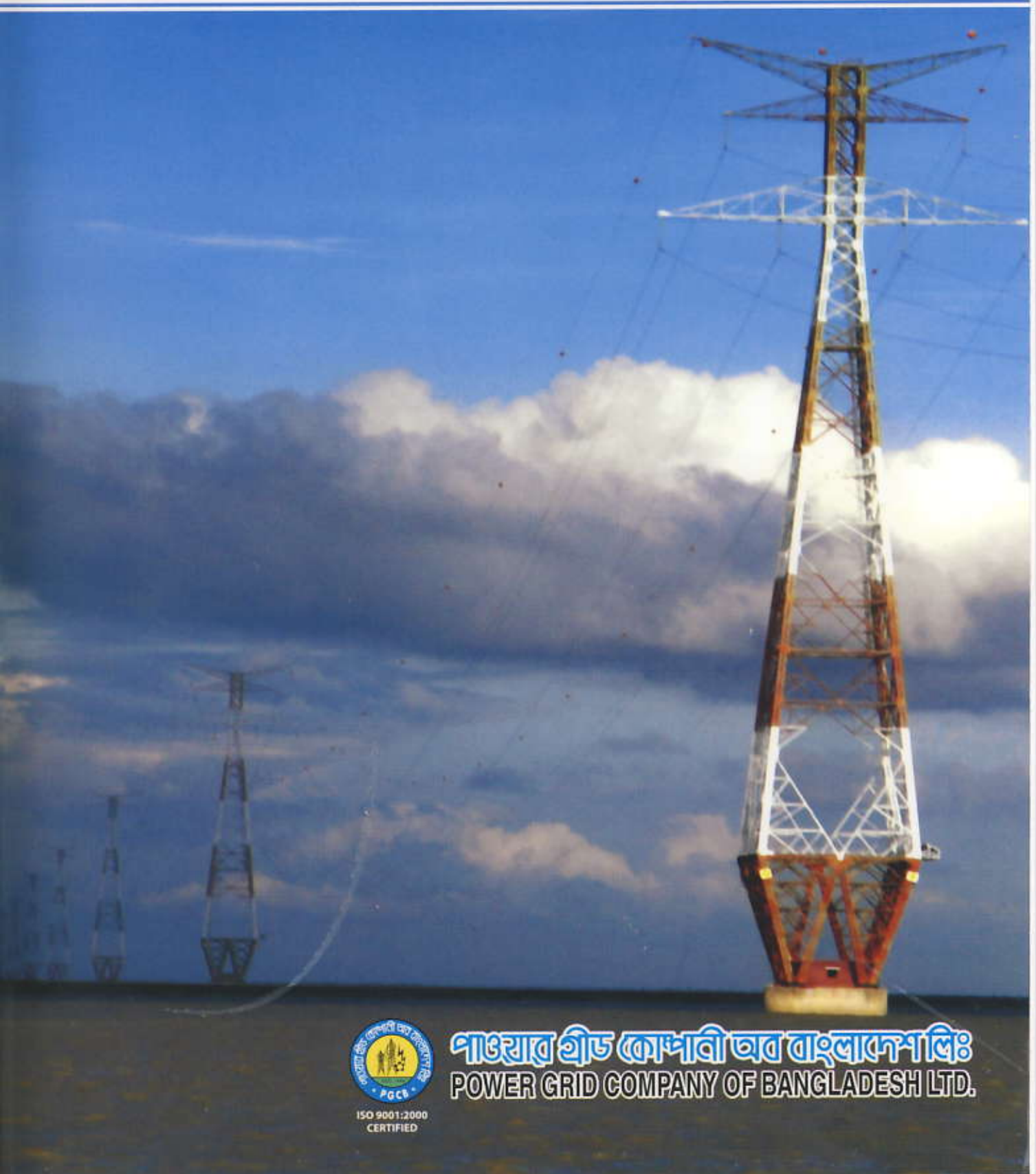


Annual Report 2009-2010



ISO 9001:2000
CERTIFIED

পাওয়ার গ্রিড কোম্পানি অফ বাংলাদেশ লিমিটেড
POWER GRID COMPANY OF BANGLADESH LTD.

annual report 2009-2010



PGCB



Vision

Economic upliftment of the country
by reaching electricity to all through
reliable transmission

Mission

Efficient and effective management of national power grid
for reliable and quality transmission of electricity as well as
economic dispatch throughout the country

Contents

Present Board of Directors	4-5
Board of Directors (2009-10)	6-7
Top Management	8
PGCB at a glance	9
Value Added Statement	10
PGCB's Five-year Review	11
Notice of the 14th Annual General Meeting	12
Corporate Governance	13-15
Directors' Report (Bengali)	16-33
Events	34-35
Directors' Report (English)	36-51
Auditors' report	52-58
Notes to the Financial Statements	59-82
Financial Ratio	83
Construction Contract Agreement	84
Ongoing Development Projects	85-90
Auditors & Bankers	91
Proxy Form	93

Present Board of Directors



Dr. Md. Harun-ur-Rashid
Chairman



A.S.M. Alamgir Kabir
Director



Dr. Jamaluddin Ahmed, FCA
Director



Md. Abu Alam Chowdhury
Director



Foiz Ahamed
Director

Present Board of Directors

1. Dr. Md. Harun-ur-Rashid	Chairman
2. Mr. A.S.M. Alamgir Kabir	Director
3. Dr. Jamaluddin Ahmed, FCA	Director
4. Mr. Md. Abu Alam Chowdhury	Director
5. Mr. Foiz Ahamed	Director
6. Engr. S. M. Khabiruzzaman	Director
7. Barrister M. Anamul Kabir Emon	Director
8. Engr. Md. Jamal Ullah	Managing Director



Engr. S. M. Khabiruzzaman
Director



Barrister M. Anamul Kabir Emon
Director



Engr. Md. Jamal Ullah
Managing Director

Board of Directors (2009-'10)



Dr. Md. Harun-ur-Rashid
Chairman



Khwaja Ghulam Ahmed
Chairman



A.S.M. Alamgir Kabir
Director



Mr. Mohammed Wahid Hossain
Director



Quazi Faruque
Director



Engr. Moyeed Roomi
Director

Board of Directors (2009-'10)

1. Dr. Md. Harun-ur-Rashid	Chairman
2. Mr. Khwaja Ghulam Ahmed	Chairman
3. Mr. A.S.M. Alamgir Kabir	Director
4. Mr. Mohammed Wahid Hossain	Director
5. Mr. Quazi Faruque	Director
6. Engr. Moyeed Roomi	Director
7. Dr. Jamaluddin Ahmed, FCA	Director
8. Dr. S. Shahnawaz Ahmed	Director
9. Mr. Md. Abu Alam Chowdhury	Director
10. Mr. Foiz Ahamed	Director
11. Engr. S. M. Khabiruzzaman	Director
12. Barrister M. Anamul Kabir Emon	Director
13. Engr. Md. Ruhul Amin	Managing Director



Dr. Jamaluddin Ahmed, FCA
Director



Dr. S. Shahnawaz Ahmed
Director



Md. Abu Alam Chowdhury
Director



Foiz Ahamed
Director



Engr. S. M. Khabiruzzaman
Director



Barrister M. Anamul Kabir Emon
Director



Engr. Md. Ruhul Amin
Managing Director

Present Top Management of the Company

- | | |
|-------------------------------|--------------------|
| 1. Engr. Md. Jamal Ullah | Managing Director |
| 2. Mr. Md. Showkat Hossain | Director (Finance) |
| 3. Engr. Md. Mozammel Hossain | Director (O & M) |
| 4. Mr. Premendra Kumar Roy | Director (P & D) |



Engr. Md. Jamal Ullah
Managing Director



Md. Showkat Hossain
Director (Finance)



Engr. Md. Mozammel Hossain
Director (O & M)



Mr. Premendra Kumar Roy
Director (P & D)



PGCB

at a glance

Corporate Office	: Institution of Engineers Bangladesh (IEB) Bhaban (New), 3rd and 4th Floor, 8/A Ramna, Dhaka – 1000, Bangladesh.
Year of Incorporation	: 1996
Status	: Public Limited Company
Business	: Transmission of Power
Authorised Capital in Taka	: 10 billion
Paid up Capital in Taka	: 3,643.58 million
Turnover in Taka of 2009-2010	: 5,929.64 million
Net profit before tax & WPPF in Taka of 2009-2010	: 2,338.38 million
Transmission Line as on 30.06.2010	: 230 Kv – 2,647.3 circuit km 132 Kv - 5,703.0 circuit km
Substations as on 30.06.2010	: 230/132 Kv – 13 Nos. (6,300 MVA) 132/33 Kv - 75 Nos. (7,844 MVA)
Manpower as on 30.06.2010	: 1,977 Nos.
Listed with DSE/CSE	: 9th October 2006

Value Added Statement

for the year ended June 30, 2010

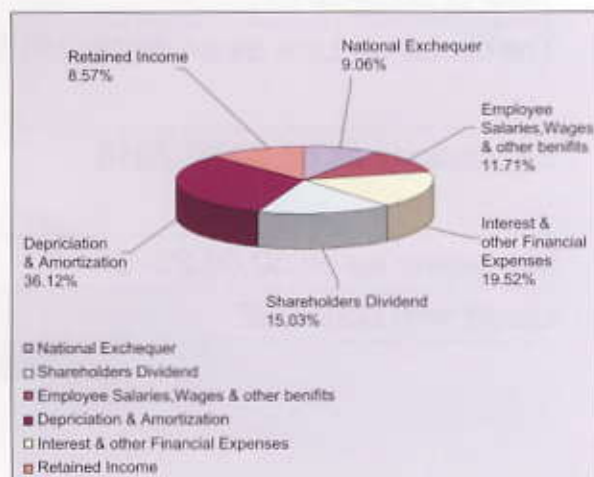
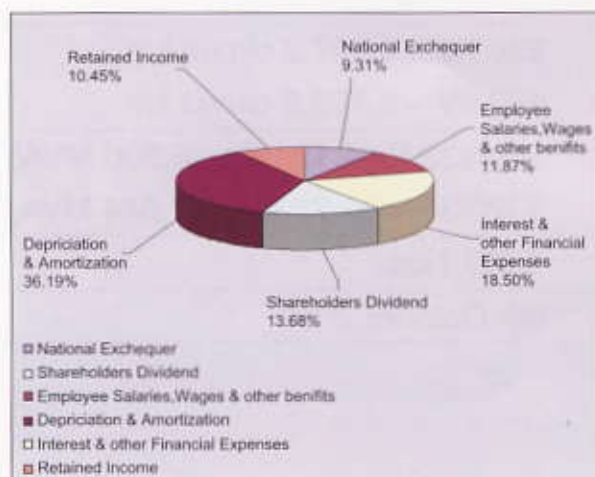
	2010		2009	
	Amount	%	Amount	%
Revenue	5,929,637,919		5,713,828,865	
Less: payment for Services	327,629,861		298,146,021	
	5,602,008,058		5,415,682,844	
Other Income	1,057,446,951		1,131,092,529	
Value Added	6,659,455,009	100.00	6,546,775,373	100.00

Value Distributed:

National Exchequer	620,019,354	9.31	593,120,869	9.06
Employee Salaries, wages & other benefits	790,546,271	11.87	766,627,511	11.71
Interest on other financial expenses	1,231,898,300	18.50	1,277,750,739	19.52
Shareholders Dividend	910,895,250	13.68	983,766,870	15.03
	3,553,359,175	53.36	3,621,265,989	55.31

Value Reinvested:

Depreciation & Amortization	2,409,979,530	36.19	2,364,606,550	36.12
Retained Income	696,116,304	10.45	560,902,834	8.57
	3,106,095,834	46.64	2,925,509,384	44.69
	6,659,455,009	100.00	6,546,775,373	100.00



PGCB's Five-year Review

figure in million

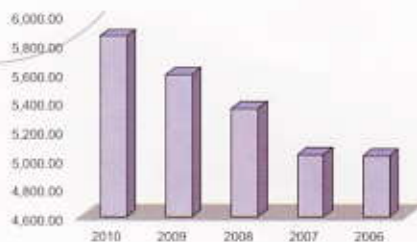
Particulars	Unit	2010	2009	2008	2007	2006
Key Financial figures						
Paid up Capital	Tk.	3,643.58	3,643.58	3,643.58	3,643.58	3,643.58
Gross Fixed Asset	Tk.	70,439.14	67,781.10	53,882.79	53,806.52	53,775.68
Transmission Charge	Tk.	5,854.81	5,584.89	5,348.92	5,029.98	5,021.65
Profit before Tax	Tk.	2,227.03	2,137.79	2,249.39	1,766.78	1,033.23
Profit after Tax	Tk.	1,607.01	1,544.67	1,692.66	1,253.70	619.94
Total Current Assets	Tk.	13,308.42	12,795.34	12,178.22	9,948.49	7,869.91
Total Current Liabilities	Tk.	3,560.82	3,380.61	2,807.12	3,638.53	2,664.39

Financial Ratios & others

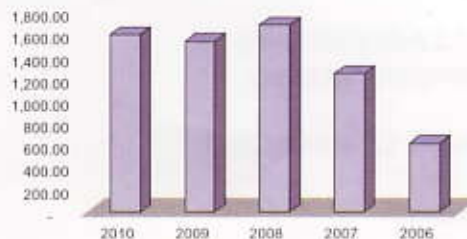
Return on Average Net

Fixed Assets	%	10.41	12.87	15.12	12.47	11.40
Debt Service Coverage Ratio	times	1.98	2.47	2.65	2.00	1.60
Debt - Equity	ratio	71:29	73:27	74:26	77:23	77:23
Accounts Receivable to Sales	mths	2.07	2.10	1.04	1.49	2.00
Current Ratio	ratio	3.73	3.87	4.34	2.73	2.95
No of Share outstanding	Num	36.44	36.44	36.44	36.44	36.44
Dividend per Share (Cash & Bonus)	Tk.	25	27	27	25	10
Earning per Share	Tk.	44.11	42.39	46.46	34.41	17.01

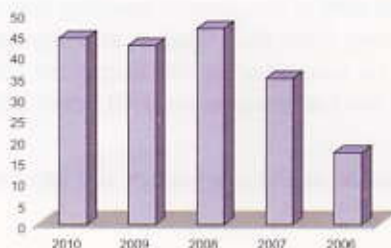
Transmission Charge Tk.



