NORINCO INTL POWER Ltd. (RNPL)	20 <sup>th</sup> February, 2019
7	Signing of EPC Contract with Consortium of Tianjin Electric Power Construction Co. Ltd., China Huadian Engineering Co. Ltd. and China Wanbao Engineering Corporation (TEPC-CHEC-CWEC)	06 <sup>th</sup> March, 2019
8	Signing of Implementation Agreement (IA) between Government of the Peoples Republic of Bangladesh (GoB), RPCL -NORINCO INTL POWER LIMITED (RNPL) and Power Grid Company of Bangladesh Limited (PGCB)	08 <sup>th</sup> April, 2019
9	Signing of Land Lease Agreement (LLA) between Rural Power Company Limited and RPCL -NORINCO Intl Power Limited (RNPL)	28 <sup>th</sup> May, 2019 & 22 <sup>nd</sup> December, 2019
10	Signing of Service Contract for Coal Sourcing with Consortium of Top Hand Consulting Ltd. and Wood Mackenzie (Australia) Pty. Ltd	20 <sup>th</sup> August, 2019
11	Contract signing date of Major Equipment (Boiler, Steam Turbine and Generator) by EPC Contractor	27 <sup>th</sup> August, 2019
12	Signing of MoM between China Exim Bank and Negotiation Committee (representatives from Power Division, Economic Relations Division, Finance Division, Bangladesh Bank, RPCL and RNPL)	11 <sup>th</sup> October, 2019
13	Approval from Payra Port Authority regarding Construction of General use and Material Handling Jetty	19 <sup>th</sup> December, 2019
14	Submission of Final Grid Study Report to PGCB by RNPL's employed Consultant "Electricity Transmission Consultants (Bd.) Ltd (ETCBL)"	15 October, 2020
15	Approval of the Indicative Term Sheet & Conditions to finalize the Loan Agreement by the Standing Committee on Non-Concessional Loan.	27 August 2020
16	Signing of the Facility Agreement with Exim Bank of China (Lead Arranger) along with Bank of China worth USD 1.77 Billion for project financing.	24 December 2020

# Corporate Directory

## Chairman

### **Major General Moin Uddin (Retd.)**

Chairman, BREB & RNPL

## Board Directors

### **Major General Moin Uddin (Retd.)**

Chairman, RNPL

### **Mr. Md. Abdus Sabur**

Managing Director, RNPL

### **Mr. ATM Mostafa Kamal**

Director, RNPL

### **Mr. Yuan Jun**

Director, RNPL

### **Mr. Wang Xinqing**

Director, RNPL

### **Mr. Qi Yue**

Director, RNPL

## *Management Team*



**Md. Abdus Sabur**  
Managing Director, RNPL



**Qi Yue**  
Executive Director, RNPL



**Md. Towfique Islam**  
Project Director & Chief Engineer RNPL



**Kazi Mohammad Tanvir**  
Company Seretary, RNPL



**Hou Tao**  
Deputy Project Director, RNPL

## Board of Directors, RNPL



**Major General Moin Uddin (Retd.)**  
Chairman, RNPL



**Yuan Jun**  
Director, RNPL



**ATM Mostafa Kamal**  
Director, RNPL



**Wang Xinqing**  
Director, RNPL



**Qi Yue**  
Director, RNPL



**Md. Abdus Sabur**  
Managing Director, RNPL





Message From The  
*Managing Director*



## MANAGING DIRECTOR'S MESSAGE

It gives me immense pleasure to welcome you all at the 3<sup>rd</sup> Annual General Meeting of the company. RNPL has embarked on a mission to establish itself as a modern, growth-oriented organization and to make its presence felt in the country's dynamic power sector. 2020 was undoubtedly a challenging year for the whole world- various lockdowns and unlocks continued due to the COVID-19 pandemic. However, slowly but surely, we are trying to come back to what would be the new normal. During the year, our top priority was the health and wellbeing of our employees, while at the same time taking the required actions to protect the health of our business.

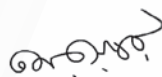
However, in this challenging and dynamic environment, the company delivered a reasonably good performance. The work of the project is going on full swing in compliance with the necessary health rules. Construction of project office and accommodation facilities including piling works, goods handling jetty, access road is in progress. Soil improvement in the major areas, including in the cooling tower and coal yard has already been completed. Resettlement of local people whose land was acquired is almost complete. Apart from these, major equipment such as boilers, steam turbines and generators are in the process of manufacturing, which are scheduled for delivery at the site next year. The company has signed Facility Agreement with The Export-Import Bank of China (Lead) syndication with Bank of China for project loan of USD 1777 Million. The power plant will be built using ultra-super critical technology along with high quality coal. Ash of the coal will not have any negative impact on the environment as all the mechanism including chimney, ash pond and boiler tube will be used to control the fly ash. The first unit having capacity of 660 MW of electricity of the power plant will go into operation in February 2023 and second unit with the same capacity by August 2023.

At the end, I assure you that the company will continue to fulfill the expectations of all stakeholders and will create new benchmarks of excellence. On behalf of the management, I would like to express my sincere gratefulness to Her Excellency Sheikh Hasina, Honorable Prime Minister, Government of the People's Republic of Bangladesh for her strong & dynamic leadership to the power sector. as well as for the country. I express my thanks & gratitude to the Honorable Advisor to the Prime Minister for Power Energy & Mineral Resources Dr. Tawfiq-E-Elahi Chowdhury, BB, Honorable State Minister to Power Energy & Mineral Resources Mr. Nasrul Hamid MP, Dr. Ahmad Kaikaus, Principal Secretary to the HPM, Secretary, Power Division, Md. Habibur Rahman for their valuable contribution to achieve the goal of the company and power sector as a whole.

I also express my sincere appreciation to the Chairman and the Board of Directors of RNPL for their prudent stewardship and co-operation all along. But the company never strides alone, and accordingly, I profoundly acknowledge the cooperation and assistance that we received from the Government of Bangladesh, specially from Power Division, Ministry of Finance, ERD, BPDB, PGCB, Power Cell, RPCL, NORINCO Intl, Payra Port Authority, Partners, Patrons, Financial Institutions and well-wishers for their sincere & whole-hearted support to the Company. Last but certainly not the least, I thank my team at RNPL for their constant support, dedication, and commitment to be the part of a winning team.

I wish the 3<sup>rd</sup> AGM of RPCL-NORINCO Intl. Power Limited every success. May the Almighty Allah help us to prosper & to grow continuously.

