

Audited Project Financial Statements

Project No. 42378-017

Loan: 3350-BAN

Period Covered: 1 July 2018 to 30 June 2019

BAN: Power System Expansion and Efficiency Improvement Investment Program – Tranche 3

Prepared by Power Grid Company of Bangladesh Ltd

For the Asian Development Bank
Received on 18 February 2020

The audited project financial statements are document owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Access to Information Policy and as agreed between ADB and Power Grid Company of Bangladesh Ltd under Ministry of Power Energy and Mineral Resources.

MOSTAFA KAMAL & CO.

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Chartered Accountants

Ref: MKC / PGCB / 02.2020 / 438

Date :

The Secretary
Power Division
Ministry of Power, Energy and Mineral Resources
Bangladesh Secretariat, Dhaka



Sub: Audit Inspection Report on the accounts of "400/230/132/ KV Grid Network Development Project" (Tranche- II & III) Financed by ADB Loan no, 3087-BAN & 3350-BAN for the year 2018-2019.

The auditor's Report along with a Management Letter Containing audit observations on the accounts of the above mentioned project is enclosed for your information and necessary action.


Enclosure:

1. Auditor's Report
2. Financial statements & notes to FS.
3. Management letter.
4. Report on internal control & other issue.
5. Audit opinion on statement of Expenditure (SOE).

Copy for information and necessary action to:

1. Country Director, Asian Development Bank (ADB), E-31, Sher-e-Bangla Nagar, Agargaon, Dhaka- 1207.
2. Project Director, 400/230/132 KV Grid Network Development Project (Tranche- II & III)" PGCB Bhaban, 7th Floor, Aftabnagar, Dhaka.

Place: Dhaka
Dated: 16-02-2020


Mostafa Kamal & Co.
Chartered Accountants

Audit Inspection Report
On
THE ACCOUNTS OF
“400/230/132 KV Grid Network Development Project” (Tranche-II & III)
Financed by: ADB Loan no. 3087 BAN & 3350 BAN
For the year ended 2018-2019.

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Chartered Accountants

Ref: MKC/PGCBL/02.2020/438

Date: 16/02/2020

AUDITOR'S REPORTS

The Secretary

Power Division

Ministry of Power, Energy and Mineral Resources
Bangladesh Secretariat, Dhaka

We have audited the accompanying financial statement of **400/230/132 kV Grid Network Development project "(Tranche- II & III) Financed by ADB Loan no, 3087 BAN & 3350 BAN** as on 30 June 2019 and for the years then ended. According to ISSAI 1570 the preparation of Financial Statement is the responsibility of management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of materials misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides as reasonable basis for our opinion.

In our opinion and according to the statement of ISSAI 1705, the financial statement gives a true and fair view in all material respects of the financial position of **400/230/132/ KV Grids Network Development Project" (Tranche-II & III)** as on 30th June 2019 and the result of its operation and cash flows for the year ended in accordance with the cash basis of accounting followed by the Government of Bangladesh.

During the collection of audit information, there was no closing balance in the financial statements. In response to the raising of the objection, the project authorities amended and show closing balance in the financial statements and sent a reply.

The project accounts properly presents the expenditure and receipts for the year ended at 30.06.2019