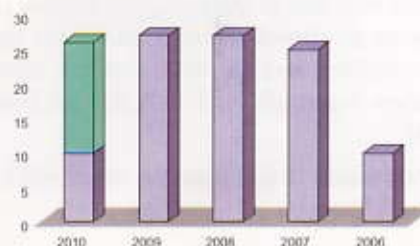
Profit after Tax Tk.



Earning per Share Tk.



Dividend per Share (Cash & Bonus) Tk.





পাওয়ার গ্রীড কোম্পানী অফ বাংলাদেশ লিঃ
POWER GRID COMPANY OF BANGLADESH LTD.

NOTICE of the 14th Annual General Meeting

Notice is hereby given to all concerned that the 14th Annual General Meeting (AGM) of shareholders of Power Grid Company of Bangladesh Ltd. will be held on Saturday, 5 February 2011 at 10:30 am at "Bashundhara Convention Center" Block-G, Umme Kulsum Road, Bashundhara Residential Area, Baridhara, Dhaka-1229 to transact the following business and adopt necessary resolutions:

Agenda:-

1. To receive, consider and adopt audited accounts for the year ended 30 June 2010 and Directors & Auditors Reports;
2. To approve recommended bonus dividend and cash dividend out of the profits for the year ended June 30, 2010;
3. To elect Directors of the Company;
4. To appoint Auditors of the Company for the year end 30 June 2011, until conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board

(Md. Ashraf Hossain)
Company Secretary

Dated: 12 January 2011

Notes:

- 1) The "Record Date" was on Sunday, December 5, 2010. The Shareholders' names appearing in the Register of Members of the Company including in the CDBL on the record date will be eligible to attend the AGM and receive the dividend.
- 2) Any member of the company eligible to attend and vote at the general meeting may appoint a proxy to attend and vote in his/her behalf. The proxy form duly filled in and signed by the shareholders and Tk. 10.00 revenue stamped must be submitted at the Corporate Office, IEB Bhaban (New), 4th Floor, 8/A, Ramna, Dhaka-1000 of the Company at least 48 hours before the AGM.
- 3) Admission to the meeting room will be on production of the attendance slip (sent with the Annual Report).

CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 issued under section 2CC of Securities and Exchange Ordinance 1969:

Condition No.	Title	Compliance Status(put in the appropriate column)		Explanation for non-compliance with the condition
		Complied	Not Complied	
1.1	Board Size (number of Director - minimum 5 and maximum 20)	Complied		
1.2 (i)	Inclusion of Independent Directors	Complied		
1.2 (ii)	Independent Directors should be appointed by the elected directors	Complied		
1.3	Preferably Chairman and Chief Executive Officer different	Complied		
1.4 (a)	Fair Directors Report on Financial Statements	Complied		
1.4 (b)	Maintenance of proper books of accounts	Complied		
1.4 (c)	Application of appropriate accounting policies & estimates	Complied		
1.4 (d)	IAS Applicable in Bangladesh	Complied		
1.4 (e)	Efficiency of internal control system	Complied		
1.4 (f)	Ability to continue as a going concern	Complied		
1.4 (g)	Highlighting significant deviations from last year in operating rules			Situation did not arise.
1.4 (h)	Summarized financial data of at least preceding three years	Complied		
1.4 (i)	Declaration of dividend	Complied		
1.4 (j)	Number of Board Meetings (No. of Board Meetings held and attendance by each director)	Complied		
1.4 (k)	Disclosing aggregate number of Shares	Complied		
2.1	Appointment & define role & responsibilities of Chief Finance Officer, Head of Internal Audit & Company Secretary			

CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status(put in the appropriate column)		Explanation for non-compliance with the condition
		Complied	Not Complied	
2.2	CFO & CS Should attend except agenda relating to them	Complied		
3.00	Should have an audit committee as a sub-committee of the Board of Directors	Complied		
3.1 (i)	Audit committee should be composed of at least three members	Complied		
3.1 (ii)	Audit Committee Members should be nominated by the board with at least one independent director	Complied		
3.1 (iii)	Board to ensure continuity of minimum prescribed number of members of Audit Committee	Complied		
3.2 (i)	Board to select Chairman of audit Committee	Complied		
3.2 (ii)	Audit Committee Chairman's qualification and experience of the Chairman	Complied		
3.3.1 (i)	Reporting to the board of directors	Complied		
3.3.1(ii)(a)	Report of conflict of interest			Situation not arises. Board committee formed to inquire the system
3.3.1(ii)(b)	Defect in the internal control system			
3.3.1(ii)(c)	Suspected infringement of laws	Complied		
3.3.1(ii)(d)	Any other matter (out of the above, a:c)			
3.3.2	Reporting to the authorities- SEC (if any material impact on the financial condition and result of operation, unreasonably ignored by the management			Situation not arises.
3.4	Reporting to the shareholders (disclosure of activities of about committee in the annual report)	Complied		
4 (i)	Appraisal of valuation services (none by the external / statutory auditors)	Complied		
4 (ii)	Financial Information System (none by the external / statutory auditors)	Complied		
4 (iii)	Book keeping and other services (none by the external / statutory auditors)	Complied		
4(iv)	Broker-dealer services (none by the external / statutory auditors)			Not applicable.
4 (v)	Actuarial services (none by the external / statutory auditors)	Complied		
4 (vi)	Internal audit services (none by the external / statutory auditors)	Complied		
4 (vii)	Any other services (none by the external / statutory auditors)			Not applicable.

Compliance of Section 1.4 (j)

Board meeting held during 2008-09 and attendance by each director:

Composition of the Board	Number of Meeting	
	Held	Attended
Mr. Khaza Gulam Ahmed (Chairman)*	1	1
Dr. Md. Harunur Rashid (Chairman) **	24	23
Mr. Md. A.S.M. Alamgir Kabir	24	20
Mr. Mohammad Wahid Hossain, ndc***	9	9
Mr. Quazi Faruque****	21	20
Engr. Moyeed Roomi *****	9	7
Dr. Jamaluddin Ahmed	24	17
Dr. S. Shahnewaz Ahmed	24	23
Mr. Abu Alam Chowdhury	24	22
Mr. Foiz Ahamed*****	15	14
Mr. S. M. Khabiruzzaman, PEng. *****	15	12
Barrister M. Anamul Kabir (Emon) *****	3	1
Mr. Md. Ruhul Amin (Managing Director)	24	24

* Hold the post of member of the Board of Directors from 17.02.2008 to 23.07.2009.

** Hold the post of member of the Board of Directors from 23.07.2009 to date.

*** Hold the post of member of the Board of Directors from 28.03.2007 to 15.11.2009.

**** Hold the post of member of the Board of Directors from 07.07.1997 to 03.06.2010.

***** Hold the post of member of the Board of Directors from 25.08.2005 to 15.11.2009.

***** Hold the post of member of the Board of Directors from 17.12.2009 to date.

***** Hold the post of member of the Board of Directors from 17.12.2009 to date.

***** Hold the post of member of the Board of Directors from 14.06.2010 to date.

Note: The Directors who could not attend meetings were granted leave of absence by the Board.

Audit Committee Meeting and Attendance during the year ended June 30, 2010

Name of Directors	Meeting held while a member	No. of Meeting attended
Dr. Jamal Uddin Ahmed FCA, Chairman	6	6
Quazi Faruque	4	4
Mr. Abu Alam Chowdhury	6	6
Barrister Md. Anamul Kabir Emon	2	2
Mr. Md. Ruhul Amin (Managing Director)	6	5



পিজিসিবি'র চেয়ারম্যান ড. মোঃ হারুন-উর-রশীদ ২০০৮-০৯ অর্থ বৎসরের লভ্যাংশের ডিভিডেন্ট ওয়ারেন্ট শেয়ার হোস্তার বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড এর চেয়ারম্যান জনাব এ. এস. এম আলমগীর কবীর এর নিকট হস্তান্তর করছেন।



ড. মোঃ হারুন-উর-রশীদ, চেয়ারম্যান, পিজিসিবি'র সভাপতিত্বে অনুষ্ঠিত পরিচালক পর্যদের একটি চলমান সভা।

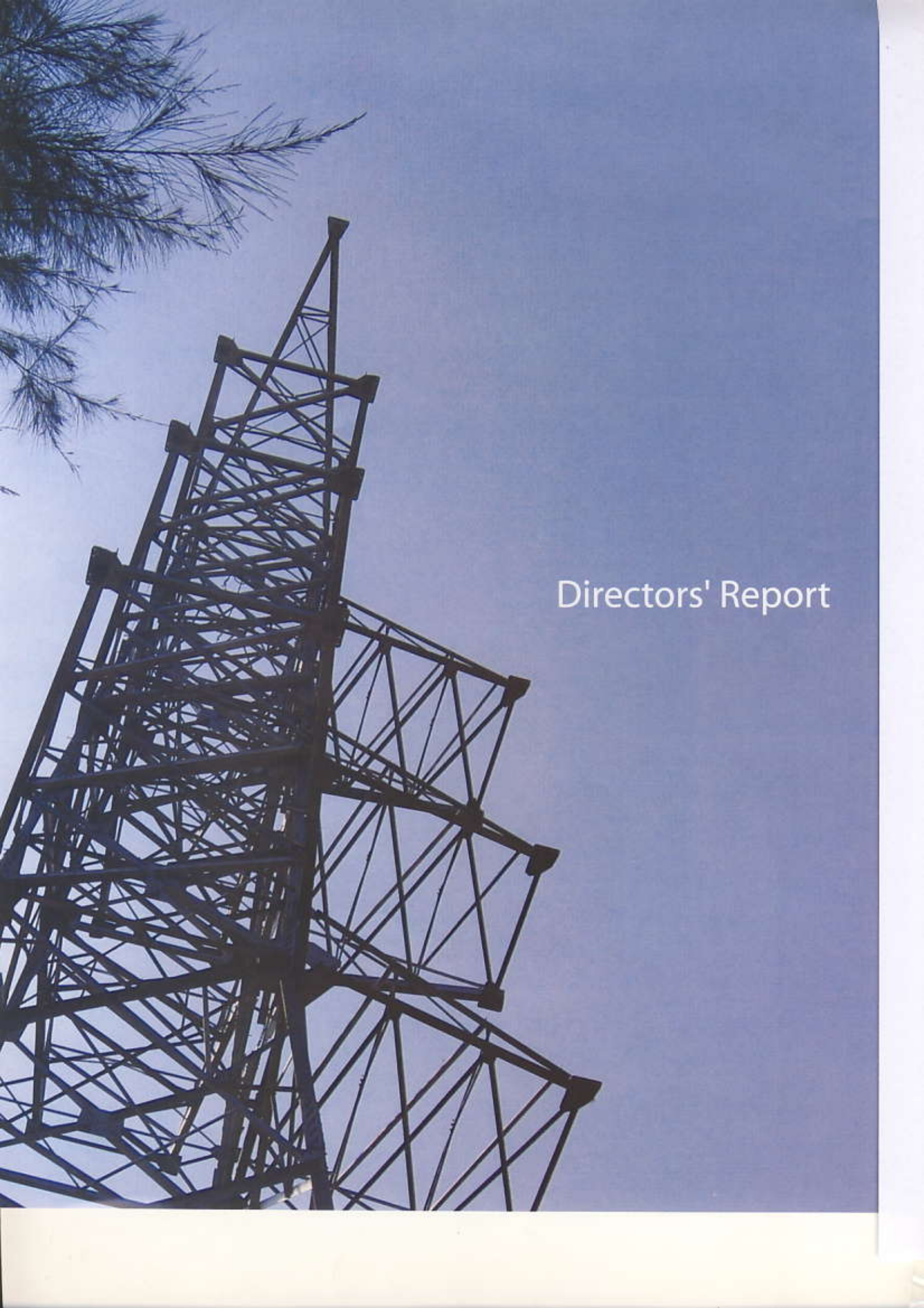
EVENTS



পিজিসিবি'র শেয়ারহোল্ডারগণের ত্রয়োদশ বার্ষিক সাধারণ সভার চিত্র।



সম্মানিত শেয়ারহোল্ডারগণের ত্রয়োদশ বার্ষিক সাধারণ সভার রেজিস্ট্রেশনের দৃশ্য।



Directors' Report

Bismillahir Rahmanir Rahim.
Honourable shareholders,
Assalamualaikum!

At the fourteenth Annual General Meeting of Power Grid Company of Bangladesh Ltd. (PGCB) I welcome you on behalf of the Board of Directors and on my own behalf. I am presenting to you the report of PGCB's overall performance and audited accounts for the financial year 2009-2010.

You know that PGCB was formed to plan, promote, develop, operate and maintain an integrated and efficient power transmission system network in all respects to fulfill the demand for electricity. It also includes research, design and engineering, preparation of preliminary feasibility and detailed project reports, load dispatch, information technology and communication facility and co-ordination of integrated operation of regional, national and international grid systems. The vision and mission of PGCB is to deliver quality power uninterruptedly to all the people of Bangladesh through efficient management.

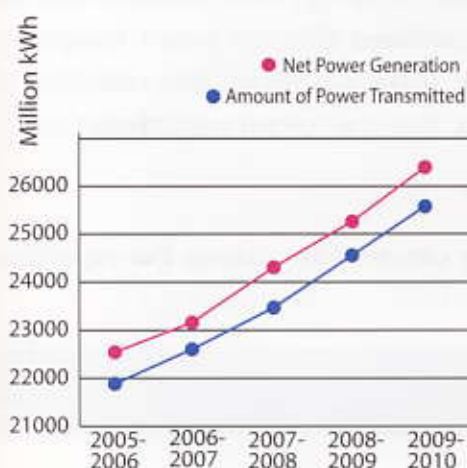
Development of Organization

PGCB with the help of an efficient contingent of manpower has been performing effectively the operation of power transmission system through out the country. Establishment of reliable power transmission system by optimum utilization of manpower and technology is the main strategy of the company. At the end of discussed financial year, that is, on 30-6-2010 total 1,977 officer and staff were in the payroll of the company against approved posts of 2,541 manpower. PGCB has established an art of the state National Load Dispatch Centre (NLDC) that dramatically improved the power transmission system by ICT and OPGW network. NLDC is a revolutionary step to establish modern power management in Bangladesh. The function of system operation, load management and communication system are all performed through Load Dispatch Division, Telemetry Division, Energy Management and Information management System Division Telecommunication Division.