Thank You

  
(Engr. Md. Abdus Sabur)  
Managing Director



# *Message From The*

**President NORINCO International  
Cooperation Ltd. & Board Director, RNPL**

### Dear shareholders and guests,

It is a great honor for me to extend my sincere welcome to all of you for presenting at the 3<sup>rd</sup> Annual General Meeting of RPCL-NORINCO INTL POWER LIMITED (RNPL).

The year of 2020 is a very special one. The novel coronavirus of Covid 19 raged around the world, adversely affecting the work, normal life of the people in every society as well as the global economic development and resulting in huge losses thereafter. China and Bangladesh, without exception, have also been severely affected. However, both our two countries have taken proactive and effective measures against it. As a result, the pandemic in both countries has been under effective control and the economic activities have gradually resumed in an orderly manner. Even during the worst period of the outbreak, the friendly cooperation between our two countries managed to remain advancing and the international flights between the two sides have not been cut off, so hasn't the travelling of people for public affairs. This is very rare during the pandemic, which further proves the mutual trust and friendship between the two sides.

Facing the raging pandemic, both shareholders, the management team and staff of RNPL have been sticking to their respective post and pushing ahead works such as project construction and project financing etc., with no fearing or flinching. Due to the combined efforts of all the people, project construction has resumed step by step and I am delightful to see that the overall progress of our project construction has achieved 30.22%, and breakthroughs have also been made in project financing. The terms and conditions have been accepted and approved by the Standing Committee on Non Concessional Loan and the Facility Agreement has been finalized and signed, which laid a solid foundation for the smooth implementation of subsequent

works of the project. It is very encouraging and gratifying to have such achievements and breakthroughs amid the pandemic. Here I would also like to express my heartfelt thanks to our honorable Chairman and our partner RPCL for their strong support and assistance during the course of project financing.

At the same time while we have made such achievements, we should be aware as well that there are still certain challenges and difficulties awaiting for us in the future and we need to continue our constant and hard work in order to deal with them, such as the construction of the coal handling facilities, the scheme for coal supply and transportation and the performance of the company's social responsibility and so on. However, I have great confidence that through our concerted effort, these challenges and difficulties will definitely be overcome to our satisfactory.

Last but not least, I would like to thank all other Directors of RNPL and its management team and staff. It is your continuous hard work during the pandemic that enabled RNPL to fulfill the achievements of today. I express my sincere appreciation to your dedication and work.

I also firmly believe that we will contain the virus and defeat the pandemic soon, and our project will attain more brilliant achievements in the new year.



**Yuan Jun**

President, NORINCO International  
Cooperation Ltd

&

Board Director, RNPL



DIRECTORS'  
*Report*



# Directors' Report





**Bismillahir Rahmanir Rahim**

**Dear Shareholders,**

**Assalamualaikum,**

The Board of Directors of RPCL-NORINCO INTL Power Limited (RNPL) welcome you to the 3<sup>rd</sup> Annual General Meeting of the Company. We are pleased to submit before you the “Directors’ Report” and the “Auditor’s Report” alongwith the “Audited Financial Statements” of the Company for the year ended June 30, 2020 for your valued consideration, approval and adoption.

### COMPANY OVERVIEW

Electricity is pivotal to the economic growth. Realizing this fact, Government has set the target to provide uninterrupted and reliable electricity to all at an affordable price. As part of the government’s plan to bring all people under electricity network, state-owned Rural Power Company Limited (RPCL) and Chinese state-owned NORINCO International Cooperation Ltd (NORINCO) would jointly install a 1,320 MW coal fired thermal power plant in the vicinity of Payra seaport in Patuakhali. To implement the project, a Joint Venture Company “RPCL-NORINCO Intl Power Limited” (RNPL) has been formed and registered with the Registrar of Joint Stock Companies and Firms, Bangladesh on 21.12.2017 under the banner of RPCL and NORINCO.

The construction work of Patuakhali 1320 MW coal fired thermal power plant is going on in full swing at Dhankhali of Kalapara Upazila at Patuakhali district. Around 30.22 percent work of the project has already been completed. The first unit of the power plant is likely to start generation by February 2023 and second unit by August in the same year.

RPCL has acquired 915 acres of land and will resettle approximately 281 nos. of families for implementing the power project. A modern village with schools, shops, community centers and mosques will be set up on 30 acres of land for the families affected by the land acquisition. The rehabilitation work is almost finished. This project comprises of construction of jetty and coal handling facilities for coal import, coal storage, power

plant construction, township development and construction of transmission facilities and road communication.

According to the project profile, this will be a two-unit ultra-super critical coal fired power plant costing USD 2.5 billion with 50:50 share equity. The ratio of equity investment will be 30 percent while rest 70 percent would come as Overseas Loan. The Export-Import Bank of China – along with the Bank of China will provide syndicated loan of USD 1.77 billion to implement the project.

### BOARD OF DIRECTORS

The Board of Directors of RNPL consists of 06 (six) members; 03 members from RPCL and 03 members from NORINCO International. The Managing Director of RPCL acts as the Managing Director of the company from the date of the first Board Meeting of the Board to the Commercial Operation Date. Thereafter, JVC shall appoint the Managing Director through competitive process of recruitment.

The Board is chaired by the Chairman, BREB & RPCL from the date of the first Board Meeting of the Board to the Commercial Operation Date. Thereafter, for each subsequent 03 (three) year period, the Chairman shall be nominated on a rotation basis in the order of rotation by NORINCO International first and then RPCL as per Applicable Laws. The Board members do not have any personal shareholding. The Board formulates strategic objectives and policies for the Company, provides leadership in implementing those objectives as well as supervises management of the Company affairs.

### SHARE INFORMATION

The distribution of shareholding and type of shareholding are shown below:

<b>Authorized Capital</b>	<b>BDT 40.00 Crore</b>
<b>Paid-up Capital</b>	<b>BDT 20.00 Crore</b>
<b>Total Shares</b>	<b>20,00,000</b>
<b>Class of Shares</b>	<b>Ordinary Shares</b>

## DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

Section 181 of the Company Act, 1994 requires Directors to ensure the Company maintaining proper books of accounts of all transactions and preparing financial statements that uphold a true and fair view of the state of the Company affairs and the profit for the year. The directors are also required to ensure that the financial statements have been prepared and presented in accordance with the requirements of the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and provide the information required by the Company Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the Regulations of the Dhaka /Chittagong Stock Exchanges. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in that context to establish appropriate systems of internal control with a view to the prevention and detection of any fraud and other irregularities.

