

Audited Project Financial Statements

Project No. 42378-017

Loan Number: 3350

Period Covered: 1 July 2020 to 30 June 2021

Bangladesh: Power System Expansion and Efficiency Improvement Investment Program - Tranche 3

Prepared by Ashuganj Power Station Company Ltd

For the Asian Development Bank

Date Received by ADB: 31 December 2021

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Office of the Director General
Foreign Aided Projects Audit Directorate
Audit Complex (6th & 11th Floor)
Segunbagicha, Dhaka.
www.fapad.gov.bd



No: 82.08.0000.301.27.010.21-২৭৩

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 2020-2021.

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.

Sd/-

(Nazma Parvin)
Deputy Director

For Director General
Foreign Aided Projects Audit Directorate
Phone: 88-02-48310545

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

No: 82.08.0000.301.27.010.21-২৭৩

Date: 30.12.2021

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.

Nazma Parvin
30/12/2021

(Nazma Parvin)
Deputy Director

For Director General
Foreign Aided Projects Audit Directorate
Phone: 88-02-48310545

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 2020-2021.

Part-I
Executive Summary
&
Audit Findings

Foreign Aided Projects Audit Directorate
Segunbagicha, Dhaka.

INFORMATION REGARDING AUDIT:

(A) Audit Profile:	
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	: 03.11.2020 to 07.11.2020
6. Commencement.	: 18.10.2015
7. Project completion year	: June, 2020.
8. Audit year	: 2020-2021
9. Audited by FAPAD	: 4 th 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. 16 i) Abul Kalam Azad, Audit & Accounts Officer ii) S.M. Al-Mamun, SAS Superintendent ii) Sheikh Md. Shahidul Islam , Auditor.
13. Audit Methodology	: <ul style="list-style-type: none"> ▪ Check of Internal Control System ▪ Compliance to the related Rules & Regulations of ▪ GOB and Donor Guidelines. ▪ Documentary, ▪ Test Check of Vouchers, ▪ Physical Verification, ▪ Analytical Review, etc.
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	:	Project Director's Name: Kshitish Chandra Biswas Designation: Project Director (Chief Engineer) Mob: 01711145585, T&T: 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	152,39.84	
			Total.	2931,36.39 Lakh.	
19. Current year Fund (Resources)	:	35236.46 Lakh			
20. Current year expenditure	:	34856.37 Lakh			
21. Project objectives	:	<ul style="list-style-type: none"> ❖ The replace old inefficient plant (Unit-3, 150MW) with energy efficient power plant. ❖ To meet the growing electricity demand of the country and to increase the stability and reliability of the power system, ❖ To narrow the ever increasing gap between demand and supply of electricity of the country. ❖ To increase the power generation through maximum utilization of country's natural gas resources available. ❖ Effective and efficient use of natural gas by implementation of Combined Cycle Power Plant. ❖ To accelerate the economic development of the country by adequate and reliable power generation. ❖ To support the planned target of power demand. 			

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 30th June, 2021 and for the year then ended. According to Government Auditing Standards of Bangladesh (GASB) 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 the Government Auditing Standards (Part-I and Part-II). 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 Government Auditing Standards of Bangladesh(GASB), 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 30th June, 2021 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.

IV) Opinion Status: Unqualified.


30/12/2021

(Nazma Parvin)

Deputy Director

For Director General

Foreign Aided Projects Audit Directorate

Phone: 88-02-48310545

Financial Statement & Notes

CONSTRUCTION OF ASHUGANJ 400 MW CCPP (EAST) PROJECT

(ADB Loan No. 3350-BAN and IsDB Lease No. BGD 1003)


PROJECT FINANCIAL STATEMENT

30TH JUNE, 2021

(Figures in Lakh Taka)

Resources	Notes	Cumulative Prior Period	Current Period	Cumulative Current Period
Received from Government of Bangladesh (GoB)	1	3,150.00	2,000.00	5,150.00
Loan Received as Project Aid (PA):	2	71,892.59	31,670.37	103,562.96
Ashuganj Power Station Company Ltd. (APSCL)	3	3,954.52	1,564.06	5,518.58
Cash & Bank		-	996.47	-
Total Resources		78,997.11	36,230.90	114,231.54
Expenditure and Cash				
Plant and Machineries - ADB		36,536.21	3,881.40	40,417.61
Installation Services - ADB		12,177.40	6,701.70	18,879.10
Consultancy Services - ADB		566.51	289.69	856.20
Plant and Machineries - IsDB		17,853.68	20,797.58	38,651.26
Design Services - IsDB		4,758.82	-	4,758.82
Income Tax & VAT - GoB		1,274.14	800.00	2,074.14
CD VAT- GoB		880.56	821.94	1,702.50
Supplies, Services and Miscell		219.80	68.54	288.34
Pay & Allowance		596.07	252.33	848.40
Interest During Construction (IDC)		-	74.23	74.23
Civil Works		178.73	978.68	1,157.41
Demolition, Disposal & Site Preparation		2,547.61	54.53	2,602.14
Consultancy		233.02	135.04	368.06
Honorarium		3.91	0.71	4.62
Vehicle Purchase		174.18	-	174.18
Total Expenditure		78,000.64	34,856.37	112,857.00

Cash Closing Balance				
Operating Account (RPA)				
Account Current for CD VAT (GoB)		994.44	1,372.85	1,372.85
Operating Account (GoB))		2.03	1.68	1.68
Total Expenditure and Cash		78,997.11	36,230.90	114,231.54


 Md. Ohidul Islam
 Manager (Accounts)
 Ashuganj 400MW CCPP (East) Project
 Ashuganj Power Station Company, Ltd.
 Ashuganj, Brahmanbaria-3402.

CONSTRUCTION OF ASHUGANJ 400 MW CCPP (EAST) PROJECT

(ADB Loan No. 3350-BAN and IsDB Lease No. BGD 1003)

PROJECT FINANCIAL STATEMENT

30TH JUNE, 2021

1. Received from Government of Bangladesh (GoB)

(Figures in Lakh Taka)

	Inspection to 30th June, 2020	For the Year 2020-2021	Inspection to 30th June, 2021
Fund Received as Equity	1,890.00	1,200.00	3,090.00
Fund Received as Loan	1,260.00	800.00	2,060.00
Total Fund Received from GoB	3,150.00	2,000.00	5,150.00
Less: Refund to GoB	-	-	-
Total	3,150.00	2,000.00	5,150.00

2. Loan Received as Project Aid (PA):

	Inspection to 30th June, 2020	For the Year 2020-2021	Inspection to 30th June, 2021
Initial Deposits (Advance)	-	-	-
DPA-ADB	49,280.10	10,872.79	60,152.89
DPA-IsDB	22,612.49	20,797.58	43,410.07
RPA (SOE Payment)	-	-	-
RPA (Non SOE Payment)	-	-	-
Others	-	-	-
Total	71,892.59	31,670.37	103,562.96

3. Other Resources:

(Figures in Lakh Taka)

	Inspection to 30th June, 2020	For the Year 2020-2021	Inspection to 30th June, 2021
APSCL	3,954.52	1,564.06	5,518.58
Exchange gains/losses	-	-	-
Total	3,954.52	1,564.06	5,518.58



Md. Ohidul Islam
Manager (Accounts)
Ashuganj 400MW CCPP (East) Project
Ashuganj Power Station Company, Ltd.
Ashuganj, Brahmanbaria-3402.