Performance of Operation

During the year 2009-2010, the company transmitted about 25,566 million kilowatt hour of electricity to the different distribution entities through out Bangladesh by its power transmission network that exceeded previous years 24,450 MWh, that is, about 4.56% more. This quantity could had been more if there were no generation short fall. Hopefully in the coming years, generation of electricity will be increased when the on going power generation projects would be completed. It is also expected that quantity of power transmission would also be increased in the years to come.

During the year 2009-2010, maintenance program of whole transmission system was strengthened like previous years. During December-March dry season, maintenance of different lines and substations were performed under annual maintenance program. Owing to effective maintenance, no major interruption was encountered except some minor faults. In 2009-2010 financial year, availability of lines and substations were 99.978% and 99.973% (approx.) respectively against the total transmission system. Transmission loss was 3.07%, that was less than that of previous year (2008-2009), which is almost a world class standard.



Statistics of net power generation and transmission through the transmission network from the year 2005-2006 are maintained in the Table-1:

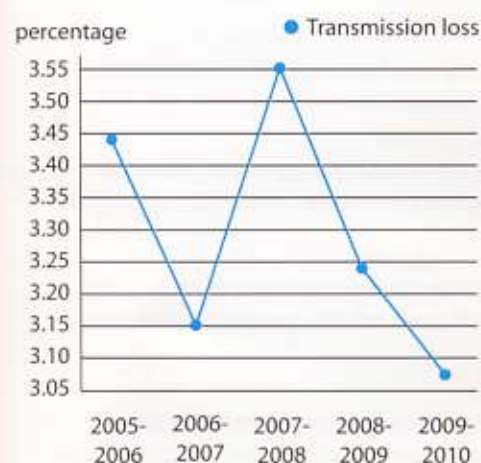
Year	Net Power Generation (Million kWh)	Amount of Power Transmitted (Million kWh)
2005-2006	22,738	21,955
2006-2007	22,771	22,053
2007-2008	24,296	23,435
2008-2009	25,266	24,450
2009-2010	26,376	25,566

Table 1: Last Five Years' net power generation and transmission.

Statistics of transmission network availability from 2005-2006 to the reporting year 2009-2010 are given below in Table-2:

Year	Availability	
	Transmission Line	Substation
2005-2006	99.969%	99.994%
2006-2007	99.991%	99.991%
2007-2008	99.986%	99.992%
2008-2009	99.976%	99.983%
2009-2010	99.978%	99.973%

Table 2: Last Five Years' transmission network availability.



Statistics of transmission interruption and loss from 2005-2006 to reporting year 2009-2010 are given in Table-3:

Year	Interruption due to transmission system problem		Transmission loss in percentage
	Number of occasions	Duration	
2005-2006	73	38 Hr. 13 Min.	3.44
2006-2007	27	23 Hr. 17 Min.	3.15
2007-2008	30	66 Hr. 20 Min	3.55
2008-2009	23	14 Hr. 56 Min	3.23
2009-2010	14	15 Hr. 57 Min	3.07

Table 3: Last five years' transmission interruption and loss.

During the reporting year, 2009-2010 the numbers of transmission trippings were reduced but the duration was increased slightly. This had been possible by the combined effect of expert manpower including LDC and overall efficient management of the Company. There was remarkable reduction of transmission loss during the reporting year than the previous years. That the current transmission loss is almost similar to that of international standard.

The following lines and substations were commissioned after construction during the reporting year against various development projects:

Sl. No	Line/Name of Sub-stations	Length/ Capacity	Remarks
১	Ashuganj-Shahjibazar 132 kV single circuit line.	53 ckm.	It has been possible to reduce overloading of existing Ashuganj-Shahajibazar double circuit line and it has also made possible evacuation of more power from Sylhet region.
২	Khulna (South)-Gallamari 132 kV double circuit line.	8.4 cKm.	It facilitated power transmission to newly constructed Gallamari 132/33 kV Substation in Khulna.
৩	Noagaon-Niamatpur 132 kV single circuit line.	46 circuit Km.	It facilitated reliable power transmission for irrigation in Barendra area.
৪	Aminbazar-Savar 132 kV double circuit line.	26 circuit Km.	It facilitated to meet growing demand at Savar area.
৫	Jhenaidah-Magura 132 kV single circuit line.	26 circuit Km.	It facilitated reliable power transmission in Magura area.
৬	Gallamari 132/33 kV Substation	2X25/4 MVA	It helped in reducing overloading problems of Khulna central 132/33 kV Substation.
৭	Magura 132/33 kV Substation	2X25/41 MVA	It has reduced the overloading problem of Jhenaidah Substation and facilitated reliable power transmission in Magura area.
৮	Niamatpur 132/33 kV Substation	2X35/50 MVA	It has reduced the overloading problem of Nowgaon Substation and facilitated reliable power transmission in Barendra area.
৯	Savar 132/33 kV Substation	2X50/7 MVA	It has reduced the overloading problem of Kabirpur Substation and facilitated reliable power supply in Savar area.

Table 4: Transmission line and substation completed during the Year 2009-2010.

At the end of 2009-2010 financial year the following transmission infrastructure were under operation and maintenance of PGCB:

1. 230 kV Transmission Lines : 2,647.3 Circuit km.
2. 132 kV Transmission Lines : 5,703 Circuit km.
3. 230/132 kV Sub-stations : 13 numbers (including a switching station) and Capacity-6,300 MVA.
4. 132/33 kV Sub-stations : 75 numbers and Capacity-7,844 MVA.

The year wise transmission infrastructure under PGCB's jurisdiction are shown below:

Year	Transmission Line (Ckt. km)			Substation					
	230 kV	232 kV	66 kV	230/132 kV		132/33 kV		66/33 / 11 kV	
					Capacity (MVA)	Number	Capacity (MVA)	Number	Capacity (MVA)
2005-06	1,466	5,340	167	9	4,500	65	6,572	2	25.6
2006-07	1,466	5,529.6	167	10	5,175	70	7,219	2	25.6
2007-08	2,314.5	5,533.6	167	12	5,850	71	7,526	2	25.6
2008-09	2,644.5	5,607.6	-	13	6,075	71	7,399	-	-
2009-10	2,647.3	5,703	-	13	6,300	75	7,844	-	-

Table 5 : Last Five Years' Transmission Infrastructure of PGCB.

Note: A part of the above infrastructure was acquired from BPDB and DESA by different vendor agreements.

Commercial status:

In the reported financial year 2009-2010, PGCB billed wheeling charge @ Tk. 0.2268 at 132 kV end and @ Tk. 0.2291 at 33 kV end for each kilowatt hour to Bangladesh Power Development Board, Dhaka Power Distribution Company Ltd., Dhaka Electric Supply Company Ltd., Palli Biddut Samities and West Zone Power Distribution Company Ltd.

Total revenue (Taka in Million)	Realized (Taka in Million)	Receivable	Remarks
Tk. 5,929.64	TK. 4,904.51	Tk. 1,025.13	Receivable is equal to 2.07 month's wheeling bill.



Development of manpower:

It is acknowledged that trained efficient manpower play major role to achieve goals of an organization. PGCB perceived this importance. For the sake of organizational improvement, PGCB has been going ahead with different training programs to have efficient manpower. Development of manpower is possible in this competitive world by proper utilization of talent and intelligence. It is a specialized process now-a-days. The manpower engaged in power transmission, finance and human resource development are trained by specialized training in the country and abroad. The attempt to increase the capability of manpower has been going on. The professional persons are involved to implement these programs. In the reported year 2009-10, total 7,381 man days were spent for the local and foreign training. The trained officer and staff are working with new zeal that is a strong addition to achieve the goals of PGCB.

Local training:

In the arena of globalization development of manpower is a demand of time. Training plays an important role to enhance the working efficiency and capability of officer and staff. PGCB has arranged different training courses by specialized local and foreign trainers inspite of limited infrastructure for training. The trainees have got opportunity to develop their base of knowledge. Most emphasis was given to training courses on operation and maintenance of transmission lines, total quality management (TQM), industrial relation, information, technology, information management and technical training. Total 52 training programs were organized during the reported year 2009-2010 where 812 officer and staff participated. The mentionable training course were, operation and maintenance of transmission line; programmable digital meter; relay and battery load testing; compliance in corporate governance; hardware maintenance; disciplinary case; data base and application of software; industrial relation and labor law 2006; inventory management; fiber optic terminal and multiplexer equipment and corporate affairs management.



Foreign training:

PGCB arranged foreign training to a good number of officers and staff during the financial year 2009-10. Basically training was organized targeting to acquire knowledge on new projects. In the mentioned year, 28 training programs were completed consuming 890 man-days. In aggregate 79 personnel participated in foreign training.

The most significant training included the following subjects:

Sl. No.	Subject	Country	Organizing entity
(1)	Manufacturing 132 kV and 33kV power cables.	China	CCC
(2)	Power Transformer	Korea (South)	Hysong
(3)	Cash management, Treasury and Trade Solution.	Malaysia	City Bank, NA.
(4)	Strengthening Management	Japan	JICA.
(5)	Grid Operation and Grid Management	India	PGCI.
(6)	132/33 kV Power Transformer	China	CCC.
(7)	Foreign Training	Spain	Cobra.
(8)	Substation Design	India	Siemens
(9)	Protection Training	India	Siemens
(10)	Electric System Engineering	Japan	JICA

Future Program:

At least six days training is planned for each personnel on the basis of existing policy of the Company. A full-fledged training institution infrastructure building is under consideration to achieve that goal. It would facilitate organizing regular training programs and achieving target to enhance skill of the manpower of PGCB.

Development of information Technology:

From the very beginning PGCB has been trying relentlessly to achieve overall improvement of the grid network to make a self reliant and profitable organization by enhancing skill work, reduce cost, increase reliability, transparency in work. PGCB has taken step to develop information technology to achieve these strategic goals. By 2021 PGCB will earn name and fame as one of the best e-managed/e-governed, IT-enable, e-literate company. The mentionable steps for development of information technology are:

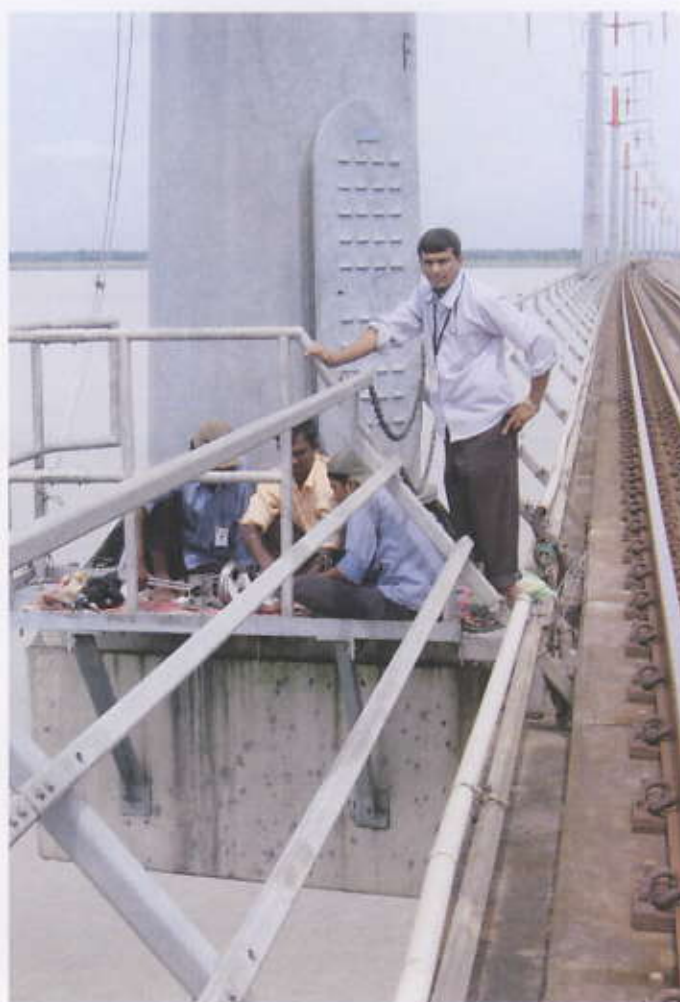
- a) It adopted IT policy to achieve this treats;
- b) Improving website regularly;
- c) Start e-managed/e-government system by improving and implementation of Enterprise Resource Planning;
- d) Implementation LAN;
- e) Commissioning WAN;
- f) Providing internet and e-mail facility to personnel in service and providing hard ware;
- g) Improving accounting system by Accounting Software and
- h) Training of computer operation to personnel.



FINANCIAL PERFORMANCE

The value of gross fixed assets of the Company during the year 2009-2010 was Tk. 70,439.14 million. The net fixed asset was worth Tk. 33,383.27 million. The debt-equity ratio of the company was 71:29. During the reporting year, PGCB paid to BPDB Tk. 1,447.81 million and to Government Tk. 1,468.56 million as Debt Service Liability (DSL).

During FY 2009-2010 the company earned a gross revenue of Tk. 5,854.81 million by wheeling of power and Tk. 74.83 million from optical fibre leasing. The other income was Tk. 1,057.45 million resulting in a total income of Tk. 6,987.09 million. The total expenditure was Tk. 4,760.06 million and thus the net profit before tax was Tk. 2,338.33 million. During the year, the company earned a return of 10.40% on net fixed assets. Assets for Tk. 2,420.00 million were added to the accounts due to completion of a few projects, as a result more depreciation was charged during the year. Moreover, interest on project loans also increased. On the other hand, power generation did not increase as desired. As a result, the profit was decreased compared to that of last year. It is expected that with the increase of power generation in near future profit would be increased. Since the Company earned a profit and has met the conditions of the donor agencies, payment of 10% cash dividend and 15% bonus share has been proposed for the year 2009-2010.