## FINANCIAL PERFORMANCE

A summary of the Financial Statement for the 2019-2020 are described below :

Particulars	2019-2020 (In crore)
Total Assets	73.53
Total Liabilities	1.12
Total Equity	72.41
Current Assets	37.74
Current Liabilities	1.12

## CONTRIBUTION TO THE EXCHEQUER

Since commencement of its operation, RNPL has been contributing to the national exchequer by way of VAT and Taxes as shown in the table below :

Source	2019-20 (BDT)
VAT	20,995,770.00
TAX	21,814,998.00
AIT	845,644.00

## CORPORATE GOVERNANCE

The company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and all its interactions with the stakeholders to build the confidence of the society in general. The company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of corporate governance.

## ROLE OF MANAGEMENT TEAM

The Board of Directors is the ultimate authority for overall management of the company within the framework of prevailing law. It guides the management of the company to ensure and uphold the highest interest of the company. The Board of Directors meets frequently as and when necessary. Under the guidance of the Board of Directors, RNPL's strategic functions are run by a management team headed by the Managing Director and comprised of Executive Director, Project Director, Company Secretary & Deputy Project Director.

## DELEGATION OF POWER

Delegation of Power is an essential element of corporate management to run day-to-day business of the company. The Board of RNPL, with the same objective, has delegated required business, financial and administrative power to the management. Managing Director along with Executive Director and some extent to their under commands have been authorized to exercise financial authority up to a ceiling beyond which it needs approval from the Board.

## MANAGEMENT'S INFORMATION SYSTEM

The IT infrastructure of RNPL is still in the process of development. In Head Office Accounting information are maintained through Accounting Software. The adoption of Access Control System and Digital Attendance is implemented at the corporate office of the company. The company will introduce inventory management software & implementation of ERP software in near future.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

With the motto 'Business is a priority but social welfare is our responsibility', RNPL is committed to take part in various social activities. As part of CSR, company's officers and staffs also take part in the activities of different national days and contribute to support local initiatives to improve infrastructure

## HUMAN RESOURCES AND TRAINING

Skilled manpower is the prerequisite of success in any organization. Every human being has unique latent qualities in him/her though the qualities remain unexplored most of the time. If the latent qualities of a newly appointed employee are explored, he/she can be trained up in a proper way, and thus an ordinary employee can be turned into an important asset for the organization. The aim of Human Resources Division of RNPL is to take initiatives to explore the unexplored latent qualities in our manpower and provide them with proper training in home and abroad which includes on-the-job and off-the-job training, attending different seminars and conferences related to skill development.

## SAFETY & SECURITY MANAGEMENT

Safety continues to be one of the top most priorities in RNPL. Accordingly, an endeavor has been devoted for improvement of safety performances in all activities of the company through implementation of behavioral change towards safety among company employees. To enhance security process, the corporate office of the company is vigilant through CCTV.

## ACKNOWLEDGEMENT

The Board of Directors gratefully acknowledges cooperation and support received from the esteemed shareholders of the company. I would like to express my heartfelt thanks to the officers and staffs of the company on behalf of the Board of Directors for their sincere and dedicated role.

I would also like to express my sincere gratitude and thanks to Power Division, Ministry of Power, Energy & Mineral

Resources; Power Cell; Bangladesh Power Development Board; Power Grid Company of Bangladesh, Bangladesh Rural Electrification Board; different Government Departments; and all other development partners, audit firm and our financing partner Banks for their kind co-operation and assistance. I thank for their advice, guidance, support and co-operation in successful advancement and achievement of Company's activities.

I express my sincerest gratitude and thanks to you all again for your kind presence in this Annual General Meeting (AGM) and also for your patient hearing. Now, I take the opportunity to place the report of the Board of Directors along with the Annual Accounts and Auditor's Report for the FY 2019-20 before the respected shareholders for their kind consideration and acceptance.

In conclusion, I pray to Almighty for continued success and prosperity of RPCL-NORINCO Intl Power Limited.

With warm regards

On Behalf of the Board of Directors

**Major General Moin Uddin (Retd.)**

Chairman

RPCL-NORINCO Intl Power Limited



# *Directors'* Profile



## PROFILE OF MAJOR GENERAL MOIN UDDIN (RETD.)

Major General Moin Uddin (Retd) has joined Bangladesh Rural Electrification Board (BREB) as Chairman on 24 October 2011. He went to normal retirement as Chairman of BREB on 31 December 2017. Then he was again appointed as Chairman of BREB on Contractual recruitment. Since 24 October 2011 he is serving in Bangladesh Rural Electrification Board (BREB) till today as Chairman of the board. He joined in RPCL-NORINCO Intl Power Limited (RNPL) Board as Chairman in 2017. He was born in 1961 in Feni District. After completion of BSc Engineering Degree (Electrical & Electronic Engineering EEE) from BUET he joined the Corps of Electrical and Mechanical Engineers (EME), Bangladesh Army and got commission as Lieutenant on 09 February 1983. He did his MSc Engineering Degree (Electrical & Electronics - Power) from BUET.

He served in many Army units in various Command, Staff and instructional appointments at various capacities. He commended two Army units as Major and Colonel respectively. He served as Instructor in EME Centre & School and Military Institute of Science & Technology (MIST), Mirpur Cantonment. He was promoted to the rank of Major General on 29 November 2015.

He participated in peace keeping operation as peace keepers in United Nations

Iraq-Kuwait Observation Mission (UNIKOM) in 1994-95 and United Nations Observation Mission in Congo (MONUC) in 2005-2006.

He was awarded with the Chief of Army Staff's (CAS) commendation for technical innovation activity in the year 2000. Using own technology and professional stillness" three obsolete tanks (T-62) were converted to Self-Propelled (SP) gun, Infantry Fighting Vehicle (IFV) and Armored Personnel Carrier (APO) under his direct planning and supervision while serving in (EME Centre & School, Saidpur Cantonment) as an instructor.

He was the Head of Electrical, Electronic and Communication Engineering (EECE) Department and served as Dean of Military Institute of Science & Technology (MIST).

Major General Moin Uddin visited China, Hongkong, Thailand, Kuwait, Iraq, Saudi Arabia, Congo, Japan, Liberia, Malaysia, Ivory Coast, UAE, Ghana, Russia, Singapore, Netherland & USA as part of his professional activities.

He is married and father of two daughters. Since 24 October 2011 he is serving in Bangladesh Rural Electrification Board (BREB) till today as Chairman of the board. He is also performing as Chairman of Rural Power Company Ltd. (RPCL) and B-R Powergen Ltd.





## PROFILE OF MR. YUAN JUN

Mr. Yuan Jun joined NORINCO International Cooperation Ltd. as President in the year of 2018. Born in 1970, Yuan Jun got his bachelor degree of engineering in optical imaging from Beijing Institute of Technology of China in September 1993 and was conferred with a second bachelor degree of economics in industries and foreign trade from Nanjing University of Science and Technology of China in July 1995.

