

# Audited Project Financial Statements

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Project No. 42378-017

Loan: 3350-BAN

Period Covered: 1 July 2019 to 30 June 2020

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

Prepared by Ashuganj Power Station Company Ltd

For the Asian Development Bank  
Received on 31 December 2020

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Foreign Aided Projects Audit Directorate  
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Segunbagicha, Dhaka.  
[www.fapad.gov.bd](http://www.fapad.gov.bd)

No: 82.08.0000.501.27.038.20.398

Date: 28.12.2020

**Sub: Audit Inspection Report on the Accounts of "Construction of Ashuganj 400(+/- 5%) MW Combined Cycle Power Plant (East) Project" financed by ADB Loan No. 3350-BAN & IDB BGD-1003 for the year 2019-2020.**

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

**Enclosures:**

1. Auditor's Report.
2. Financial Statements & notes to FS.
3. Management letter.

*sdf*

(K T M Sharif)  
Deputy Director  
For Director General  
Foreign Aided Projects Audit Directorate  
Phone: 88-02-8391548

Secretary  
Power Division  
Ministry of Power, Energy & Mineral Resources  
Bangladesh Secretariat, Dhaka.

No: 82.08.0000.501.27.038.20.398

Date: 28.12.2020

**Copy for information and necessary action to:**

1. Secretary, Economic Relations Division, Ministry of Finance, Sher-e-Bangla Nagar, Dhaka.
- ✓ 2. Country Director, Asian Development Bank (ADB), E-8, Sher-e-Bangla Nagar, Agargaon, Dhaka.
3. Project Director, Construction of Ashuganj 400(+/- 5%) MW Combined Cycle Power Plant (East) Project, Ashuganj Power Station Company Limited, Ashuganj, Brahmanbaria.
4. Office Copy.

- a) Replies/comments on the Audit Report and Management Letter may please be sent to the undersigned within 30 (thirty) days of receipt of this letter in your office.
- b) Observations in Part-A (SFI) should be responded to through the Ministry concerned and observation in Part-B (Ordinary) should be responded to FAPAD directly.

*[Signature]*  
28/12/2020

(K T M Sharif)

Deputy Director  
For Director General  
Foreign Aided Projects Audit Directorate  
Phone: 88-02-8391548

# **Audit Inspection Report**

**on**

**The Accounts of  
“Construction of Ashuganj 400 (+/- 5%) MW Combined Cycle  
Power Plant (East) Project”  
financed by ADB & IDB for the financial year 2019-2020.**

## **Part-I**

### **Executive Summary & Audit Findings**

**Foreign Aided Projects Audit Directorate  
Segunbagicha, Dhaka.**

## **INFORMATION REGARDING AUDIT:**

<b>(A) Audit Profile:</b>	
1. Name of the audit Unit	: Construction of Ashuganj 400 (+/- 5%) MW Combined Cycle Power Plant (East) Project
2. Credit Agreement number	: ADB Loan No. 3350-BAN & IDB <u>BGD-1003.</u>
3. Development Partner	: ADB/IDB
4. Project Duration	: 18.10.2015 to 30.06.2020.
5. Audit duration	: 05.11.2020 to 10.11.2020
6. Commencement.	: 18.10.2015
7. Project completion year	: June, 2020.
8. Audit year	: 2019-2020
9. Audited by FAPAD	: 3rd year.
10. Executive Agency	: Ashuganj Power System Company Ltd.
11. Name of Ministry	: Ministry of power, Energy and Mineral Resources Dhaka.
12. Audit Team	: Team No. 18 01. Md. Shahidul Islam, Audit & Accounts Officer 02. Md. Nazmul Abedin SAS Super.
13. Audit Methodology	: <ul style="list-style-type: none"> <li>▪ Check of Internal Control System</li> <li>▪ Compliance to the related Rules &amp; Regulations of</li> <li>▪ GOB and Donor Guidelines.</li> <li>▪ Documentary,</li> <li>▪ Test Check of Vouchers,</li> <li>▪ Physical Verification,</li> <li>▪ Analytical Review, etc.</li> </ul>
14. Scope of audit	: Certification of Annual Financial Statement. The audit was conducted following International Standards on Auditing (ISA) and Practices of INTOSAI/SAI and also as per procedures prescribed by GOB and Development partner. Audit opinion is limited to the fund receipts and expenditure incurred by the Project Authority. Review of financial management, Internal control system.



