

Audited Project Financial Statements

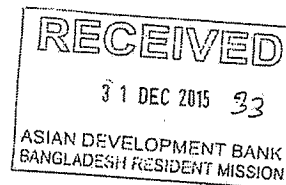
Project Number: 44192
Loan/Grant Number: 2661 & 3031 (Additional Financing)
Period covered: 30 June 2014 – 30 June 2015

BAN: SASEC Bangladesh-India Electrical Grid Interconnection Project

Prepared by Power Grid Company of Bangladesh Ltd.

For the Asian Development Bank
Date received by ADB: 31 December 2015

The audited project financial statements are documents 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 Public Communications Policy 2011 and as agreed between ADB and the Power Grid Company of Bangladesh Ltd. (PGCB)



Foreign Aided Projects Audit Directorate
Audit Complex (6th Floor)
Segunbagicha, Dhaka.

No. 477/FAPAD/S-1/ADB/2014-15/

Date: - 12-2015

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

Sub: Audit Inspection Report on the accounts of 'Grid Interconnection Between Bangladesh (Bheramara) and India (Baharampur) Project' Financed under ADB Loan No.2661-BAN(SF) & 3031 BAN (SF) for the year 2014-2015.

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 Statement
3. Management letter
4. Auditor's Opinion on Imprest Account

(A K M Jubaer)
Deputy Director
For Director General
Foreign Aided Projects Audit Directorate
Tel: 9356303

No. 477/FAPAD/S-1/ADB/2014-15/ 859 (2)
Copy for information and necessary action to:

Date: 30-12-2015

1. Secretary, Economic Relations Division, Ministry of Finance, Sher-e-Bangla Nagar, Dhaka.
2. Country Director, Asian Development Bank. Plot No.E-31, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207.
3. The Project Director, 'Grid Interconnection Between Bangladesh (Bheramara) and India (Baharampur) Project' Concord Tower (6th Floor), PGCB, 17, Mohakhali, C/A, Dhaka.

Replies/Comments on the Auditor's Report and Management Letter may please be sent to the undersigned within 35 (Thirty Five) days of receipt of this letter in your office.

(A K M Jubaer)
Deputy Director
for Director General
Foreign Aided Projects Audit Directorate
Tel: 9356303

Audit Inspection Report

On

The Accounts of
*“Grid Interconnection Between Bangladesh (Bheramara) and
India (Baharampur) Project”*
financed under ADB Loan No.2661-BAN(SF) &
3031 BAN (SF) for the year 2014-2015.

PART-I
(Executive Summary
&
Audit Findings)

Foreign Aided Projects Audit Directorate
Segunbagicha, Dhaka.

Information Regarding Audit

Name of Audit Unit	: <i>Grid Interconnection Between Bangladesh (Bheramara) and India (Baharampur) Project.</i>
Nature of Audit	: Financial Audit
Year of Audit	: 2014-2015
Duration of Audit	: 09-09-2015 – 14-09-2015
Audit Team No-05	: Team no-07. <ul style="list-style-type: none">✓ Golam Mohammad Sarker, Audit and Accounts Officer✓ A.S.M Farid Ahmed, SAS Super✓ S.M.AI-Mamun, Auditor
Audit Methodology	: <ul style="list-style-type: none">✓ Verification of Financial Statements.✓ Test Check of Vouchers.✓ Certification of Financial Statement.
Scope of Audit	: <ul style="list-style-type: none">✓ The audit was conducted following International Standard on Auditing (ISA) and practices of INTOSAI/SAI, Bangladesh and also as per procedures prescribed by GOB and Development partner.✓ Audit opinion is limited to the fund received and expenditure incurred by the project authority.✓ Review of Financial Management and Internal Control System.
Name of Programme	: Grid Interconnection Between Bangladesh (Bheramara) and India (Baharampur) Project.
Duration	: 4 Years (Revised)
Total Cost	: Tk: 157982.97 lakh.
Audit Status (2014-15)	: 5 th Year
Current Year Cost	: Tk. 5490.58393 lakh (ADB Tk. 5427.29713 lakh + PGCB Tk. 63.28580 Lakh)
Commencement	: July, 2010.
Completion	: June, 2014.
Executing Ministry	: Power Division, Ministry of Power, Energy and Mineral Resources.
Implementing Agency	: Power Grid Company of Bangladesh Limited.
Funding Agency	: ADB Loan
Fund Management System	: ADB, PGCB

Project Objectives

: GOB fund:

The fund for GOB was released by the administrative Ministry as per ADP allocation through Government orders from time to time drawn from concerned CAO and own resources fund was disbursed by PGCB to the project in accordance with the condition of the subsidiary Loan agreement (SLA).

PA Fund:

PA (fund) expenditure was directly made by ADB on the basis of Payment Certificate issued by the Authorized Person, Ministry of Energy.

- :**
- ✓ To establish a Grid Interconnection Between Bangladesh and India for facilitation exchange of electricity as and when it is possible & feasible.
 - ✓ To meet-up the ever increasing demand of electricity for socio economic development in both the countries.

Auditor's Report

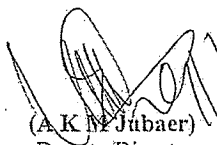
Secretary,
Power Division
Ministry of Power, Energy and Mineral Resources,
Bangladesh Secretariat, Dhaka.