A comparative statement on the financial performance from 2004-2005 until financial year 2009-2010 is shown in Table-7:

Year	Wheeling Charge (mln. Tk.)	Profit before tax (mln. Tk.)	Profit after tax (mln. Tk.)	Return on Net Fixed Assets Gross	Fixed Assets (mln. Tk.)	Paid up Capital (mln. Tk.)	Accounts Receivable (months)
2005-06	5,021.65	1,033.23	619.94	11.40%	53,775.68	3,643.58	2.00
2006-07	5,029.97	1,766.78	1,253.70	12.47%	53,806.52	3,643.58	1.49
2007-08	5,348.92	2,249.39	1,692.66	15.12%	53,882.79	3,643.58	1.04
2008-09	5,584.89	2,244.66	1,544.67	12.87%	67,781.09	3,643.58	2.10
2009-10	5,854.81	2,338.38	1,607.01	10.40%	70,439.14	3,643.58	2.07

Table 7: Last Five Years Financial Performance on Commercial Operation.

Auditors' opinion on financial statements

External Auditor ACNABIN Chartered Accountants has submitted their audited report on the financial statements of the company for the year 2009-2010. In their opinion four major points are worth mentioning. The proper register on plant and machinery are to be kept, physical verification of fixed assets and inventory are necessary, gratuity fund of the employees is to be separated from company fund and defalcation of money in one project. The company has evaluated the opinions giving due importance and has taken up measures which are in the implementation process. For example, The Board of Directors has approved the Terms of Reference (TOR) for engaging a consultancy firm with knowledge of conducting similar type of work for physical verification of fixed assets and inventory. The Expression of Interest (Eoi) was published in the newspaper. Request for Proposal (RFP) was issued to few companies and subsequently RFP has been received. The evaluation of said RFP is in process. The work order to be issued to the selective bidder very shortly. On completion of physical verification along with proper software based register, the register and physical verification will be maintained regularly.

A draft trust deed has been approved by the Board of Directors for managing gratuity fund. The rules of gratuity fund has been prepared and placed to the Board for its approval. By this time, the vetting of law adviser has been received on draft trust deeds and rules for managing the fund. It will be implemented on approval from Board of Directors.

A huge amount of cash defalcation has been detected in Ishurdi-Baghabari-Bogra-Sirajganj 230 KV Transmission Line project during the finalization of accounts of 2009-10. Two inquiry committees have been formed one from management and the other from board. Inquiry is going on. Amount of defalcation can be ascertained after the end of inquiry.

Financing for Development Project:

After founding of PGCB, Asian Development Bank (ADB) had provided first loan to implement 230 kV transmission line project (associated with Meghnaghat Power Station) under their Ninth Power Project loan [1505-BAN (SF)]. There after, ADB funded for 50 km 230 kV transmission line ring construction surrounding Dhaka city and setting up substations under tenth power project loan (BAN-1731). It also funded to construct 332 km transmission line and substations, under West Zone Power System Development Project. ADB provided loan to construct National Load Dispatch Centre; Shunt Compensation by Capacitor Bank Project. ADB funded three PGCB projects under Sustainable Power Sector Development Program loan. During the year 2009-10 a loan agreement for US \$ 100.00 million was signed with ADB for funding transmission line and substation in Bangladesh territory against Bangladesh-India Grid Interconnection Project. In addition to ADB, many other development partners such as kfW, DANIDA, Nordic Development Fund, CIDA, JICA, World Bank & EDCF have expressed their satisfaction and provided fund and committed to provide fund to important power transmission projects of PGCB observing its endeavor, zeal and capacity of project implementation. Moreover, under suppliers credit Bogra-Barapukuria and Iswardi-Baghabari Line projects were constructed by CCC, China and TATA Power, India respectively. A loan agreement with WB signed for foreign currency funding to implement Siddirganj-Maniknagar 230 kV transmission line and substation and the work is in progress. Implementation for voltage improvement of 24 grid substations through reactive power compensation upto 600 megavar capacity has been going on through kfW funding.

Protection of Environment:

PGCB has been following the law of the land on environmental issues and rules and directives of Environment Department of the government during implementation of power transmission projects. Care is taken upto minimize adverse effects on homestead, land etc. Barren and low land are preferred in case of acquisition for construction of new substation, so that effect on lively hood of people and environment could be avoided. On the basis of guide line of Environment Department and funding agency, Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) study are conducted. Resettlement plan is made to compensate the affected person on the basis of the studies.



Significant achievements in the financial year 2009-10:

1. After completion of construction works of Ashuganj-Shahajibazar 132 kV single circuit transmission line on 31 August 2009, it was commissioned and has been in operation since then.
2. On completion of construction of 132/33 kV Khulna (South) Gallamari substation and 132 kV double circuit line, the facilities were commissioned on 16 November 2009 and has been in operation since then.
3. After construction of Noagaon-Niamatpur 132 kV single circuit line, it was commissioned on 2 January 2010 and has been in operation since then. The 132/33 kV Niamatpur substation was commissioned on 5 January 2010 after completion of construction and has been in operation since then.
4. After completion of construction of Aminbazar-Savar 132 kV line and 132/33 kV substation at Savar were commissioned on 23 April 2010 and have been in operation since then.
5. On 11 June 2010 the Jhenaidah-Magura 132 kV single circuit line and Magura 132/33 kV substation were commissioned and those have been in operation since than.

Future Development Plan:

Strengthening transmission system, to meet the future growing power demand and to implement government's goal of reaching power to all houses PGCB has taken up huge development plan. A few list of that plan is mentioned below:

Sl. No.	Name of project	Progress up to June 2010	Expected completed year
1	Bibiyana-Kaliakoir 400 kV and Fenchuganj-Bibiyana 230 kV transmission line.	PEC meeting held on 11-4-2010 and revised DPP submitted for ECNEC approval.	2011-2012.
2	Construction of Barisal-Bhola double circuit 230 kV line.	Bid accepted for feasibility study.	2012-2013.
3	Eight new substations including 132 kV interconnection line.	Pre-DPP approved by planning commission and has been sent to ERD for sourcing funding.	2012-2013.
4	Ishurdi-Rajshahi 230 kV transmission line project.	Pre-DPP submitted.	2012-2013.
5	Construction of Shyampur-Jhenaidah, Bheramara and Sreepur 230/132 kV substation project.	Pre-DPP has been sent for approval.	2012-2013.
6	Rawzan-Sikalbaha-Anowara and Hathazari-Khulshi 230 kV transmission line project.	Pre-DPP under preparation.	2012-2013.
7	Construction of Chandraghona-Rangamati-Khagrachari 132 kV single circuit line.	Pre-DPP has been sent to planning commission.	2012-2013.
8	Enhancement of Capacity of Grid Substations and transmission lines (Phase-1).	Per-DPP under preparation.	2012-2013.
9	Bibiyana-Comilla (North) 230 kV transmission line.	DPP has been sent to Power Division.	2011-2012.
10	Grid Interconnection between Bangladesh (Bheramara) and India (Baharampur).	Pre-DPP has been sent to planning commission.	2012-2013.
11	Anowara-Meghnaghat 400 kV transmission line project.	Pre-DPP under preparation.	2014-2015.
12	Aminbazar, Mawa, Mangla 400 kV and Mongla-Khulna (South) 230 kV transmission line.	Pre-DPP under preparation.	2014-2015.
13	Electricity Inter Connection between eastern part of Bangladesh and Tripura of India.	Pre-DPP has been sent for approval.	2012-2013.
14	Goalpara-Begerhat 132 kV 2nd circuit line.	PCP will be placed before PGCB Board soon.	2011-2012.
15	RPCL, Mymensingh-Tangail via Bhaluka 132 kV double circuit transmission line project.	Per-DPP has been prepared and will be sent shortly.	2012-2013.
16	Brahamanbaria-Nabinagar-Narshingdi 132 kV transmission line project.	Pre-DPP under preparation.	2011-2012.

In addition to the above mention projects on behalf of PGCB in the light of Power System Master Plan, long term plan has been taken to develop transmission system infrastructure to cover all areas of Bangladesh under power supply network by 2021 AD.

Program of Development:

In the year under consideration 2009-10, eight no. of projects under ADB funding and four no. of projects under different funding agencies are being implemented. Five projects amongst the above were completed. National Load Dispatch centre is one of the significant completed projects. To coordinate centrally among the generation of power at different location of the country with the transmission & distributions entities through SCADA and OPGW network this project was taken up.

The list of on going projects:

A) Projects included in ADP for 2009-10 year-

- ❖ National Load Dispatch project;
- ❖ Construction of new substations and extension of existing substations including transmission line facilities (Phase-1);
- ❖ Shunt compensation at grid substation by capacitor bank (Phase-1);
- ❖ Three transmission line project;
- ❖ Meghnaghat-Aminbazar 400 kV transmission line project (Phase-1)
- ❖ Aminbazar-Old airport 230 kV transmission line and associated substation project;
- ❖ Transmission efficiency improvement through reactive power compensation at grid substations and reinforcement of Goalpara substation and
- ❖ Siddirganj-Maniknagar 230 kV transmission line project.

B) Projects other than ADP (Own and other source of funding):

- ❖ Aminbazar-Savar-132 kV transmission line project;
- ❖ Noagaon-Niamatpur 132 kV transmission line project;
- ❖ Ashuganj-Shahjibazar 132 kV single circuit line project and
- ❖ Transmission facilities development for evacuation of 1, 350 MW power from rental, Public & Private sector power plants.

Achievement of ISO-9001:2000 Quality Management System and Continuation work:

In the year 2005 the management of PGCB made decision to establish ISO 9001:2000 quality management system for strengthening operation and maintenance, improve work quality and overall management of the company. Internal audit was conducted five times during January 2006 to May 2007. On completion of certification of audit through internationally reputed organization Bureau Veritas Certificate (India) Private Ltd. at end of 2007-2008 financial year PGCB got ISO 9001:2000 certificate. It is the first company in power sector that got the proud of ISO 9001:2000 service provider recognition. It is now trying to achieve ISO 9001:2008 by 2010-2011.

Position of PGCB at Share market:

The nominal (face) value of each PGCB share is Tk. 100.00. On 2-7-2009 the last trading price was Tk.716.25 and on 30-6-2010 the last trading price was 1,025.00 at Dhaka Stock Exchange. The over all trend in the financial year 2009-2010, was upword but up and down of price was also observed in different time and date. The price of the share of PGCB may be termed as growing and stable which depicts confidence of public concern to the Company.

Acknowledgement:

All type of help, cooperation and support of the shareholder is acknowledge by the Board of Directors of PGCB.

I like to thank on behalf of the Board of Directors to the personnel of the Company to serve their assigned responsibility towards achievement of development of the Company.

I also like to express my sincere gratitude and thanks to Power Division, Ministry of Power, Energy and Mineral Resources; Economic Relations Division; Ministry of Finance; Ministry of Planning; Power Cell; Bangladesh Power Development Board; Dhaka Power Distribution Company Ltd.; West Zone Power Distribution Company Limited; Rural Electrification Board; PBSs; Dhaka Electric Supply Company Limited; Rural Power Company Ltd; Other Government Departments; Asian Development Bank; World Bank; EDCF; USAID; KfW; Danida; NDF; SIDA; JICA; IDB and all other development partners; Securities & Exchange Commission; Dhaka & Chittagong Stock Exchanges for their advice, guidance, support and cooperation in successful advancement and achievement of company activities.

I once again like to thank you for your kind presence in the 14th Annual General Meeting of the Company. I would now like to request you to kindly consider and adopt the Audited Accounts, Auditors' Report and Directors' Report for the Financial Year 2009-2010.

In conclusion I pray to Almighty Allah for continued success and prosperity of Power Grid Company of Bangladesh Ltd.

On behalf of the Board of Directors



(Dr. Md. Harun-ur-Rashid)
Chairman

independent

Auditor's Report

to the Shareholders of

Power Grid Company of Bangladesh Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Power Grid Company of Bangladesh Ltd. which comprise the balance sheet as at 30 June 2010, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 32 to the financial statement.

Management's Responsibility for the Financial Statements

Management of Power Grid Company of Bangladesh Ltd. is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- a. The carrying amount of property, plant and equipment as shown on the Balance Sheet was reported at Tk. 33,383,269,863. But the Company does not maintain a proper register for property, plant and equipment. Valuation of plant and machinery transferred from Bangladesh Power Development Board (BPDB, previously PDB) and Dhaka Power Development Company (DPDC, previously DESA) was not done properly. The Company did not conduct any physical verification of its property, plant and equipment as at 30 June 2010 or any time during the period under audit. Bangladesh Accounting Standard (BAS) 36 requires impairment test of property, plant and equipment and necessary disclosure in that regard. The Company has no laid down policy and procedures in regard to impairment test, and no such test was carried out.
- b. As disclosed in Note # 6 to the financial statements, the Company reported an amount of Tk. 685,483,498 as inventories. The Company did not carry out any physical verification of inventory as at 30 June 2010 or any time during the period under audit. Movement of inventories are not properly recorded in the accounts maintained at the cost centres we visited. Moreover, stock balance as per stock register did not match with the inventory balances in the accounts maintained at the cost centres we visited.

- c. As disclosed in Note # 15 to the financial statements, the Company operates an unfunded gratuity scheme and makes provision as per Company Policy. But no actuarial valuation has been done as per BAS 19.
- d. As disclosed in Note # 20.4 to the financial statements, the Company reported an amount of Tk.382,022,758 as receivable from Ishwardi-Baghabari-Sirajgong-Bogra 230KV Transmission Line Project against current account. Since the Company reconciles the current account with a project on its completion, no reconciliation of the said current account was done while the project was in progress. However, when the Head Office went for reconciling the accounts on completion of the Project, the management suspected that a huge cash defalcation had taken place, and an investigation is going on. It is estimated that the defalcated amount will not be less than the current account receivable balance of Tk. 382, 022,758. The Company has not made any provision against the said loss.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of Power Grid Company of Bangladesh Ltd. as at 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Other Matter

The Financial statements of power Grid Company of Bangladesh Ltd. for the year ended 30 June 2009 were audited by another auditor who expressed a qualified opinion on those financial statements on 04 November 2009 because of the non-conducting of physical verification of property, plant and equipment, non-maintenance of complete fixed asset register, non-testing for impairment of assets as per BAS 36, non-conducting of physical verification of inventory with the participation of auditor and not for doing actuarial valuation of gratuity as required by BAS 19.

Report on Other Legal and Regulatory Requirements

We also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- the Company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purposes of the Company's business.