15. Contract and Mail of PD	:	<b>Project Director's Name:</b> Kshitish Chandra Biswas <b>Designation:</b> Project Director (Chief Engineer) <b>Mob:</b> 01711145585, <b>T&amp;T:</b> 08528-74043 Construction of Ashuganj 400 (+/-5%) MW Combined Cycle Power Plant (East) Project, Ashuganj, Brahmanbaria.			
16. Location of PD Office	:	APSCL, Construction of Ashuganj 400 (+/-5%) MW Combined Cycle Power Plant (East) Project, Ashuganj, Brahmanbaria.			
17. Audit Methodology	:	Test check of vouchers. Certification of Annual Financial Statement.			
18. Total estimated cost of Project	:	Sl. No.	Source of Fund	Amount (BDT) in Lakh.	Remarks
		(a)	GOV	420,68.53	
		(b)	PA	2358,28.02	
		(c)	Own Source	<u>152,39.84</u>	
			<b>Total.</b>	<b>2931,36.39 Lakh.</b>	
19. Current year Fund (Recourses)	:	54223.57lakh.			
20. Current year expenditure	:	55784.93 lakh.			
21. Project objectives	:	<ul style="list-style-type: none"> <li>❖ The replace old inefficient plant (Unit-3, 150MW) with energy efficient power plant.</li> <li>❖ To meet the growing electricity demand of the country and to increase the stability and reliability of the power system,</li> <li>❖ To narrow the ever increasing gap between demand and supply of electricity of the country.</li> <li>❖ To increase the power generation through maximum utilization of country's natural gas resources available.</li> <li>❖ Effective and efficient use of natural gas by implementation of Combined Cycle Power Plant.</li> <li>❖ To accelerate the economic development of the country by adequate and reliable power generation.</li> <li>❖ To support the planned target of power demand.</li> </ul>			

## AUDITOR'S REPORT

### **Secretary**

Power Division

Ministry of Power, Energy & Mineral Resources

Bangladesh Secretariat, Dhaka.

I. We have audited the accompanying financial statement of the “*Construction of Ashuganj (+/- 5%) 400 MW Combined Cycle Power Plant (East) Project*” financed by ADB Loan No. 3350-BAN & IDB-BGD-1003 for the year as at 30<sup>th</sup> June, 2020 and for the year 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.

II. We conducted our audit in accordance with International Standards on Auditing and practices of INTOSAI/SAI. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material 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 and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

III. In our opinion, 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 *Construction of Ashuganj (+/- 5%) 400 MW Combined Cycle Power Plant (East) Project*” as at 30<sup>th</sup> June, 2020 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.

Opinion Status: **Unqualified.**



(K T M Sharif)

**Deputy Director**

For Director General

Foreign Aided Projects Audit Directorate

**Phone: 88-02-8391548**

# **Financial Statement & Notes**



**CONSTRUCTION OF ASHUGANJ 400 MW CCPP (EAST) PROJECT**  
**(Draft and Un-Audited) PROJECT FINANCIAL STATEMENT**  
**30TH JUNE, 2020**

(Figures in Lakh Taka)

Resources	Notes	Cumulative Prior Period	Current Period	Cumulative Current Period
Loan from Government of Bangladesh (GoB)	1	600.00	2,550.00	3,150.00
Loan from Development Partner Agency (DPA):				
-Asian Development Bank (ADB)	2	9,991.84	39,288.26	49,280.10
-Islamic Development Bank (IsDB)	2	8,523.88	14,088.61	22,612.49
Ashuganj Power Station Company Ltd. (APSCL)	3	3,108.19	846.33	3,954.52
Cash Opening Balance			2.24	2.24
<b>Total Resources</b>		<b>22,223.91</b>	<b>56,775.44</b>	<b>78,999.35</b>
<b>Expenditure and Cash</b>				
Plant and Machineries - ADB		5,221.49	31,314.72	36,536.21
Installation Services - ADB		4,523.88	7,653.52	12,177.40
Consultancy Services - ADB		246.49	320.02	566.51
Plant and Machineries - IsDB		5,559.14	12,294.54	17,853.68
Design Services - IsDB		2,964.75	1,794.07	4,758.82
Income Tax & VAT - GoB		599.14	675.00	1,274.14
CD VAT- GoB			880.56	880.56
Advertisement		59.06	-	59.06
Pay & Allowance		388.56	207.51	596.07
Office Equipment & Furniture, etc.		23.84	10.51	34.35
Civil Works		81.55	97.18	178.73
Demolition, Disposal & Site Preparation		2,285.87	261.74	2,547.61
Entertainment		5.23	3.54	8.77
Consultancy		90.49	142.53	233.02
Vehicle Rent		19.06	7.94	27.00
Bank Charges & LC Commission		23.28	21.26	44.54
TA/DA and Honorarium		1.14	0.03	1.17
Office and Other Expenses		19.54	5.93	25.47
Legal Expenses and Meeting Expenses		1.66	1.08	2.74
Vehicle Purchase		90.68	83.50	174.18
Safety Materials		1.65	-	1.65
Printing and Stationary		15.17	0.89	16.06
Fees, Rent, Fuel etc.			2.91	2.91
<b>Total Expenditure</b>		<b>22,221.67</b>	<b>55,778.97</b>	<b>78,000.64</b>
<b>Cash Closing Balance</b>				
Operating Account (RPA)				
Account Current for CD VAT (GoB)			994.44	994.44
Operating Account (GoB))		2.24	2.03	4.27
<b>Total Expenditure and Cash</b>		<b>22,223.91</b>	<b>56,775.44</b>	<b>78,999.35</b>