After graduation, he staffed in division No. 5 of foreign trade Dept. of China Yan Xing General Company from July 1995. Then he started his career with China North Industries Corporation (NORINCO) as commercial manager until October 2000. From October 2000 to January 2002, he respectively held the post of deputy general manager and commercial manager of the No.1 Region Division of NORINCO. During January 2002 to May 2004, he was appointed as chief representative of Kuwait and later he worked

meanwhile as head of marketing department from May 2004 to March 2011. From March 2011 to June 2014, he assumed the post of vice president of China Zhen Hua Oil Co., Ltd. Starting from June 2014, he worked as president of China Zhen Hua Oil Co., Ltd. up to April 2018, and performed also as director of board for China Zhen Hua Oil Co., Ltd. from September 2014.

In April 2018, NORINCO International appointed him as president during its 7th board meeting. He joined in RPCL-NORINCO Intl Power Limited (RNPL) as director of board in 2018. He also holds a professional title of Senior Economist accredited by relevant authority in China.



## PROFILE OF

### A.T.M. MOSTAFA KAMAL

Mr. A.T.M. Mostafa Kamal joined in RPCL-NORINCO Intl Power Limited (RNPL) Board as Director in 2017. At present, Mr. Kamal posted in Power Division, Ministry of Power, Energy and Mineral Resources for discharging the responsibilities of Joint Secretary, Development-1. He is also the Board Director of Dhaka Power Distribution Company Limited (DPDC). Mr. Kamal served different areas of Public Administration of Bangladesh Government. Being a member of Bangladesh Civil Service (Administration) Cadre, he served as an Assistant Commissioner and Magistrate in the district Lalmonirhat and Bogura, and as a Magistrate of the 1<sup>st</sup> class in Joypurhat district; as an Assistant Commissioner (Land), incharge of land management, at Dupchanchia and Adamdighi of Bogura and at Kalai and Khetlal of Joypurhat; as a Upazila Nirbahi Officer, head of subdistrict administration, at Madhabpur and Sadar Upazila of Hobigonj district and Anwara Upazila of Chattogram district, served as a Senior Assistant Secretary at the Ministry of Public Administration, Private Secretary to Energy and Mineral Resources Secretary, Deputy Secretary at Energy and Mineral Resources Division and Ministry of Land and Power Division; as Joint Secretary Development and Joint Secretary, Company Affairs prior to the current assignment. He serving in the civil service for more than 26 years.

He obtained a B.A degree from the University of Chattogram , an M.A in Mass Communication and Journalism from the University of Dhaka and a Bachelor of Law degree from the National University.

Mr. Kamal participated in multifarious trainings/workshops/seminars at home and abroad. He attended Seminar on Energy Policy in China twice for 3 weeks and 2 weeks respectively, attended training course on Energy in Malaysia, on coal power and LNG in Australia, arranged by the respective governments, on Thermal Power Generation in Japan (arranged by JICA). He attended training on Smart Grid at Asian Institute of Technology in Thailand. He attended loan negotiation meetings with ITFC of Islamic Development Bank, Jeddah, KSA, EXIM Bank of India and EXIM Bank of China and SINOSURE. He attended regional conferences as a member of Bangladesh delegation in Sri Lanka, Singapore, India (twice), Germany and China, and as Team Leader in Malaysia. He was a member of FAT team in South Africa and Russia. Moreover, several times he visited China, Malaysia, India and Thailand, and he also visited Viet Nam. He attended different international and regional conferences/ workshops in Bangladesh arranged by the Government of Bangladesh, The World Bank, ADB, GIZ and other international organizations.



## PROFILE OF MR. WANG XINQING

Born in 1965, Mr. Wang Xinqing is currently the vice president for NORINCO International Cooperation Limited. He majored in English Literature in Lan Zhou University of China from September 1984 to June 1988 and was conferred bachelor of arts after graduation.

During July 1988 to May 1994, he worked for translation division affiliated to Norendar International Ltd. Afterwards, he worked as project manager at No.1 Military Project Dept. of China North Industries Corporation (NORINCO) and assumed the post of deputy chief representative in the Republic of

Uganda in November 2001. In August 2011, he was appointed as general manager of No.4 Regional Division of NORINCO. Later from May 2014 to now, he worked as deputy president for NORINCO International Cooperation Ltd.

He joined in RPCL-NORINCO Intl Power Limited (RNPL) as director of board in December 2017. He also holds a professional title of associate professor of translation accredited by relevant authority in China.



## PROFILE OF MR. QI YUE

Born in 1974, Mr. Qi Yue completed his bachelor's degree of engineering in Industrial & Civil Architecture subject from Shougang Institute of Technology in July 1997.

He staffed in property management center under Administrative Bureau of Chinese Academy of Sciences since July 1997 before he started his career as project manager for the 3<sup>rd</sup> International Engineering Dept. of NORINCO International Cooperation Ltd. from May 2000 to July 2001. He was deputy project manager for two power transmission projects in Ethiopia from July 2001 to May 2004 and was later assigned as project manager of Hydropower and Electric Engineering Dept. From March 2005 to March 2007, he again worked in Ethiopia as project manager for several power transmission projects. During these years in this country, Mr. Qi Yue completed altogether 5 power transmission projects and over 30 substation projects. After completion of his tenure in

Ethiopia, he worked in Beijing as project manager of the 2<sup>nd</sup> International Engineering Dept.

In January 2010 he was appointed assistant general manager of the Department. From March 2015 up to now, he was the deputy general manager of the 2<sup>nd</sup> International Engineering Dept. of NORINCO International Cooperation Ltd. To add to his rich overseas experience, he worked in Laos from November 2013 to January 2018 as president of Nam Phay Power Company Ltd.

He joined in RPCL – NORINCO Intl Power Limited (RNPL) as director of board and Executive Director from December 2017. He also holds a professional title of senior constructor accredited by relevant authority in China.





## PROFILE OF

### ENGR. MD. ABDUS SABUR

Engr. Md. Abdus Sabur is a high-profile power expert. He has been working uninterruptedly in responsible and top positions in different organizations for the last 38 years. He first started working as a teacher through joining as Instructor (Electrical) in Chittagong Polytechnic Institute on 1981. Mr. Sabur joined in RPCL-NORINCO Intl Power Limited (RNPL) as Board Director and Managing Director of the company in 2017.

He changed his teaching profession in 1982 through joining as Assistant General Manager at Rural Electrification Board (REB). He was promoted as Deputy General Manager in 1987 and promoted to the position of General Manager in 1988. He worked as General Manager in Comilla PBS-1 and Dhaka PBS-1 for about 16 years long. He has been working as Managing Director of RPCL since 2009.