Dhaka

13 November 2010



ACNABIN

Chartered Accountants

	Notes	30.06.2010 Taka	30.06.2009 Taka
Assets			
Property, plant and equipment	4	33,383,269,863	33,135,201,489
Capital work-in-progress	5	16,392,344,102	12,474,463,900
Total non-current assets		49,775,613,965	45,609,665,389
Inventories	6	685,483,498	568,138,491
Accounts and other receivables	7	1,352,523,069	1,324,223,262
Advances, deposits and prepayments (figure of 2009 restated)	8	657,724,742	620,132,559
Cash and cash equivalents (figure of 2009 restated)	9	10,612,691,429	10,282,847,457
Total current assets		13,308,422,738	12,795,341,769
Total assets		63,084,036,703	58,405,007,158
Equity			
Share capital	10	3,643,581,000	3,643,581,000
Deposit for shares	11	8,288,522,908	7,119,140,637
Retained earnings (figure of 2009 restated)		4,117,625,249	3,494,380,566
Total equity attributable to equity holders		16,049,729,157	14,257,102,203
Liabilities			
Term loan-interest bearing (figure of 2009 restated)	12	39,428,415,143	37,388,769,313
Interest Payable	13	1,697,315,307	1,423,542,676
Grant from SIDA	14	140,377,926	140,377,926
Deferred liability-gratuity	15	328,218,950	264,663,472
Deferred tax liabilities (figure of 2009 restated)	16	1,879,162,378	1,549,940,936
Total non-current liabilities		43,473,489,704	40,767,294,323
Term loan-interest bearing	17	1,790,359,768	1,104,162,608
Interest Payable	18	1,154,536,079	998,942,459
Liabilities for expenses	19	122,341,304	124,304,346
Liabilities for other finance	20	187,377,601	846,998,129
Provision for taxation	21	306,203,090	306,203,090
Total current liabilities		3,560,817,842	3,380,610,632
Total liabilities		47,034,307,546	44,147,904,955
Total equity and liabilities		63,084,036,703	58,405,007,158

Previous year's figures have been rearranged and restated wherever necessary, to confirm to current year's presentation. These financial statements should be read in conjunction with the annexed notes 1 to 32.


Managing Director


Director


Company Secretary

As per our report of same date.


ACNABIN
Chartered Accountants

Dhaka, 13 November 2010

	Notes	2009-2010 Taka	2008-2009 Taka
Revenue	22	5,929,637,919	5,713,828,865
Transmission expenses	23	(3,274,436,664)	(3,191,975,197)
Gross profit		2,655,201,255	2,521,853,668
Administrative expenses	24	(142,367,454)	(130,515,356)
Results from operating activities		2,512,833,801	2,391,338,312
Finance income	25	909,081,121	1,078,814,191
Other income	26	148,365,830	52,278,338
Finance expenses	27	(1,231,898,300)	(1,222,328,269)
Profit before contribution to WPPF		2,338,382,452	2,300,102,572
Contribution to WPPF		(111,351,545)	(106,889,529)
Profit before income tax		2,227,030,907	2,193,213,043
Income tax expense	28	(620,019,354)	(593,120,869)
Profit after tax carried forward		1,607,011,553	1,544,669,704
Basic earnings per share (per value Tk.100)	29	44.11	42.39

Previous year's figures have been rearranged and restated wherever necessary, to confirm to current year's presentation.
These financial statements should be read in conjunction with the annexed notes 1 to 32.


Managing Director


Director


Company Secretary
As per our report of same date.

Dhaka, 4 November 2009


ACNABIN
Chartered Accountants

	Share capital Taka	Deposit for shares Taka	Retained earnings Taka	Total Taka
Balance as at 30 June 2008	3,643,581,000	6,361,576,967	2,886,529,063	12,891,687,030
Prior year adjustment on account of :	-	-	-	-
Reversal of understated Income of prior years	-	-	46,954,109	46,954,109
Restated balance as at 30 June 2008	3,643,581,000	6,361,576,967	2,933,483,172	12,938,641,139
Profit for the year	-	-	1,544,669,704	1,544,669,704
Net investment received during the year	-	757,563,670	-	757,563,670
Final dividend of 2008	-	-	(983,766,870)	(983,766,870)
Balance as at 30 June 2009	3,643,581,000	7,119,140,637	3,494,386,006	14,257,107,643
Prior year adjustment on account of :	-	-	-	-
Reversal of overstated Income 2008-09	-	-	(5,440)	(5,440)
Restated balance as at 30 June 2009	3,643,581,000	7,119,140,637	3,494,380,566	14,257,102,203
Profit for the year	-	-	1,607,011,553	1,607,011,553
Net investment received during the year	-	1,169,382,271	-	1,169,382,271
Final dividend of 2009	-	-	(983,766,870)	(983,766,870)
Balance as at 30 June 2010	3,643,581,000	8,288,522,908	4,117,625,249	16,049,729,157

* Previous year's figures have been rearranged and restated wherever necessary, to confirm to current year's presentation.


Managing Director


Director


Company Secretary

	2009-2010 Taka	2008-2009 Taka
A. Cash flows from operating activities:		
Cash receipts from customers	5,922,353,487	5,637,270,707
Cash paid to suppliers, contractors, employees, etc.	(1,871,141,415)	(890,828,703)
Cash generated from operating activities	4,051,212,072	4,746,442,004
Interest paid	(1,076,304,680)	(804,271,659)
Income taxes paid	(290,797,912)	(185,591,531)
<i>Net cash from operating activities</i>	2,684,109,480	3,756,578,814
B. Cash flows from investing activities:		
Interest received	888,065,746	1,121,344,914
Cash receipts from others	148,365,830	60,302,609
Addition to property, plant and equipments and capital work-in-progress	(6,575,928,106)	(5,501,686,558)
<i>Net cash used in investing activities</i>	(5,539,496,530)	(4,320,039,035)
C. Cash flows from financing activities		
Share capital and deposit for share	1,169,382,271	757,563,670
Long term loan	2,999,615,622	1,485,207,857
Dividend paid	(983,766,870)	(975,796,606)
<i>Net cash from financing activities</i>	3,185,231,023	1,266,974,921
D. Net increase in cash and cash equivalents (A+B+C)	329,843,972	703,514,700
E. Opening cash and cash equivalents	10,282,847,457	9,579,332,757
F. Closing cash and cash equivalents (D+E)	10,612,691,429	10,282,847,457

Previous year's figures have been rearranged and restated wherever necessary, to confirm to current year's presentation.



Managing Director



Director



Company Secretary

NOTES

To the financial Statements

for the year ended 30 June 2010



NOTES

To the financial Statements
for the year ended 30 june 2010

1. Reporting entity

1.1 Company profile

Power Grid Company of Bangladesh Limited (the Company) is a listed Company. The Company was incorporated on 21 November 1996 having registration no. C-31820 (941)/96 under the Companies Act 1994 as a private Company limited by share which was subsequently converted to a public limited Company on 5 March 2000. The Company is listed with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

1.2 Nature and scope of business

The Company's principal activities are planning, promoting, developing, operating and maintaining of an integrated and efficient power transmission system/network through out Bangladesh. As the sole power transmission Company in Bangladesh, the Company is responsible in all aspects, regarding transmission lines, sub-stations, load dispatch Centres, communication facilities etc. The scope of work of the Company also includes co-ordination of integrated operations of regional, national and international grid systems. It also provides consultancy services in power systems and execution turnkey jobs for other organisations.

1.3 Registered office

The registered office of the Company is located at Red Crescent Concord Tower, 17 Mohakhali C/A, 6th Floor, Dhaka 1212.

1.4 Corporate head office

Corporate head office of the Company is located at Institute of Engineers Bangladesh (IEB) Bhaban (New), 3rd and 4th floors, Ramna, Dhaka-1000.

2. Basis of preparation

2.1 Statement of compliance

Except as details below, the financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Foreign currency exchange difference of Tk 230,131,060 arising on foreign currency denominated loans and borrowings taken by the Company has been capitalised and included in the carrying amount of capital work-in-progress as required under the provision of Section 185, read with, Part-1, Schedule XI of the Companies Act 1994 because the loans were used in the projects that were accounted for in capital work in progress. BAS 21: the Effects of Changes in Foreign Exchanges Rates, however, requires that exchange losses/(gains) be recognised as expenses/ income in the relevant period. The difference arising from capitalisation of foreign exchange loss/(gain) has been recognised in accordance with the requirements of the Companies Act 1994.

2.2 Presentation of Financial Statements

The presentation of these financial statements are in accordance with the guidelines provided by BAS 1: Presentation of financial statements.

2.3 Basis of Measurement

These financial statements have been measured under historical cost convention.

2.4 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT/Taka/Tk) which is both functional and presentational currency.

NOTES

To the financial Statements for the year ended 30 June 2010

2.5 Level of precision

The figures of financial statements presented in Taka which have been rounded off to the nearest integer.

2.6 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and various other factors that believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

To be precise, information about significant areas of estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

	Note Ref.
Depreciation and amortisation	4
Deferred liability for gratuity and earned leave	15
Deferred tax liabilities	16
Foreign currency denominated loans and borrowings	12-14 and 17-18

2.7 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient fund to meet the present requirements of the existing business.

2.8 Reporting period

The financial statements of the Company covers one year from 1 July 2009 to 30 June 2010 and followed consistently.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency transactions

Bangladesh Accounting Standards 21: The Effect of changes in Foreign Exchange Rates requires balances resulting from transactions denominated in a foreign currency to be converted into Taka at the rate prevailing on the date of transaction. All monetary assets and liabilities at balance sheet date, denominated in foreign currencies, are to be retranslated at the exchange rates prevailing on balance sheet date.

3.2 Property, plant and equipment

3.2.1 Recognition and measurement

Items of property, plant and equipment excluding land are measured at cost less accumulated depreciation in compliance with the requirement of BAS 16: Property, Plant and Equipment. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and

NOTES

To the financial Statements
for the year ended 30 June 2010

condition necessary for it to be capable of operating in the intended manner. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3.2.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss account as incurred.

3.2.3 Depreciation

No depreciation is charged on land and capital work in progress.

Depreciation on other items of property, plant and equipment is provided on a straight line basis over the estimated useful lives of each item. For addition to property, plant and equipment, depreciation is charged from the month of capitalisation up to the month immediately preceding the month of disposal.

Considering the estimated useful life of the assets, the rates of depreciation stand as follows:

Building	5%
Plant and machinery (substations and transmission lines)	3.50%
Motor vehicle	20%
Office equipment	10%
Signboard	25%
Furniture and fixture	10%

3.2.4 Capital work-in-progress

Capital work in progress consists of all costs related to projects including civil construction, land development, consultancy, interest, exchange loss/(gain), line in progress, import duties and non refundable taxes and VAT. Property, plant and equipment that is being under construction/ acquisition is also accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.2.5 Retirement and disposal

An item of property, plant and equipment is derecognised on disposal or when no further economic benefits are expected from its use, whichever comes earlier. Gains or losses arising from the retirement or disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the same, and are recognised the net with 'other income' in the profit and loss account.

3.3 Inventories

Inventories consisting of spare parts at Grid Maintenance Divisions (GMDs) are valued at lower of cost and net realisable value in accordance with provision of BAS 2: Inventories. Cost of inventories include expenditure incurred in acquiring the inventories and other cost incurred in bringing them to their existing location and condition.

Cost of inventories is determined by using the weighted average cost formula. Net realisable value is based on estimated selling price less estimated costs necessary to make the sale.

3.4 Financial instrument

Non derivative financial instruments comprises of cash and cash equivalents, accounts and other receivables, loans and borrowings and other payable.

NOTES

To the financial Statements for the year ended 30 June 2010

3.4 Financial instrument

Non derivative financial instruments comprises of cash and cash equivalents, accounts and other receivables, loans and borrowings and other payable.

3.4.1 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash at bank including fixed deposits having maturity of three months to one year which are available for use by Company without any restriction.

3.4.2 Accounts and other receivable

Accounts and other receivable are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to uncollectibility of any amount so recognised.

3.5 Share capital

Paid up capital represents total amount of shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any residual proceeds of liquidation.

3.6 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of an amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

3.7 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity in accordance with the requirement of BAS 12: Income Tax.

3.7.1 Current tax

Current tax the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The effective rate of tax is 24.75% considering 10% tax rebate for declaring dividend of more than 20% of the paid up capital. Provision for tax has been made on the basis of Finance Act 2010.

3.7.2 Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they revised, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES

To the financial Statements for the year ended 30 June 2010

3.8 Revenue recognition:

Revenue comprised of transmission/wheeling charge and rental income which are recognised in the profit and loss account after meeting the recognition criteria in accordance with the requirement of BAS 18: Revenue. Revenues are measured at fair value of the consideration received or receivable, net off sale related taxes (VAT).

Transmission charge recognised when monthly invoices raised against Bangladesh Power Development Board (BPDB), Dhaka Power Distribution Company (DPDC), Palli Bidyut Samitis (PBSs), West Zone Power Distribution Co. Ltd (WZPDC) and Dhaka Electric Supply Company Ltd. (DESCO). Quantum of invoices is determined by survey of meter reading at cut off time.

Rental income from Optical Fiber Cable Network is recognised when monthly invoices realised against Grameen Phone Ltd and Bangladesh Telecommunication Company Limited (BTCL). Quantum of invoices is determined in accordance with the agreement.

3.9 Finance income and expense

Finance income comprises interest income on funds invested. Interest income is recognised on accrual basis.

Finance expense comprises interest expense on loans and foreign exchange loss/(gain) on translation of foreign currency. All finance expenses are recognised in the profit and loss account.

3.10 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year in accordance with the requirement of BAS 33: EPS.

3.11 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

3.12 Statement of cash flows

The statement of cash flows has been prepared in accordance with requirements of BAS 7: Statement of Cash Flows. The cash generated from operating activities has been prepared using the direct method as prescribed by Securities and Exchange Rules 1987 and as the benchmark treatment of IAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.13 Borrowing cost

Borrowing cost relating to projects already in commercial operations are charged as expenses for the year in accordance with requirements of BAS 23: Borrowing Costs. In respect of projects that have not yet commenced commercial operation, borrowing costs are adjusted with capital work-in-progress.

3.14 Employee benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees in accordance with the requirements of BAS 19: Employees Benefits. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

3.14.1 Defined contribution plan (provident fund)

Defined contribution plan is a post-employment benefit plan. The recognised Employees' Provident Fund

NOTES

To the financial Statements *for the year ended 30 june 2010*

is considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution

The Company recognised contribution to defined contribution plan as an expenses when an employees has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

3.14.2 Group insurance

The Company has also a group insurance scheme for its permanent employees, premium for which is being charged to profit and loss account annually as per the insurance policy.