15/07/2020  
 Md. Ohidul Islam  
 Manager (Accounts)  
 Ashuganj 400MW CCPP (East) Project  
 Ashuganj Power Station Company, Ltd.  
 Ashuganj, Bangladesh

Verified  
 17.12.2020  
 Md. Shahidul Islam  
 Audit and Accounts Officer  
 Foreign Aided Projects Audit Directorate  
 Segunbagicha, Dhaka

K. Biswas  
 17.09.2020  
 Engr. Kshitish Chandra Biswas  
 Project Director  
 Ashuganj 400 MW CCPP (East)  
 Ashuganj Power Station Co. Ltd.



**(Draft and Un-Audited) NOTES TO THE FINANCIAL STATEMENT  
30TH JUNE, 2020**

**1 Loan from Government of Bangladesh (GoB)**

(Figures in Lakh Taka)

	Inspection to 30th June, 2019	For the Year 2019-2020	Inspection to 30th June, 2020
Disbursement by GoB	600.00	2,550.00	3,150.00
Less: Refund to GoB	-	-	-
<b>Total</b>	<b>600.00</b>	<b>2,550.00</b>	<b>3,150.00</b>

**2. Loan from Development Partner Agency (DPA):**

	Inspection to 30th June, 2019	For the Year 2019-2020	Inspection to 30th June, 2020
Initial Deposits (Advance)	-	-	-
DPA-ADB	9,991.84	39,288.26	49,280.10
DPA-IsDB	8,523.88	14,088.61	22,612.49
RPA (SOE Payment)	-	-	-
RPA (Non SOE Payment)	-	-	-
Others	-	-	-
<b>Total</b>	<b>18,515.72</b>	<b>53,376.87</b>	<b>71,892.59</b>

**3. Other Resources:**

(Figures in Lakh Taka)

	Inspection to 30th June, 2019	For the Year 2019-2020	Inspection to 30th June, 2020
APSCL	3,108.19	846.54	3,954.73
Exchange gains/losses	-	-	-
<b>Total</b>	<b>3,108.19</b>	<b>846.54</b>	<b>3,954.73</b>

**4. Cash:**

(Figures in Lakh Taka)

	Inspection to 30th June, 2019	For the Year 2019-2020	Inspection to 30th June, 2020
Imprest Account	-	-	-
Account Current for CD VAT (GoB)	-	994.65	994.65
Operating Account (GoB)	2.24	2.03	4.27
<b>Total</b>	<b>2.24</b>	<b>996.68</b>	<b>998.92</b>

*15/09/2020*  
Md. Obaidul Islam  
Manager (Accounts)  
Ashuganj 400 MW CCPP (East) Project  
Ashuganj Power Station Company, Ltd.  
Ashuganj, Brahmanbaria-3402

*17.12.2020*  
**Md. Shahidul Islam**  
Audit and Accounts Officer  
Foreign Aided Projects Audit Directorate  
Segunbagicha, Dhaka

*17.09.2020*  
Engr. Kshitish Chandra Biswas  
Project Director  
Ashuganj 400 MW CCPP (East)  
Ashuganj Power Station Co. Ltd.  
Ashuganj, Brahmanbaria.