He was a brilliant student. He stood first class first in Diploma Electrical Engineering under

Bangladesh Technical Education Board in 1978 and obtained Graduation degree in Electrical Engineering from the Institution of Engineers Bangladesh in the academic session 1981-82.

In his long service career, Engr. Sabur attended various advanced training programmes under NRECA of USA, KEPCO of South Korea and TEPCO of Japan. He also attended various technical seminars and visited high tech utilities in different countries, including Germany, Netherlands, Denmark, USA, Italy, Belgium, Spain, China, Malaysia and India.

He also took part in various high-level training programmes under Power Sector at home. During his long service period he worked in both distribution and generation utilities and made a great success and achievement in the field.







# Memorable Events



Project Site Visit by the high officials of Power Division, BPDB & RNPL



Project Site Visit by the high officials of Power Division, BPDB, RNPL, OE & EPC Contractors





Project Site Visit by Md. Nurul Alam, Additional Secretary, Planning, Power Division



Basic Design Review Meeting at Jinan, China





Project site visit of the Journalists



Project Site Entrance





Batching Plant at Project Site



Temporary Project Office and Accommodation at Project Site





Office Building at Project Site



Chinese Personnel Dormitory at Project Site



Accommodation Facility for RNPL Personnel's at Project Site



Dining Hall at Project Site





Project Site Activity



Construction Works at Project Site





Soil Improvement of Coal Yard Area



Pilling Works at Project Site



Testing Laboratories at Batching Plant



Testing Work at Laboratory





Local Worker Dormitory



Water Treatment Facility at Project Site





Warehouse Building at Project Site



Under Construction Jetty at Project Site





Fire Drill at Project Site



Fire Drill at Project Site





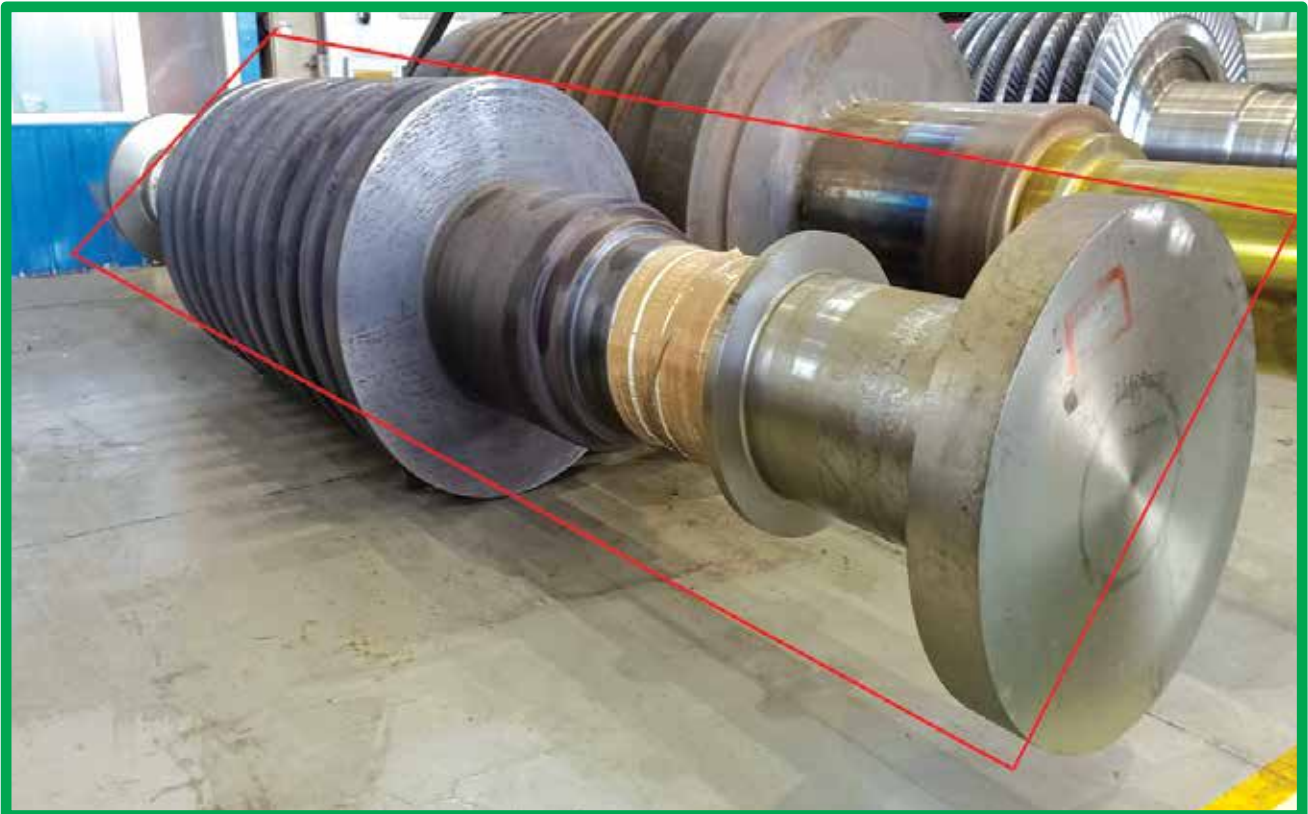
HP Interior Cylinder of Turbine Unit 1 at Manufacturing Facility at China



Manufacturing of Frame of the Generator at Manufacturing Facility at China



HP rotor forgings for Steam Turbine at Manufacturing Facility at China



IP Rotor Forgings for Steam Turbine at Manufacturing Facility at China





HP Outer Cylinder of Turbine Unit-1 Manufacturing at Factory, China



Bearing Box of the #1 Boiler Manufacturing at Factory, China



Base Plate and Anchor Bolts of Generator Manufacturing at Factory, China



Steel Structure Boiler No # 1 Manufacturing at Factory, China





Birds Eye View of Resettlement Area



Houses at Resettlement Area





Mosque at Resettlement Area



Market at Resettlement Area.



School Building at Resettlement Area



Health Center at Resettlement Area





**Audited Financial Statements**  
of  
**RPCL-NORINCO INTL POWER LIMITED**  
For the year ended 30 June 2020



## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of RPCL-NORINCO INTL POWER LIMITED

#### Report on the audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of **RPCL-NORINCO INTL POWER LIMITED** (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive income, the statement of changes in equity and the cash flows statement 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 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.