3.14.3 Defined benefit plan (gratuity)

The Company also maintains an unfunded gratuity scheme for permanent employees, provision for which has been made in profit and loss account. Employees are entitled to gratuity benefits after completion of minimum 3 years' service in the Company but provision has been made for persons who have not completed 3 years. The gratuity is calculated on the last basic salary and is payable at the rate of two months' basic salary for every completed year of service

3.15 Workers Profit Participation Fund (WPPF)

The Company makes a regular allocation of 5% on net profit before tax to this fund and payment is made to the eligible workers as per provision of the Company's profit under Labour Law 2006 Chapter-15 and Workers' Profit Participation Act 1968.

3.16 Proposed dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the para 125 of IAS 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as "liability" in accordance with the requirements of the Para 12 & 13 of IAS 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.17 Comparative information

Relevant comparative information has been presented in the financial statements. Previous year's figures have been rearranged/reclassified wherever possible and considered necessary to conform to current year's presentation.

NOTES

To the financial Statements
for the year ended 30 June 2010

4. Property, plant and equipment

Particulars	Cost					Depreciation				Written down value	
	Balance as at 1 July 2009	Addition during the year	Disposal/adjustment for the year	Balance as at 30 June 2010	Rate %	Balance as at 1 July 2009	Charged for the year	Adjustment for the year	Balance as at 30 June 2010	As at 30 June 2010	As at 30 June 2009
Land and land development	627,434,250	-	-	627,434,250	-	-	-	-	-	627,434,250	627,434,250
Building	20,933,176	4,119,779	-	25,052,955	5	6,983,979	1,149,653	-	8,133,632	16,919,323	13,949,197
Plant and machinery											
(substation and transmission line)	66,898,065,621	2,610,168,408	-	69,508,234,029	3.5	34,509,070,545	2,382,018,223	-	36,891,088,768	32,617,145,261	32,388,995,076
Motor vehicle	146,050,494	22,095,725	-	168,146,219	20	95,573,059	18,539,167	-	114,112,226	54,033,993	50,477,435
Office equipment	60,266,033	16,461,989	-	76,728,022	10	22,297,550	5,818,648	-	28,116,198	48,611,824	37,968,483
Signboard	4,871,985	1,791,901	-	6,663,886	25	4,706,891	88,945	-	4,795,836	1,868,050	165,094
Furniture and fixture	23,474,888	3,410,102	-	26,884,990	10	7,262,934	2,364,894	-	9,627,828	17,257,162	16,211,954
Total	67,781,096,447	2,658,047,904	-	70,439,144,351		34,645,894,958	2,409,979,530	-	37,055,874,488	33,383,269,863	33,135,201,489

Depreciation allocated to:	Taka
Transmission expenses (Note 22)	2,401,785,600
Administrative expenses (Note 23)	8,193,930
	<u>2,409,979,530</u>

Plant and machinery includes substations and transmission lines amounting to Tk.42,963,960,000 that have been transferred from PDB through several vendors agreements of which the 1st agreement was made on 13-10-99 and the last agreement (5th agreement) till date was made on 1-1-2003. Final vendors agreement, however, is expected to be signed in next accounting year.

NOTES

To the financial Statements for the year ended 30 june 2010

5. Capital work-in-progress

	30-06-2010 Taka	30-06-2009 Taka
Balance as at 1 July	12,474,463,900	20,871,081,989
Cost incurred during the year	6,344,253,902	5,432,076,186
Adjustment/transfer to assets	(2,426,373,700)	(13,828,694,275)
Balance as at 30 June	16,392,344,102	12,474,463,900

Project-wise break-up:

National Load Dispatch Centre	3,084,738,105	2,609,728,341
Ishwardi-Baghabari-Sirajgonj Bogra Transmission Line (Note-20.5)	4,602,308,885	4,253,924,491
Tangail-Jamalpur Transmission Line	264,576	264,576
Mymensingh-Joydebpur Transmission Line	93,200	93,200
Sylhet-Shahjibazar-Ashugonj-Transmission Line	809,150	809,150
Tongi 13KV Sub-station Extension	1,639	50,850,046
Lalmonirhat Cashion Foundation (GMD-Rangpur)	1,457,731	1,457,731
Three Transmission Line (Natore-Rajshahi 132 KVT/L)	702,347,625	696,627,932
Transmission Line Facility	2,821,042,353	2,160,168,413
Meghnaghat -Aminbazar 400 Kv Transmission Line	322,961,190	17,684,664
Aminbazar Old Airport 230 Kv Transmission Line	472,234,055	58,589,575
Siddirgonj-Manikgonj 230 Kv Transmission Line	37,941,262	1,087,582
Maniknagar 230/132 Kv Substation	17,468	17,468
Aminbazar-Saver 132 Kv Transmission Line	860,231,206	596,715,384
Shunt Compensation (Phase - 1)	515,179,970	360,561,113
Shahibazar Ashuganj 132 Kv Transmission Line	158,988,750	145,083,831
RPP Associated T/L Project:		
i) Extension of 132 Kv Sub-station at Ashuganj, Shajibazar,Fenchuganj and Sylhet (50 Mw Rental Power)	38,362,581	
ii) Meghnaghat -Aminbazar 400 Kv RPP, Associated T/L extension Transmission Line	72,243,690	38,362,581
Naogaon - Neamatpur 132 KV Transmission Line	795,221,189	637,971,334
Transmission Efficiency Improvement	29,736,062	3,142,184
Sylhet Shahibazar Brahmanbaria 400 Kv TL	50,665,281	100,000
Sustainable Power Development Project (SPSDP)	450,000	450,000
Exchange Rate Fluctuation loss	(277,335,569)	(47,204,508)
Inventory in transit	23,821,135	178,228,061
HVDC Bangladesh- India Interconnector	33,485,852	-
Three Transmission Line (Magura-Jhenaidah-Chuadanga-Panchagar)	2,045,066,355	-
Barisal-Bhola-Borhanuddin TLP	10,360	-
Meghnaghat associated Transmission Line (Bay detention of Haripur)	-	9,130,892
Hasnabad-Aminbazar-Tongi Transmission Line	-	700,619,859
Khulna-Ishwardi-Bogra-Barapukuria Transmission Line	-	-
Ashugonj-Jamuna Bridge-Sirajgonj Transmission Line	-	-
Barapukuria-Bogra-Syedpur Rangpur Transmission Line	-	-
Kabirpur-Tangail-Sirajgonj Transmission Line	-	-
	16,392,344,102	11,764,713,149

NOTES

To the financial Statements
for the year ended 30 June 2010

	30.06.2010 Taka	30.06.2009 Taka
6. Inventories	685,483,498	568,138,491

These represent the closing inventory of electrical goods as at 30 June 2010. The electrical goods include spare parts which were received from Bangladesh Power Development Board (BPDB) along with the substations and transmission lines.

7. Accounts and other receivables

Receivable from transmission/wheeling and optical fiber charge	1,025,130,148	999,598,405
Repair and maintenance charge receivable from DESA and others	104,777,393	123,024,704
Interest receivable	222,615,528	201,600,153
	1,352,523,069	1,324,223,262

The age-wise analysis of receivables against revenue of Tk. 1,025,130,148 was as under:

Particulars	> 6 Months Taka	< 6 Months Taka	Total Taka
DPDC	-	385,067,800	385,067,800
RPC	5,439,000	-	5,439,000
DESCO	-	133,510,011	133,510,011
PBS	-	405,729,829	405,729,829
WZPDCL	-	70,258,507	70,258,507
BPDB	-	-	-
Grameenphone Ltd. for optical fiber	-	9,053,751	9,053,751
BTCL for optical fiber	-	16,071,250	16,071,250
	5,439,000	1,019,691,148	1,025,130,148

The accounts receivable from BPDB has been fully adjusted against the debt service liability payable to BPDB by PGCB out of loan transferred with the assets. All the receivables have been considered as good. Therefore no provision for bad debt had been made in the accounts.

8. Advances, deposits and prepayments

Advances (Notes-8.1)	656,793,792	615,208,058
Deposits (Notes-8.2)	930,950	924,950
Prepayments (Notes-8.3)	-	3,999,551
	657,724,742	620,132,559

NOTES To the financial Statements

for the year ended 30 june 2010

	30.06.2010 Taka	30.06.2009 Taka
8.1 Advances		
Advance against Purchase	26,704	21,824
Advance against Legal expense(Doza & Haroon)	335,000	335,000
Advance against TA/DA	187,186	52,744
Advance against Contractors/suppliers	236,874	236,874
Advance of Branch offices and GMDs	663,318	118,786,033
Advance tax: (Note 8.1.1)	509,685,350	495,775,583
Advance against expenses	1,181,415	-
Advance against house rent	218,996	-
Recoverable From Employees of GMD Aricha	73,493	-
Advance of Projects	142,826,731	-
Recoverable From CCC(Project-1)	1,358,725	-
	656,793,792	615,208,058

8.1.1 Advance tax represents income tax deducted at source on import of raw materials, interest on fixed deposit and short term accounts and advance payment of tax deducted by customer and after adjustment of current tax of Tk.290,797,912 (Note - 28).

8.2 Deposits		
Grid maintenance divisions (GMDs)	225,090	225,090
CDBL	500,000	500,000
Others	205,860	199,860
	930,950	924,950
8.3 Prepayments		
Rent	-	3,060,666
Expenses	-	938,885
	-	3,999,551

9. Cash and cash equivalents

Cash in hand	511,246	449,496
Balances with banks as:		
Current deposit accounts*	273,701,771	459,976,692
Short term deposit accounts	1,368,478,412	1,522,421,269
Fixed deposit accounts	8,970,000,000	8,300,000,000
	10,612,180,183	10,282,397,961
	10,612,691,429	10,282,847,457

* Bank balance was overstated by Tk.5,440 in year 2008-09. The said figure was restated.

NOTES

To the financial Statements
for the year ended 30 June 2010

10. Share capital:

Authorized share capital:

100,000,000 ordinary shares of Tk. 100 each

30.06.2010
Taka

30.06.2009
Taka

10,000,000,000

10,000,000,000

Paid up share capital:

36,435,810 ordinary shares of Tk. 100 each

3,643,581,000

3,643,581,000

The break-up of the paid up share capital is as follows:

11,653,600 Shares of Tk. 100 each fully called and paid up in cash

1,165,360,000

1,165,360,000

24,782,210 Shares of Tk. 100 each paid up other than cash

2,478,221,000

2,478,221,000

3,643,581,000

3,643,581,000

Percentage of shareholdings:

Particulars	30.06.2010		30.06.2009	
	No. of shares	%	No. of shares	%
Sponsors	27,782,320	76.25	27,782,320	76.25
Institutions (financial & others)	5,760,750	15.81	6,981,560	19.16
Individual	2,892,740	7.94	1,671,930	4.59
Total	36,435,810	100.00	36,435,810	100.00

Classification of shareholders by holding:

Share holding range	Number of shareholders as at		% of shareholdings as at	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
Less than 500 shares	6,994	4,930	86.19	86.75
500 to 5,000 shares	926	628	11.41	11.05
5,001 to 10,000 shares	72	54	0.89	0.95
10,001 to 20,000 shares	49	25	0.60	0.44
20,001 to 30,000 shares	30	17	0.37	0.30
30,001 to 40,000 shares	11	4	0.14	0.07
40,001 to 50,000 shares	9	3	0.11	0.05
50,001 to 100,000 shares	11	11	0.14	0.19
100,001 to 1,000,000 shares	12	9	0.15	0.16
Over 1,000,000 shares	1	2	0.01	0.04
Total	8,115	5,683	100.00	100.00

NOTES To the financial Statements

for the year ended 30 june 2010

11. Deposit for shares

This represents the amount of investment received from the Government of the People's Republic of Bangladesh as part of GoB equity against the development projects.

	30.06.2010 Taka	30.06.2009 Taka
Balance as at 1 July	7,119,140,637	6,361,576,967
Add: Received during the year from the GoB as part of equity in respect of development projects	1,270,920,000	795,570,000
	8,390,060,637	7,157,146,967
Less: Refunded to GoB the surplus fund released by GoB	101,537,729	38,006,330
Balance as at 30 June	8,288,522,908	7,119,140,637

The amount related to Deposit for shares will be settled as per the statutory regulation and decision of the Govt.

12. Term loan- interest bearing

The break-up of term loan- interest bearing are as follows:

	Notes	30.06.2010 Taka	30.06.2009 Taka
ADB loan	12.1	13,071,628,818	10,804,874,344*
GoB loan	12.2	4,864,956,229	4,364,048,219*
Bangladesh Power Development Board	12.3	8,003,670	8,003,670
Assigned loan	12.4	14,071,806,065	15,079,022,558*
Exchange rate fluctuation loss/(gain)	12.5	1,788,821,969	2,209,646,728
Suppliers credit	12.6	801,066,428	899,889,355
SIDA loan	12.7	326,925,427	326,925,427
KFW loan	12.8	2,110,739,012	1,626,936,310
Danida loan	12.9	1,225,827,339	1,257,258,809
DPBS-1 loan	12.10	684,000,000	684,000,000
NDF loan	12.11	912,811,994	912,811,994
JBIC loan BD 52	12.12	1,332,168,650	319,514,508
IDA Loan No 4508	12.13	20,019,310	-
		41,218,774,911	38,492,931,920*
Less: Transferred to Term loan-interest bearing (Note-17) i.e. Current portion of long term loan		1,790,359,768	1,104,162,607*
Balance as at 30 June		39,428,415,143	37,388,769,313*

Previous year's figures have been rearranged.

12.1 ADB loan

Balance as at 1 July	10,804,874,344	9,576,925,129
Current Portion of Debt	-	141,787,521
Received during the year	2,635,345,665	1,497,899,680
	13,440,220,009	11,216,612,330
Repaid during the year	(368,591,191)	(411,737,986)
Balance as at 30 June	13,071,628,818	10,804,874,344

*Previous year's figures have been rearranged to conform to the current year's presentation.