I. We have audited the Financial Statement of "*Grid Interconnection Between Bangladesh (Bheramara) and India (Baharampur) Project*" as on 30th June, 2015 and for the year then ended. Preparation of the Financial Statement is the responsibility of the Management. Our responsibility is to express an opinion on the financial statement based on our audit.

II. We have conducted our audit following 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 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.

IV. In our opinion, except as stated in the preceding paragraphs, the Financial Statement gives a fair view in all material aspect of the financial position "*Grid Interconnection Between Bangladesh (Bheramara) and India (Baharampur) Project*" as on 30th June 2015 and the result of its operations and cash flows for the year then ended in accordance with the cash and accrual basis of accounting followed by the Government of Bangladesh.

V. Opinion Status: *Unqualified.*


(A. K. M. Jubaer)
Deputy Director
for Director General

Foreign Aided Projects Audit Directorate
Phone: 9356303

Grid Interconnection between Bangladesh (Bheramara) & India (Baharampur) Project.

Financial Statement

30th June, 2015.

(Figure in Lakh Taka)

Resources	Notes	Cumulative Prior Period	Current Period	Cumulative Current Period
Government of Bangladesh	1	41,664.61961	-	41,664.61961
Loan from Development Partner	2	84,309.12362	5,427.29713	89,736.42075
Other resources(PGCB)	3	17,845.85432	63.28580	17,909.14012
Cash opening balance		-	-	-
Total Resources		143,819.59755	5,490.58293	149,310.18048

Expenditure and Cash				
Pay of Officers(4500)		149.05632	3.21480	152.27112
Pay of Staff(4600)		36.45609	0.92680	37.38289
Allowances(4700)		174.45999	6.37568	180.83567
Supplies& Services(4800)		6,103.30370	10.58873	6,113.89243
Compensation(4849)		75.76314	-	75.76314
Acquisition of Assets(6800) / Retention		82,248.29362	5,427.29713	87,675.59075
Acquisition of Assets(6800)		57.68284	-	57.68284
Acquisition/Purchase of Land & Landed Properties Assets(6900)		761.53925	10.95402	772.49327
Construction Works(7000)		-	-	-
Land Development(7001)		4,340.22594	-	4,340.22594
Building (7016)		5,630.07825	-	5,630.07825
Installation/Electrical installation(7056)		15,610.84093	31.22577	15,642.06670
Development Import Duty & VAT (CD-VAT)(7901)		23,698.61961	-	23,698.61961
IDC(7981)		4,933.27787	-	4,933.27787
Total Expenditure		143,819.59755	5,490.58293	149,310.18048

Cash Closing Balance				
Imprest Account				-
Opening Account (RPA)				-
Operating Account (GOB)		-	-	-
Total Expenditure and Cash		143,819.59755	5,490.58293	149,310.18048

Verified

27/12/15

Hasan

Grid Interconnection between Bangladesh (Bheramara) & India (Baharampur) Project.
NOTES OF FINANCIAL STATEMENT
30th June, 2015

1. **GOVERNMENT OF BANGLADESH**

Fund are allocated by the Government of Bangladesh to cover GOB's share of eligible project expenditures, as specified in the Project Proforma and in the Annual Development Programme for each of the project. Any allocated funds that have not been expended by the end of a fiscal year lapse and must be returned to GOB. GOB contributions to the project since inception are as follows (In Lakh Taka).

	Inception to 30 th June 2014	For the year 2014-2015	Inception to 30 th June 2015
Disbursement by GOB	43,066.00000	-	43,066.00000
Less: Refund to GOB	1,401.38039	-	1,401.38039
Total:	41,664.61961	-	41,664.61961

2. **LOAN FROM DEVELOPMENT PARTNER:**

	Inception to 30 th June 2014	For the year 2014-2015	Inception to 30 th June 2015
Initial Deposit (Advance)	-	-	-
DPA (Direct Payment)	84,309.12362	5,427.29713	89,736.42075
RPA (SOE Procedure)	-	-	-
RPA (Non SOE Procedure)	-	-	-
Others	-	-	-
Total	84,309.12362	5,427.29713	89,736.42075

3. **OTHER RESOURCES:**

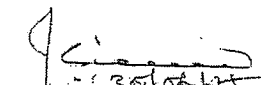
Other resources consist of the following:

	Inception to 30 th June 2014	For the year 2014-2015	Inception to 30 th June 2015
Project Revenues (PGCB)	17,845.85432	63.28580	17,909.14012
Exchange gains/losses	-	-	-
Total:	17,845.85432	63.28580	17,909.14012

4. **CASH:**

The Project maintains two Bank account, an imprest bank account, or revolving fund, which is kept Bangladesh Bank to hold funds advanced by ADB, and an operating accounting, which is kept at commercial bank to hold funds advanced by GOB as well as funds transferred from the imprest bar account. Year end cash balances were as follows (In Lakh Taka)

	Inception to 30 th June 2014	For the year 2014-2015	Inception to 30 th June 2015
Imprest Account	-	-	-
Operating Account (RPA)	-	-	-
Operating Account (GOB)	-	-	-
Total:	-	-	-


 Karim Hossain
 Project Director
 Bangladesh Interconnection Project (BIP)
 Dhaka