##### 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 ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other information

Management is responsible for the other information. The other information comprises the director's reports, management discussion and analysis, statement of corporate governance, financial highlights, economic value-added statement (EVA), and value-added statement and certification on corporate governance but doesn't include the financial statements and our auditor's report. The director's reports, management discussion and analysis, statement of corporate governance, financial highlights, economic value added (EVA) statement, value added statement and certification on corporate governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

##### Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (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.

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 judgment and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ◆ 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.

We communicate with those charged with governance regarding, 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.

#### **Report on other legal and regulatory requirements**

We also report that:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received by us; and
- c) the Company's statement of financial position and statement of comprehensive income together with notes thereto dealt with by the report are in agreement with the books of account and returns.

**Dhaka, 10 February 2021**  
**DVC No: 2103040450 AS 356252**

  
**Chartered Accountants**

## RPCL-NORINCO INTL POWER LIMITED

## Statement of Financial Position

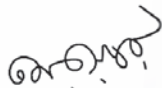
As at 30 June 2020

<b>ASSETS</b>	<b>Notes</b>	<b>30 June 2020 Taka</b>	<b>30 June 2019 Taka</b>
<b>Non-Current Assets</b>			
Capital Work in Progress	4	357,874,833	172,228,802
		<b>357,874,833</b>	<b>172,228,802</b>
<b>Current Assets</b>			
Short-term investment in FDRs	5	250,000,000	130,925,000
Advances, deposits and prepayments	6	7,178,412	2,827,712
Cash and cash equivalents	7	120,261,405	6,031,700
		377,439,817	139,784,412
		<b>735,314,650</b>	<b>312,013,215</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	200,000,000	200,000,000
Share money deposits	9	531,309,971	109,910,545
Retained Earnings /(Loss)	10	(72,59,562)	(39,17,186)
		<b>72,40,50,409</b>	<b>30,59,93,359</b>
<b>Current Liabilities</b>			
Liabilities for expense	11	5,028,956	2,712,053
Provision for income tax	12	62,35,285	33,07,803
		<b>11,264,241</b>	<b>60,19,856</b>
		<b>735,314,650</b>	<b>312,013,215</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

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



Company Secretary



Managing Director



Director

Auditors' Report to the Shareholders  
See annexed report of date



Chartered Accountants

Dhaka, 10 February 2021  
DVC No: 2103040450 AS 356252



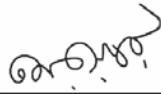
**RPCL-NORINCO INTL POWER LIMITED**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2020**

	Notes	30 June 2020 Taka	30 June 2019 Taka
Revenue		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Other income	14	9,007,637	9,450,866
<b>Operating expenses</b>			
Administrative expenses	13	(9,422,531)	(10,060,249)
<b>Profit /(Loss) before tax</b>		<b>(414,894)</b>	<b>(609,383)</b>
<b>Income tax</b>			
Current income tax	12	(29,27,482)	(33,07,803)
<b>Net Profit/(Loss) after tax</b>		<b>(33,42,376)</b>	<b>(39,17,186)</b>

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



Company Secretary



Managing Director



Director

Auditors' Report to the Shareholders  
See annexed report of date

Dhaka, 10 February 2021  
DVC No: 2103040450 AS 356252



Chartered Accountants

## RPCL-NORINCO INTL POWER LIMITED

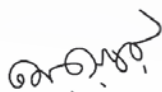
## Statement of Changes in Equity

For the year ended 30 June 2020

Particulars	Share Capital Taka	Share Money Deposit Taka	Retained Earnings Taka	Total
<b>Opening as at 01 July 2018</b>	200,000,000	5,473,620	-	205,473,620
Share money received during the year	-	104,436,925	-	104,436,925
Net loss for the year after tax	-	-	(3,917,186)	(3,917,186)
<b>Balance as at 30 June 2019</b>	<u>200,000,000</u>	<u>109,910,545</u>	<u>(3,917,186)</u>	<u>305,993,359</u>
<b>Opening as at 01 July 2019</b>	200,000,000	109,910,545	(3,917,186)	305,993,359
Share money received during the year	-	421,399,426	-	421,399,426
Net loss for the year after tax	-	-	(3,342,376)	(3,342,376)
<b>Balance as at 30 June 2020</b>	<u>200,000,000</u>	<u>531,309,971</u>	<u>(7,259,562)</u>	<u>724,050,409</u>



Company Secretary



Managing Director



Director

## RPCL-NORINCO INTL POWER LIMITED

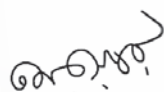
## Statement of Cash Flows

For the year ended 30 June 2020

	30 June 2020 Taka	30 June 2019 Taka
<b>A. Cash inflows from operating activities</b>		
Profit /(loss) before tax	(414,894)	(609,383)
<b>Changes in working capital:</b>		
(Increase)/ decrease in advances, deposits and prepayments	(3,505,055)	14,220,619
Increase/ (decrease) in liabilities for expense	2,316,903	1,916,445
<b>Changes in working capital</b>	(1,188,152)	16,137,064
Tax paid during the year	(845,644)	(779,438)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,448,690)</b>	<b>14,748,243</b>
<b>B. Cash flows from investing activities:</b>		
Capital Work in Progress	(185,646,031)	(168,758,142)
Short-term investments in FDRs	(119,075,000)	22,458,090
<b>Net cash used in investing activities</b>	<b>(304,721,031)</b>	<b>(146,300,052)</b>
<b>C. Cash flows from financing activities</b>		
Share capital	-	-
Share money deposits	421,399,426	104,436,925
<b>Net cash generated from financing activities</b>	<b>421,399,426</b>	<b>104,436,925</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>114,229,705</b>	<b>(27,114,884)</b>
Cash and cash equivalents at the beginning of the year	6,031,700	33,146,584
<b>Closing cash and cash equivalents</b>	<b>120,261,405</b>	<b>6,031,700</b>



Company Secretary



Managing Director



Director



## RPCL-NORINCO INTL POWER LIMITED

### Notes to the financial statements

For the year ended 30 June 2020

## 1. Corporate Information

### 1.1 Formation and Legal Status

RPCL-NORINCO INTL POWER LIMITED (the Company) was registered as a "Private limited Company" with the Registrar of Joint Stock Companies and Firms Bangladesh, Dhaka on 21 December 2017, vide registration number C-142098/2017 under the Companies Act 1994. The registered office of the Company is situated at Atlanta Trade Centre, 7th Floor, House # 01, Road # 01/A, Sector # 04, Uttara, Dhaka.

### 1.2 Nature of Business of the Company

The principal activity of this Company is to carry out the business of generation and supply of electricity. The Company was in the face of construction of a 1320 MW coal-fired power plant kalapara in Patuakhali, Bangladesh during the period

## 2. Basis of Preparation

### 2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 1994 and other relevant laws and regulations as applicable in Bangladesh.