NOTES

To the financial Statements
for the year ended 30 june 2010

Loan details are as follows:

	Loan no.	30.06.2010 Taka	30.06.2009 Taka
Mymensingh power station and transmission Line	1505	124,571,087	122,358,834
Rampura Sub-Station	1505	548,441,172	562,653,425
Sub-station-Extension -Mirpur	1505	67,153,961	67,153,961
Emergency Restoration System	1505	49,299,719	49,299,719
National Load Dispatch Centre	1505	16,739,594	16,739,594
Haripur-Rampura Transmission Line	1505	538,596,794	538,596,794
Hasnabad-Aminbazar-Tongi Transmission Line	1731	380,884,718	487,218,472
Sub-station Aminbazar	1731	408,315,660	408,315,660
Sub-station Extension Tongi, Hasnabad & Kalyanpur	1731	522,249,289	480,435,857
Rampura-Gulshan Underground Transmission Line	1731	137,072,901	137,072,901
Rampura Horipur Aminbazar -CCC	1731	682,250,482	682,250,482
GIS sub-station - CNEEC	1731	365,739,955	351,435,085
Khulna Ishwardi Transmission Line-(Nippon Koie, Consultant)	1885	42,293,813	36,480,975
Khulna -Ishwardi Transmission Line- L & T	1885	153,840,477	153,840,477
Khulna Ishwardi Transmission Line-(TATA Power)	1885	1,510,288,446	1,292,661,179
Ashuganj-Sirajganj Transmission Line -(LG & Sejon)	1885	1,657,756,322	1,600,841,220
Ashuganj-Sirajganj ABB Ltd.	1885	403,172,036	403,172,037
Ishwardi-Baghabari-Sirajgonj-Bogra-BHEL	1885	779,228,281	609,723,900
Gallamari 132/33 KV GIS S/S Cons. & 132 KV TL Cons.	1885	477,789,256	390,768,079
Shunt Compensation Phase-1	1885	309,818,788	194,665,416
National Load Dispatch Centre	2039	1,835,830,174	1,684,416,064
Meghnaghat - Aminbazar 400 KV TL	2332	194,782,770	5,615,865
Aminbazar Old Airport 230 KV TL	2332	399,996,957	2,836,018
3 Transmission Line NCC	2332	975,613,558	256,079,049
3 Transmission Line-HG Power	2332	489,902,608	91,817,986
Ashuganj-Sirajgonj Transmission Line -(Nippon Koie, Consultant)	1885	-	36,637,774
Meghnaghat-Comilla Transmission Line	1505	-	-
Haripur-Ghorashal turn-in-out Transmission Line	1505	-	-
Sub-station-Extension Comilla (North)	1505	-	-
Sub-station-Extension -Haripur	1505	-	-
		<u>13,071,628,818</u>	<u>10,663,086,823</u>
Add: Current portion of Long Term Loan		-	141,787,521
		<u>13,071,628,818</u>	<u>10,804,874,344</u>

The above loans are repayable within 16 years to 25 years with 5 years grace period.

NOTES To the financial Statements for the year ended 30 june 2010

	30.06.2010 Taka	30.06.2009 Taka
12.2 GoB loan		
Balance as at 1 July	4,364,048,219	4,121,558,645
Current Portion of Debt	-	80,727,588
Received during the year	847,280,000	530,380,000
	5,211,328,219	4,732,666,233
Refunded during the year	(346,371,990)	(368,618,014)
Balance as at 30 June*	4,864,956,229	4,364,048,219

*Previous year figures have been rearranged to conform to the current year's presentation.

Loan details are as follow:

a) Comilla-Meghnaghat-Rampura & Meghnaghat-Haripur-203 KV Transmission Line	355,361,940	370,361,940
b) Hasnabad-Aminbazar-Tongi Transmission Line	336,497,336	458,860,000
c) Kabirpur-Tangail-Sirajgonj Transmission Line	86,552,280	96,169,200
d) Ishwardi-Baghabari-Sirajgonj-Bogra Transmission Line(Note-12.2.1)	614,804,828	614,804,828
e) Khulna-Ishwardi-Bogra-Barapukuria Transmission Line	1,284,532,000	1,284,532,000
f) Ashugonj- Jamuna Bridge-Serajgonj (Inter Connector Line)	458,757,000	509,730,000
g) Construction and Extension of Sub-Station & Transmission Line	567,741,683	331,149,440
h) NLDC Project-National Load Dispatch Centre	500,000,000	340,000,000
i) Three Transmission Line	459,247,450	171,430,258
j) Aminbazar-Old Airport 230 Kv Associated Substation	45,755,017	22,155,017
k) Shunt compensation at Grid Substation	83,701,607	78,882,410
l) Meghnaghat-Aminbazar 400 Kv Transmission Line	64,800,000	4,800,000
m) Transmission Efficiency improvement	2,279,586	445,538
n) Siddirgonj Maniknagar 230 Kv T/L Cons. Project	4,925,501	-
	4,864,956,229	4,283,320,631
Add: Current portion of Long Term Loan	-	80,727,588
	4,864,956,229	4,364,048,219

12.2.1 The above loans are repayable within 15 years with 5 years grace period.

12.3 Bangladesh Power Development Board (IDA Cr.2016 BD) 8,003,670 8,003,670

The above loan was received from Bangladesh Power Development Board for purchase of capital assets such as cars, computers, etc. This is payable within 20 years with 5 years grace period.

12.4 Assigned loan

The break-up of the above loan is as follows:

A. Assigned loan from BPDB

Balance as at 1 July	11,234,345,458	11,225,715,394
Add: Current portion of the debt	-	881,647,500
Addition/adjustment during the year	-	8,630,064
	11,234,345,458	12,115,992,958
Transfer to current portion of the debt	(1,007,216,493)	(881,647,500)
Balance as at 30 June (A)	10,227,128,965	11,234,345,458

NOTES

To the financial Statements
for the year ended 30 june 2010

	30.06.2010 Taka	30.06.2009 Taka
<i>B. Assigned loan from DESA</i>		
Balance as at 1 July	3,844,677,100	3,844,677,100
Addition/adjustment during the year	-	-
	3,844,677,100	3,844,677,100
Add: Current portion of the debt	-	-
Balance as at 30 June (B)	<u>3,844,677,100</u>	<u>3,844,677,100</u>
Balance as at 30 June Grand total (A+B)*	<u>14,071,806,065</u>	<u>15,079,022,558</u>

*Previous year figures have been rearranged to conform to the current year's presentation.

Above loans have been taken over from BPDB and DESA along with the fixed assets at written down value in different phases, the break-up of which is given below:

1. Assigned loan from BPDB:

1st Phase-Comilla (North) and Haripur 230 KV Sub-station and Haripur-Ghorashal 230 KV 45 KM. Transmission Line.

2nd Phase-Hasnabad and Tongi 230/132 KV. Sub-station and Hasnabad-Haripur 230 KV 16.5 KM Transmission Line.

3rd Phase - Grid Maintenance Division viz Dhaka (North) Dhaka (South), Dhaka (East), Aricha, Comilla and Mymensingh Telecommunication Division, Siddhirgonj, System Protection and Metering Division, Dhaka Grid Circle office, Dhaka.

4th Phase - 230 KV and 132 KV Transmission Line, Sub-station of Chittagong and Sylhet Division.

5th Phase - 230 KV, 132 KV, and 66 KV Transmission Line and Grid Sub-station of western part of the Country.

2. Assigned loan from DESA:

1st Phase - Bhulta, Joydevpur and Manikgonj 132/33 KV. Sub-station & related Transmission Line.

2nd Phase - Kallyanpur and Mirpur 132/33 KV. Sub-station & related Transmission Line.

During the year, the company provided for interest @4% p.a. on all the assigned loans. It is noted that the subsidiary loan agreements of the above Loans with the Government are still with BPDB and DESA. So, the repayments are made through BPDB and DESA.

12.5 Exchange rate fluctuation loss/(gain)

This represents foreign currency exchange rate fluctuation loss on the loans utilized for import of materials and construction works of different projects under donor finance and also includes loss /(gain) on account of loan transferred from BPDB.

NOTES To the financial Statements

for the year ended 30 june 2010

		30.06.2010 Taka	30.06.2009 Taka
12.6 Suppliers credit Liab.for.Exp			
This represents the credit received from the following two contractors for construction of transmission line projects:			
Name of contractor	Name of the transmission line		
a) Tata Power Ltd. India	Ishwardi -Baghabari		
Balance as at 1 July		303,891,667	303,891,667
Received During the year		2,774,318	-
Paid During the Year		(9,681,850)	-
Balance as at 30 June		296,984,135	303,891,667
b) China Nation Wire & Cable	Bogra -Barapukuria		
Balance as at 1 July		595,997,688	595,997,688
Received During the year		-	-
Paid During the Year		(91,915,395)	-
Balance as at 30 June		504,082,292	595,997,688
Total (a+b)		801,066,428	899,889,355
		326,925,427	326,925,427

12.7 SIDA loan(ABB)

SIDA (Swedish International Development Co-Operation Agency) loan is recorded as and when disbursement request is sent to SIDA's designated bank through Economic Relations Division (ERD) for making payment directly to the contractors/suppliers account as per SIDA Loan agreement and disbursement procedure.

12.8 KFW loan

KFW (Kreditanstalt Fur Wiederaufbau) loan is recorded as and when disbursement request is sent to KFW for making payment directly to the contractor/suppliers account as per KFW Loan agreement and disbursement procedure.

Name of contractor	Name of the transmission line		
KFW loan	WZP, IBSB & TEI Project		
Balance as at 1 July		1,626,936,310	1,203,484,759
Received During the year		483,802,702	594,865,974
Paid During the Year		-	(171,414,423)
Balance as at 30 June		2,110,739,012	1,626,936,310

12.9 Danida loan

Danida (Danish International Development Agency) loan is recorded as and when disbursement request is sent to Danida's designated bank through Economic Relations Division (ERD) for making payment directly to the contractor/suppliers account as per Danida Loan agreement and disbursement procedure.

Name of contractor	Name of the transmission line		
Danida Loan	Joydevpur-Kabirpur-Tangail		
Balance as at 1 July		1,257,258,809	1,183,831,665
Received During the year		-	73,427,144
Paid During the Year		(31,431,470)	-
Balance as at 30 June		1,225,827,339	1,257,258,809

12.10 DPBS-1 loan

This loan was received from Dhaka Palli Bidyut Shamity-1 for purchasing land, development of land and construction of 2X75 MVA 132/33 Kv Sub-Station. The loan amount is maximum Tk.76 crore. The repayment of principal and interest @5% will be made in 10 years from the date of commercial tenderization at semi annual equal installment.

684,000,000	684,000,000
--------------------	--------------------

NOTES

To the financial Statements
for the year ended 30 june 2010

	30.06.2010 Taka	30.06.2009 Taka
12.11 NDF loan no-363	912,811,994	912,811,994
NDF (Nordic Development Fund) loan is recorded as and when disbursement request is sent to NDF for making payment directly to the contractors/suppliers account as per NDF Loan agreement and disbursement procedure.		
12.12 JBIC loan BD 52		
JBIC (Japan Bank for International Cooperation) loan is recorded as and when disbursement request is sent to JBIC for making payment directly to the contractors/suppliers account as per JBIC Loan agreement and disbursement procedure.		
Name of contractor Name of the transmission line		
JBIC Loan no-52 Transmission Line Facility		
Balance as at 1 July	319,514,508	-
Received During the year	1,012,654,143	319,514,508
Paid During the Year	-	-
Balance as at 30 June	1,332,168,650	319,514,508
12.13 IDA loan - 4508		
Name of contractor Name of the transmission line		
IDA loan - 4508 Aminbazar Old Airport		
Balance as at 1 July	-	-
Received During the year	20,019,310	-
Paid During the Year	-	-
Balance as at 30 June	20,019,310	-
13. Interest Payable		
This represents the interest payable for the period.		
The movement of the above amount is given below:		
Balance as at 1 July	1,423,542,676	1,246,215,991
Interest charged during the year	593,854,541	487,359,576
	2,017,397,217	1,733,575,567
Payment made during the year	320,081,910	310,032,891
Balance as at 30 June	1,697,315,307	1,423,542,676
13.1 Last year's figure has been rearranged.		
14. Grant from SIDA		
Balance as at 1 July	140,377,926	140,377,926
Add: Received during the year	-	-
Balance as at 30 June	140,377,926	140,377,926
15. Deferred Liability- gratuity		
Balance as at 1 July	264,663,472	216,654,424
Add: Provision made during the year	70,524,790	55,818,408
	335,188,262	272,472,832
Less: Paid during the year	6,969,312	7,809,360
Balance as at 30 June	328,218,950	264,663,472

NOTES

To the financial Statements for the year ended 30 june 2010

	30.06.2010 Taka	30.06.2009 Taka
16. Deferred tax liabilities		
Deferred tax liabilities recognized in accordance with the provisions of BAS 12: Income taxes, is arrived as follows:		
Balance as at 1 July	1,549,940,936	1,267,870,513
Addition during the year	329,221,442	282,070,423
Balance as at 30 June	1,879,162,378	1,549,940,936
17. Term loan - interest bearing		
ADB loan no.1505	349,367,493	141,787,521
Govt. loan	253,255,536	80,727,586
BPDB assigned loan	881,647,500	881,647,500
Other (Note 17.1)	306,089,239	-
	1,790,359,768	1,104,162,607
17.1 Other Loan		
Danida	62,862,940	-
KFW	16,748,955	-
NDF	22,820,300	-
SIDA	8,173,138	-
CCC	92,576,657	-
Tata	102,907,249	-
	306,089,239	-
18. Interest Payable		
This represents the interest payable for the period.		
The movement of the above amount is given below:		
Balance as at 1 July	998,942,459	-
Interest charged during the year	1,406,149,966	-
	2,405,092,425	-
Payment made during the year	(1,250,556,346)	-
Balance as at 30 June	1,154,536,079	998,942,459
18.1 Last year's figure has not been rearranged.		
19. Liabilities for expenses		
Salaries	2,353	-
Bonus Payable	270	-
Gas charge	121,972	32,300
Audit fee (Including last year Audit Fee)	558,374	300,000
Sundry expenses (Incl. Incentive bonus 08-09)	121,658,335	87,840,867
Contractors	-	36,131,179
	122,341,304	124,304,346