Opinion Status: Unqualified

Place: Dhaka

Dated: 16-02-2020

Mostafa Kamal & Co.
Chartered Accountants

Project Financial Statements

POWER GRID COMPANY OF BANGLADESH LIMITED

ADB Loan # 3087-BAN

Project Name: 400/230/132 KV GND Project

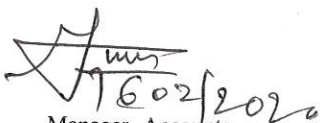
Project Financial Statements

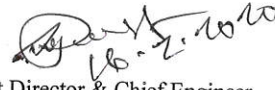
As on 30th June, 2019

Figure in Lakh Taka

Resources	Notes	Cumulative Actual up to 30th June, 2018	Actual Current Period (FY July 2018-June 2019)	Cumulative upto Current Period 2018-2019
(a)	(b)	(c)	(d)	(c+d)
A. Source of Fund				
Government of Bangladesh	1	3,412.51	78.19	3,490.70
Asian Development Bank:				-
RPA				-
DPA	2	16,644.12	519.82	17,163.94
Other Resources (PGCB Own Fund)	3	4,299.66	2,000.50	6,300.16
Cash Opening Balance	4		154.21	-
Total Resources (A)		24,356.29	2,752.72	26,954.80
B. Usages of Fund				
B.1 Revenue Expenditure				
Salary & Allowances		1,548.99	641.89	2,190.88
B.2 Capital Expenditure				
Land Acquisition		1,357.14	-	1,357.14
Office Furniture		14.27	-	14.27
Office Equipment		20.10	-	20.10
Vehicles		403.31	-	403.31
Substation Construction	5	16,644.12	519.82	17,163.94
Transmission Line Construction		-	-	-
Route/Site/IEE Survey		35.13		35.13
Feasibility Study		15.58	59.96	75.54
Right of Way & Compensation		5.26	1.33	6.59
Environmental Assessment		5.00		5.00
Consultancy		-		-
IDC		481.75	1,041.23	1,522.98
CDVAT		3,212.51	390.31	3,602.82
Tax & Vat		458.92	196.04	654.96
Total Expenditure		24,202.08	2,850.58	27,052.66
B.3 Cash Closing Balance				
Government of Bangladesh (CDVAT)		153.04	(159.08)	(159.08)
ADB (Imprest Account)		-		-
Other Resources (PGCB Own Fund)		1.17	61.22	61.22
Total Cash Closing Balance		154.21	(97.86)	(97.86)
Total Usages of Fund (B)		24,356.29	2,752.72	26,954.80


16/02/2020
Jr. Asst. Manager - Accounts
400/230/132 KV GND Project
PGCB, Dhaka


16/02/2020
Manager - Accounts
400/230/132 KV GND Project
PGCB, Dhaka


16.2.2020
Project Director & Chief Engineer
400/230/132 KV GND Project
PGCB, Dhaka

Place: Dhaka
Dated: 16.02.2020




Mostafa Kamal & Co.
Chartered Accountants

POWER GRID COMPANY OF BANGLADESH LIMITED

Loan No. ADB: 3087 BAN

Project Name: 400/230/132KV GND Project

PGCB, Dhaka.

Note 1: Government of Bangladesh:

in Lac Taka

	Inception to 30 th June,2018	For the year 30 th June,2019	Inception to 30 th June,2019
Disbursements by GOB	3,412.51	78.19	3,490.70
Less: Refund to GOB	-	-	-
Total	3,412.51	78.19	3,490.70

Note 2: Loan from Development Partner/Donor:

	Inception to 30 th June,2018	For the year 30 th June,2019	Inception to 30 th June,2019
Initial Advance			
Direct Payments (DPA)			
ADB Loan No.3087-BAN	16,644.12	519.82	17,163.94
SOE Procedures (RPA)			
Non SOE Procedure (RPA)			
Total	16,644.12	519.82	17,163.94

Note 3: Other Resources:

	Inception to 30 th June,2018	For the year 30 th June,2019	Inception to 30 th June,2019
Project Revenues (PGCB Own Fund)	4,299.66	2,000.50	6,300.16
Exchange gain/losses	-	-	-
Total	4,299.66	2,000.50	6,300.16

Note 4: Cash:

	Inception to 30 th June,2018	For the year 30 th June,2019	Inception to 30 th June,2019
Cash on hand			
Special Account			
Project Operating Account (RPA)			
Project Operating Account (GOB)	153.04	(159.08)	(159.08)
Project Operating Account of Field Station (PGCB)	1.17	61.22	61.22
Total	154.21	(97.86)	(97.86)

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16/02/2020

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16/02/2020

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14.2.2020




Asian Development Bank
ADB Loan No: 3087-BAN


Amount Disbursed from ADB Loan No.3087-BAN
Add: Outstanding lodgments:


BDT 51,982,360.99

Balance as per accounts

BDT 51,982,360.99


16/02/2020
Jr. Assistant Manager-Accts
400/230/132KV GND Project
PGCB, Dhaka


16/02/2020
Manager- Accts
400/230/132KV GND Project
PGCB, Dhaka


16/02/2020
Project Director & C.E (Add.Ch)
400/230/132KV GND Project
PGCB, Dhaka



POWER GRID COMPANY OF BANGLADESH LIMITED

ADB Loan # 3350-BAN


Project Name: 400/230/132 KV GND Project

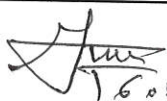
Project Financial Statements


As on 30th June,2019

Figure in Lakh Taka

Resources	Notes	Cumulative Actual up to 30th June,2018	Actual Current Period (FY July 2018-June19)	Cumulative upto Current Period 2018- 2019
(a)	(b)	(c)	(d)	(c+d)
A. Source of Fund				
Government of Bangladesh	1	1,687.49	6,296.47	7,983.96
Asian Development Bank:				-
RPA				-
DPA	2	7,695.66	17,903.62	25,599.28
Other Resources (PGCB Own Fund)	3	1,064.01	856.53	1,920.54
Cash Opening Balance			-	-
Total Resources (A)		10,447.16	25,056.62	35,503.78
B. Usages of Fund				
B.1 Revenue Expenditure				
Salary & Allowances		-	-	-
B.2 Capital Expenditure				
Land Acquisition		1,029.22	-	1,029.22
Office Furniture		-	-	-
Office Equipment		-	-	-
Vehicles		-	-	-
Substation Construction	4	2,454.70	14,078.26	16,532.96
Transmission Line Construction	4	5,240.96	3,825.36	9,066.32
Route/Site/IEE Survey		-	-	-
Feasibility Study		-	-	-
Right of Way & Compensation		-	-	-
Environmental Assessment		-	-	-
Consultancy		-	-	-
IDC		122.67	549.27	671.94
CDVAT		1,534.45	6,496.47	8,030.92
Tax & Vat		65.16	107.26	172.42
Total Expenditure		10,447.16	25,056.62	35,503.78
B.3 Cash Closing Balance				
Government of Bangladesh (CDVAT)		-	-	-
ADB (Imprest Account)		-	-	-
Other Resources (PGCB Own Fund)		-	-	-
Total Cash Closing Balance		-	-	-
Total Usages of Fund (B)		10,447.16	25,056.62	35,503.78


16/02/2020
Jr. Asst. Manager - Accounts
400/230/132 KV GND Project
PGCB, Dhaka


16/02/2020
Manager - Accounts
400/230/132 KV GND Project
PGCB, Dhaka


16/02/2020
Project Director & Chief Engineer
400/230/132 KV GND Project
PGCB, Dhaka

Place: Dhaka
Dated: 16.02.2020


Mostafa Kamal & Co.
Chartered Accountants



POWER GRID COMPANY OF BANGLADESH LIMITED

Loan No. ADB: 3350-BAN

Project Name: 400/230/132KV GND Project

PGCB, Dhaka.

Note 1: Government of Bangladesh:

in Lac Taka

	Inception to 30 th June,2018	For the year 30 th June,2019	Inception to 30 th June,2019
Disbursements by GOB	1,687.49	6,296.47	7,983.96
Less: Refund to GOB	-	-	-
Total	1,687.49	6,296.47	7,983.96

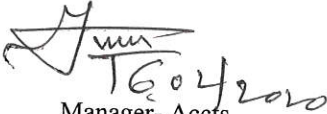
Note 2: Loan from Development Partner/Donor:


	Inception to 30 th June,2018	For the year 30 th June,2019	Inception to 30 th June,2019
Initial Advance			
Direct Payments (DPA)			
ADB Loan No.3350-BAN	7,695.66	17,903.62	25,599.28
SOE Procedures (RPA)			
Non SOE Procedure (RPA)			
Total	7,695.66	17,903.62	25,599.28

Note 3: Other Resources:

	Inception to 30 th June,2018	For the year 30 th June,2019	Inception to 30 th June,2019
Project Revenues (PGCB Own Fund)	1,064.01	856.53	1,920.54
Exchange gain/losses	-	-	-
Total	1,064.01	856.53	1,920.54


16/02/2020
Jr. Assistant Manager-Accts
400/230/132KV GND Project
PGCB, Dhaka


T604/2020
Manager- Accts
400/230/132KV GND Project
PGCB, Dhaka


14-2-2020
Project Director & C.E (Add.Ch)
400/230/132KV GND Project
PGCB, Dhaka