### 2.2 Statement of Comprehensive Income

Statement of Comprehensive Income includes income generated from investments made in Short Term Deposits and expenses attributable to the head office.

### 2.3 Basis of Measurement

These financial statements have been prepared on a going concern basis under the historical cost convention, except as disclosed in the notes to the financial statements.

### 2.4 Accrual Basis of Accounting

These financial Statements of the Company are prepared as per accrual basis of accounting except for information of Statement of Cash Flows. Accordingly, The Company recognizes items of assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definition and recognition criteria as per the accounting framework.

### 2.5 Materiality, Aggregation and Offsetting

The Company presents material items separately. Financial Statements is a result of processing a large number of transactions or events that are aggregated into classes according the nature or function. However the company does not offset assets and liabilities or income and expenses unless required or permitted by IAS or IFRS.

### 2.6 Functional and Presentation Currency

The Financial Statements have been prepared and presented in Bangladeshi Currency (Taka), which is the functional currency of the Company. Figures have been rounded off to nearest Taka, unless stated otherwise.

### 2.7 Use of Estimates and Judgments

#### i) Estimates

The preparation of financial statements in conformity of IFRS recognition and measurement of principles require the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenue and expenses. Such estimates are prepared on the assumption of going concern, are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual result could differ from the estimates.

#### ii) Judgements

The accounting for certain provisions at the date of the financial statements is judgemental

## 2.8 Reporting Period

The financial statements of the Company covers the period of 01 July to 30 June and is followed consistently.

## 2.9 Authorization for Issue

The financial Statements have been authorized for issuance by the Board of Directors of the Company in their meeting held on 10 February 2021.

## 2.10 Application of international Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

Ref. No	Name of IFRS/IAS	Status of Application
IAS - 1	Presentation of Financial Statements	Applied
IFRS - 7	Financial Instruments: Disclosure	Applied
IFRS - 9	Financial Instruments	Applied
IFRS - 13	Fair value measurement	Applied
IAS - 7	Statement of cash flows	Applied
IAS - 10	Events after the reporting period	Applied
IAS - 12	Income taxes	Applied
IAS - 32	Financial Instruments - Presentation	Applied
IAS - 37	Provisions, contingent liabilities and contingent asset	Applied
IAS - 38	Intangible assets	Applied

## 3. Significant Accounting Policies and Other Material Information

### 3.1 Financial Instruments

#### i) Non-derivative financial assets

Non-derivative financial assets consist of trade receivable, cash and cash equivalents that are available for use by the Company without any restriction. All non-derivative financial assets are accounted for at trade date. The carrying value of non-derivative financial instruments is reviewed for impairment for annual basis to assess if there is any indication that the assets may be impaired. The Company derecognizes a non- derivative financial asset when no further cash flow is expected to flow to the Company from the asset and if substantially all risks and rewards attached to the assets have been transferred.

#### a) Cash and Cash equivalents

Cash and cash equivalents comprises only cash in hand and cash at bank.

#### ii) Non-derivative financial liabilities

Non derivative financial liabilities consists of trade payables, short-term debt and long term debts. The Company initially accounted for all non-derivative financial liabilities on the transaction date. The Company derecognizes a non-derivative financial liability when its contractual obligations are discharged or cancelled or expired.

### 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 as 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 Provision for expenses

The Company recognizes provisions when it has legal or constructive obligation resulting from past events, the settlement of which would result in outflow of resources embodying economic benefits to the Company.

**3.4 Lease**

Reporting requirements of the leased items (lease rental-operational lease), provisioned by the IFRS 16, are not reflected in the Financial Statements. But the Company has plans to adopt relevant compliance requirements and recognise Lease related obligations in accordance with the standard from the following year.

**3.5 Taxation****Current Tax**

The company will be exempted from Tax on its income from generation of electricity and once it commences commercial production of electricity for a period of 15 years from the date of commercial production in terms of SRO # 213- Law/Income Tax/2013; dated 01 July 2013. As such provision for Tax has been considered on the Company's other income only.

**3.6 General**

Last year's figures as well as description of the line items have been re-arranged whenever necessary for the sake of consistency and comparability.



	Notes	30 June 2020 Taka	30 June 2019 Taka
<b>4. Capital Work in Progress</b>			
Opening Balance		172,228,802	3,470,660
Addition	4.1	185,646,031	168,758,142
<b>Closing Balance</b>		<b>357,874,833</b>	<b>172,228,802</b>
<b>4.1 Capital Work in Progress</b>			
Vehicle		-	19,687,500
Office equipment		1,877,081	4,348,436
Office furniture		1,317,767	2,261,200
Leasehold improvement		-	9,632,715
Consultancy fees		148,092,751	111,943,585
Salary and benefits (Project cost)	4.1.1	25,847,364	13,245,976
Administrative expense	4.1.2	8,511,068	7,638,731
		<b>185,646,031</b>	<b>168,758,142</b>
<b>4.1.1 Salary and benefits (Project cost)</b>			
Salary and wages allowances		23,754,037	12,062,730
Festival bonus		2,093,327	1,105,246
Notice Pay		-	78,000
		<b>25,847,364</b>	<b>13,245,976</b>
<b>4.1.2 Adminstrative expenses</b>			
Repair and maintenance expenses		182,565	24,153
Fuel expenses		364,564	505,610
Travel expenses		3,254,359	2,387,914
Security service expenses		184,800	193,200
General expenses		425,647	1,235,080
Telecommunication expenses		435,394	477,021
Rent-a-car expenses		432,000	1,728,000
Licences renewals fees		317,367	65,056
Printing & Stationary		155,064	113,294
Training conference fees		297,541	-
Entertainment expenses		439,729	530,303
Office Rent (Patuakhali)		766,174	63,250
Consultancy fee		326,916	315,850
Daily allowance expenses		700,650	-
		<b>8,273,170</b>	<b>7,638,731</b>
<b>Cost of Power Generation &amp; Supply</b>			
Medical expenses		1,300	-
Electricity bill		6,481	-
Repair and maintenance-building		7,300	-
Uniform liveries		100	-
General expenses		25,006	-
Entertainment expenses		104,196	-
Printing & Stationary		3,830	-
Postage stamp		85	-
Internet service bill		13,500	-
Croceries cutlaries		1,600	-
Casual labour		73,650	-
Licences renewals fees		850	-
		<b>237,898</b>	-
		<b>8,511,068</b>	<b>7,638,731</b>

30 June 2020  
Taka30 June 2019  
Taka**5. Short-term Investment in Fixed Deposit Receipts (FDR)**

FDR No.	Name of Bank	Rate	Tenure (Days)	30 June 2020 Taka	30 June 2019 Taka
0037467	ICB Islamic Bank Ltd	10.50%	180	50,000,000	-
0408235	Mercantile Bank Ltd	7.50%	100	50,000,000	-
0408234	Mercantile Bank Ltd	7.50%	100	50,000,000	-
0408277	Mercantile Bank Ltd	7.50%	100	50,000,000	-
0003678	NRB Bank Ltd	7.50%	100	50,000,000	-
51979	NRB Bank Ltd	9.25%		-	40,925,000
1344	Agrani Bank Ltd	6.50%		-	50,000,000
00959	ONE Bank Limited	11.00%		-	40,000,000
<b>Total</b>				<b>250,000,000</b>	<b>130,925,000</b>

**6. Advance, deposit and prepayments****Advances:**

Office rent	2,644,578	1,297,291
Employees for expenses	1,462,248	304,479
Advance to local supplier/consultant	1,000,000	-
Income tax deducted at source (on interest of FDRs & STD accounts)	2,071,586	1,225,942
<b>Closing balance</b>	<b>7,178,412</b>	<b>2,827,712</b>

Advance office rent of Tk. 2,805,000 and Tk. 500,000 was given to the land lord for head office and field office as per rental agreement dated on 01 February 2020 and 01 June 2019 respectively. Pursuant to the agreement, the advance has been adjusted at the rate of Tk 77,916 and 20,834 p.m against the monthly rental.

**7. Cash and Cash Equivalents**

Name of the Bank	A/C No	Nature of A/c	30 June 2020 Taka	30 June 2019 Taka
Agrani bank Limited	A/C-0200011437942	Current deposits	211,049	212,142
Agrani bank Limited	A/C-0200011578313	Special notice deposits	30,050,356	5,819,558
Bank AL-Falah Ltd.	A/C-15565	Short-term deposits	40,000,000	-
Agrani Bank Ltd.	A/C-0007487/1399	Short-term deposits	50,000,000	-
<b>Closing balance</b>			<b>120,261,405</b>	<b>6,031,700</b>

**8. Share capital****i) Authorized Capital**

4,000,000 ordinary shares @ Tk. 100 each

**ii) Issued, subscribed and Paid up-Share Capital**

2,000,000 ordinary shares @ Tk. 100 each

<b>400,000,000</b>	<b>400,000,000</b>
<b>200,000,000</b>	<b>200,000,000</b>

The composition of the Issued, subscribed and Paid-up Capital is as follows:

S.L NO	Shareholders	Nationality	Percentage of holdings	No. of Shares	Value of Share Taka
1	Rural Power Company Ltd.	Bangladeshi	50%	1,000,000	100,000,000
2	NORINCO International Cooperation Ltd.	Chinese	50%	1,000,000	100,000,000
					<b>200,000,000</b>

	30 June 2020 Taka	30 June 2019 Taka
<b>9. Share money deposit</b>		
Rural Power Company Ltd.	2,736,810	2,736,810
NORINCO International Cooperation Ltd.	528,573,161	107,173,735
	<b>531,309,971</b>	<b>109,910,545</b>

The share money deposits were channeled through the Company's Bank A/c No. 0200011437942 in Agrani Bank Limited, Gulshan Corporate Branch, against which shares are yet to be allotted till to the reporting date.

<b>10. Retained Earnings /(Loss)</b>		
<b>Opening</b>	(3,917,186)	-
Addition during the year	(3,342,376)	(3,917,186)
<b>Closing balance</b>	<b>(7,259,562)</b>	<b>(3,917,186)</b>
<b>11. Liabilities for expenses</b>		
Employee's contributory provident fund	2,338,366	-
Audit fees	164,450	143,000
Office rent (Corporate)	489,709	-
Internet service	22,000	-
Security service	15,400	-
Legal fees	90,000	-
Payable to local suppliers/ consultants	1,597,432	2,273,783
Rent-a-car payable	-	144,000
Board meeting fees & expenses	311,599	151,270
<b>Closing balance</b>	<b>5,028,956</b>	<b>2,712,053</b>
<b>12. Provision for income tax</b>		
Opening balance	3,307,803	-
Addition during the year	2,927,482	3,307,803
<b>Closing balance</b>	<b>6,235,285</b>	<b>3,307,803</b>
<b>13. Administrative expense</b>		
Office rent (corporate)	6,811,500	6,803,250
Utility bill	218,188	218,819
Uniform liveries	-	25,200
Postage stamps	1,780	-
Insurance premium - vehicle	1,496	1,496
Local conveyance	16,400	5,907
Books periodicals	10,480	-
Croceries cutlaries	28,320	22,380
Casual labour	74,090	-
Rent, rates and taxes	14,000	-
Medical expenses	49,865	-
Honorarium	138,900	451,440
Bank charges	163,416	137,424
Audit fees	164,450	143,000
Board meeting fees	790,891	1,084,284
Legal fees	270,000	385,000
Consumable office expense	121,568	332,302
AGM expenses	168,000	206,840
Advertisement expense	379,187	242,907
	<b>9,422,531</b>	<b>10,060,249</b>



**14. Other income**

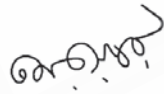
Interest from FDR/Investments

30 June 2020 Taka	30 June 2019 Taka
9,007,637	9,450,866
<b>9,007,637</b>	<b>9,450,866</b>

Investment was made from the surplus equity fund and accordingly interest income has been generated before commencing the business operation.



Company Secretary



Managing Director



Director



# RPCL-NORINCO INTL POWER LIMITED

Atlanta Trade Center (Level-7) House # 01, Road # 1/A,  
Sector # 4, Uttara, Dhaka-1230.  
PABX : 02-48956157, E-mail : rnpled@gmail.com  
Web : www.rnpl.com.bd

## PROXY FORM

I/We .....  
of .....  
being member of Rural Power Company Limited, do hereby appoint.....

.....  
of.....

as may /our proxy to attend and vote for me / us and on my / our behalf at the 3<sup>rd</sup> ANNUAL GENERAL MEETING of the Company to be held on Monday, 22 March 2021 at 10:00 AM and / or at any adjournment thereof.

Signed this :.....day of ..... 2021

Signature of Proxy :.....Signature of Shareholder .....

No. of shares held .....

Register Folio No. ....

Revenue  
Stamp

Note : A member entitled to attend and vote at Annual General Meeting may appoint another member as his / her proxy to attend and vote on his / her behalf. Duly completed proxy form must be deposited at the company's registered office.