NOTES

To the financial Statements
for the year ended 30 June 2010

	30.06.2010 Taka	30.06.2009 Taka
20. Liabilities for other finance		
Deposit work – Sylhet – Sunamgonj	3,848,054	9,029,726
PGCB WPPF Trust (Note-20.1)	112,146,975	107,721,388
Revenue sharing payable BTRC	9,357,018	5,418,476
Tax/VAT withheld from contractor/suppliers	30,380,866	25,662,416
Unclaimed dividend (Note-20.2)	17,472,204	13,214,387
PGCB Employees Provident Fund	(2,088)	14,256
Contractors earnest/security/retention money	297,701,306	517,184,040
Tax withheld from employees	628,143	1,071,826
Revenue stamp	175,851	145,572
PM Relief Fund	(28,164)	(47,314)
Bangladesh Power Development Board	3,765,000	3,765,000
PGCB union subscription	95,227	30,630
Performance guarantee (Note-20.3)	10,076,841	10,076,841
Account current with corporation (Note-20.4)	(298,989,663)	145,077,166
Advance receipt of PF Contribution - Lien	14,256	-
WPPF Trust A/c	36,429	-
Deposit work- Halishahor – Dhaka (North-West)	699,345	-
Donation payable	-	43,450
Deposit work- Halishahor – Khulshi	-	8,590,269
	187,377,601	846,998,129
20.1 Workers' profit participation fund		
Balance as at 1 July	107,684,959	134,507,571
Provision made during the year	111,351,545	106,889,529
Transfer to WPPF trust A/c	(106,889,529)	(133,675,712)
Balance as at 30 June	112,146,975	107,721,388
20.2 Unclaimed dividend		
Year ended 30 June 2006	568,092	568,092
Year ended 30 June 2007	3,002,165	3,002,165
Year ended 30 June 2008	9,644,130	9,644,130
Year ended 30 June 2009	4,257,817	-
	17,472,204	13,214,387
20.3 Performance guarantee		
CNEEC	76,841	76,841
BTTB	10,000,000	10,000,000
	10,076,841	10,076,841
20.4 Account Current with Other Office		
BPDB	(113,846,692)	-
Project-1	7,422,567	-
Project-2	23,875,948	-
TSS	8,641	-
IBSB Project (Note-20.4.1)	382,022,758	-
WPPF	(493,560)	-
	298,989,663	(145,077,166)

NOTES

To the financial Statements for the year ended 30 june 2010

30.06.2010

Taka

30.06.2009

Taka

20.4.1 Cash defalcation

The Ishwardi - Bagabari - Sirajgonj - Bogra 230 Kv Transmission Line Project was completed on 30.06.2010. As a result a Project Completion Report (PCR) is to be prepared and total expenditure booked so far in work-in-progress and current years Account Current balance has to be transferred to Fixed Assets. While preparing the same it has been detected that huge amount of cash has been embezzled from the bank account of the said project over the years thereto. Two investigation committee have been formed, one by the management and another by the Board of Directors. The investigation is still going on. Once investigation is completed then the quantum of defalcation can be ascertained.

21. Provision for taxation

Balance as at 01 July	306,203,090	306,203,090
Add: Addition during the year	-	-
	306,203,090	306,203,090
Less: Paid during the year	-	-
	306,203,090	306,203,090

22. Revenue

Transmission/wheeling charge	5,854,805,615	5,584,888,326
Optical Fiber charge	74,832,304	128,940,539
	5,929,637,919	5,713,828,865

23. Transmission expenses

Salary and other employee benefits	520,132,961	514,631,402
Travelling and conveyance	22,132,676	19,822,781
Functions, games and entertainment	182,232	231,677
Rent, rates and taxes	12,652,488	11,168,790
Postage, telephone and fax	3,843,664	4,417,415
Recruitment and training	1,982,588	1,175,890
CPF contribution	22,337,485	22,656,264
Gratuity	58,535,576	46,329,279
Electricity and power	44,837,705	50,968,546
Office Expenses	3,894,606	4,833,049
Fuel and lubricant	13,310,633	12,879,169
Security expense	70,000,976	46,971,063
Insurance	297,883	311,056
Bank charges and commission	1,961,354	1,846,117
Consultancy	794,506	355,000
Repair and maintenance	95,231,657	96,549,266
C & F, carrying and handling	314,902	209,510
Miscellaneous expenses	207,172	296,358
Depreciation (Note: 4)	2,401,785,600	2,356,322,565
	3,274,436,664	3,191,975,197

NOTES

To the financial Statements
for the year ended 30 june 2010

	30.06.2010 Taka	30.06.2009 Taka
24. Administrative expenses		
Salary and other employee benefits (Note-24.1)	64,286,096	63,631,932
Travelling and conveyance	874,264	783,033
Functions, games and entertainment	1,919,634	2,440,921
Rent, rates and taxes	15,545,613	13,724,327
Postage, telephone and fax	1,837,187	2,111,014
Recruitment and training	2,200,087	1,305,152
CPF contribution	1,913,394	1,941,976
Gratuity	11,989,214	9,489,129
Electricity and power	756,870	857,767
Office Expenses	7,069,938	8,774,626
Fuel and lubricant	4,173,451	4,039,170
Security expense	950,753	638,741
Insurance	1,079,293	1,127,007
Bank charges and commission	37,987	35,791
Consultancy	3,649,042	1,630,027
Repair and maintenance	3,077,063	3,122,097
C & F, carrying and handling	13,087	-
Miscellaneous expenses	46,871	67,055
Depreciation (Note 4)	8,193,930	8,129,984
Advertisement and publicity	7,694,749	4,323,488
Audit fee	429,971	300,000
Legal expenses	669,100	418,118
Fees and renewals	306,000	412,000
Directors' honorarium and support service allowance	1,090,282	1,058,000
Amortization	-	154,001
AGM Expenses	2,563,577	-
	142,367,454	130,515,356
24.1 Salary and other benefits to managing director and 3 (Three) full time directors		
Basic pay	3,082,110	2,924,592
Accommodation allowance	720,536	805,162
CPF contribution	137,201	136,484
Bonus	701,600	824,000
	4,641,447	4,690,238
25. Finance income		
Interest Income	909,081,121	1,078,814,191
	909,081,121	1,078,814,191
26. Other income		
Rental income	1,230,165	1,797,774
Miscellaneous sales	133,806,256	39,537,891
Miscellaneous income	13,329,409	10,942,673
	148,365,830	52,278,338

NOTES To the financial Statements

for the year ended 30 june 2010

27. Finance expenses

	30.06.2010 Taka	30.06.2009 Taka
On Loan, 5th Phase Assets transferred from BPDB	440,592,041	450,402,400
On Loan, 1st Phase Assets transferred from DESA	70,790,364	70,790,364
On Loan, 2nd Phase Assets transferred from DESA	82,996,720	82,996,720
On Loan no 1505, Mymensingh Power Station Associated Trans. Line	9,965,687	9,965,687
IDA Credit (Loan No.2016) transferred from BPDB	612,281	612,281
Meghnaghat-Comilla Line, NLDC (Govt.Loan)	20,848,157	33,627,325
Haripur-Ghorasal Turn Inout (ADB Loan No. 1505)	4,002,185	11,322,914
Comilla sub-station extension (ADB Loan No. 1505)	1,969,787	2,258,834
Haripur sub-station extension (ADB Loan No. 1505)	968,072	968,072
Rampura sub-station (ADB Loan No. 1505)	45,012,274	45,012,274
Sub-station extension Mirpur (ADB Loan No. 1505)	5,372,317	5,372,317
Emergency Restoration system (ADB Loan No. 1505)	3,943,978	3,943,978
National Load Dispatch Centre (ADB Loan: 1505)	1,339,168	1,339,168
Meghnaghat Comilla Line, Haripur Rampura Line Sub-station (General)	43,087,743	43,087,743
Hasnabad-Aminbazar-Tongi Line Project (Govt. Loan)	22,943,000	22,943,000
Hasnabad-Aminbazar-Tongi Line Project (ADB Loan: 1731)	26,797,016	26,797,016
Substation -Aminbazar - Savar (ADB Loan : 1731)	22,457,361	22,457,361
Substation Extension -Tongi -Hasnabad-& Kallyanpur (ADB Loan : 1731)	28,723,711	26,423,972
Khulna-Ishwardi-Bogra-Boropukuria TL (Local : GOB)	64,226,600	64,226,600
Khulna-Ishwardi-Bogra-Boropukuria 230 Kv TL (ADB Loan: 1885) TATA Power	77,614,679	67,101,268
Substation Extension (Ishwardi 230/132 &		
Khulna Central 132/33 Kv) L & T(ADB Loan : 1885)	8,461,226	8,461,226
Khulna - Bheramera - Ishwardi -Boropukuria TL & Substation (Nippon Koei)	2,292,875	2,006,454
Bogra 230/132 Kv Substation (ABB GmBh) (Loan No : Kfw)	88,066,065	78,581,520
Khulna South 230/132 Kv Substation (NDF Loan)	50,204,660	50,204,660
Boropukuria Substation (ABB Power) SIDA Loan	17,980,898	17,980,898
Ashuganj-BangaBandu Bridge -Sirajganj (Inter Connector) (Local : GOB)	25,486,500	25,486,500
Ashuganj-Sirajganj 230 Kv TL (Nippon Koei) (ADB Loan: 1885)	2,015,078	2,015,078
Ashuganj-Sirajganj 230 Kv TL (LG & Sejong) (ADB Loan: 1885)	92,003,922	88,046,267
Switchyard at Sirajganj & extension of 230 Kv Substation (ABB India)		
(ADB Loan : 1885)	22,174,462	22,174,462
Kabirpur Tangail Sirajgonj Project (Local Loan: GoB)	4,808,460	4,808,460
Joydebpur-Kabirpur-Tangail (Danida Loan)	62,862,940	62,862,940
Exchange loss/(gain) (Note-26.1)	(174,251,665)	(131,949,490)
Rampura Gulshan Underground Cable Line -ADB Loan 1731	3,738,520	-
Gulshan 132 KV GIS S/S Line -ADB Loan 1731	9,975,182	-
Upgradation of 230/132KV Rampura -Haripur-Aminbazar S/S(GOB)	3,103,020	-
Upgradation of 230/132KV Rampura -Haripur-Aminbazar S/S(ADB Loan 1731)	18,607,681	-
CCC - Suppliers credit	20,105,335	-
On Loan, 4th Phase Assets transferred from BPDB	-	25,148,105
Meghnaghat-Comilla Line (ADB Loan No. 1505)	-	8,351,259
Bogra-Boropukuria 230 Kv Line (Suppliers Credit : CCC)	-	21,923,106
On Loan, 3rd Phase Assets transferred from BPDB	-	-
	1,231,898,300	1,222,328,269

27.1 Exchange rate fluctuation loss/(gain) represents gain due to exchange rate fluctuation in respect of ADB loan utilized by the company as well as the loss/(gain) for assigned loan transferred from BPDB & DESA.

NOTES

To the financial Statements
for the year ended 30 June 2010

	30.06.2010 Taka	30.06.2009 Taka
28. Income tax expense		
Current tax	290,797,912	311,050,446
Deferred tax	329,221,442	282,070,423
	620,019,354	593,120,869
29. Earning per share (EPS)- basic		
Net profit after tax	1,607,011,553	1,544,669,704
Number of Ordinary shares outstanding during the year	36,435,810	36,435,810
EPS - basic	44.11	42.39

30. Related party transactions

The company in normal course of business has entered into transactions with other entities that fall within the definition of related party contained in BAS 24. The Company believes that the terms of related party transactions are not significantly different from those that could have been obtained from third parties. The significant related party transactions during the year are as follows:

Name of the party	Nature of relationship	Nature of transaction	Transactions during the year Taka	Receivable/(payable) as at 30 June 2010 Taka
Bangladesh Power Development Board (BPDDB)	Associate company	Transmission Charge	1,331,366,077	-
West zone Power Distribution Company Ltd. (WZPDC)	Associate company	Transmission Charge	374,060,309	70,258,507

Transactions with related companies are priced on arm's length basis and are in the ordinary course of business.

31. Number of employees

The number of employees as at 30 June 2010 is 1977 and which was 1932 as at 30 June 2009.

32. Even after balance sheet date

The Board of Directors in its meeting held on 13 November 2010 recommended dividend @25% per shares for the year 2009-2010 which is subject to the approval at the forthcoming AGM, the break-up of the dividend is as under:

	Taka
15% Stock Dividend	546,537,100
10% Cash Dividend	364,358,100
Tota	910,895,200

Note : Stock dividend 15% represents 5,465,371.50 shares which has been rounded to 5,465,371 shares.

Financial Ratio

for the year ended 30 june 2010

Financial Ratio

(i) Return on average property, plant and equipment

Profit before interest and other financial expenses	×	100	
Average net property, plant and equipment			
3,458,929,207	×	100	= 10.40%
33,259,235,676			

(ii) Debt services coverage ratio

Net profit before depreciation and interest & other financial expenses		
Debt service requirement		
#REF!		= 1.98 times
3,022,258,068		

(iii) Debt-equity ratio

Debt		
Equity		
39,428,415,143		= 71:29
16,049,729,157		

(iv) Accounts receivable to sales

Accounts Receivables		
Average monthly revenue		
1,025,130,148		= 2.07 months
494,136,493		

(v) Net operating cash flow per share

Net operating cash flow		
Number of shares		
2,684,109,480		= 73.67
36,435,810		

(vi) Net asset value (NAV)

Total fixed asset	49,775,613,965	45,609,665,389
Current assets	13,308,422,738	13,106,397,654
Total assets (A)	63,084,036,703	58,716,063,043
Current liabilities	3,560,817,842	3,383,548,646
Long term liability	43,473,489,704	43,473,489,704
Outsider liabilities (B)	47,034,307,546	44,505,909,509
Net asset value (A-B)	16,049,729,157	14,210,153,534

Construction Contract Agreement has been signed during the year for the works mentioned below:

Sl. No.	Description of Work	Date of agreement signed and Institution	Completion date of the work	Funding by
1	Design, supply, erection, testing and commissioning work for Meghnaghat-Aminbazar 400 kV transmission line.	31 March 2010 Samsung, Hanbeak	March 2012	ADB & GOB
2	Consultancy for feasibility study of Barisal-Bhola-Borhanuddin 230 kV transmission line.	30 June 2010 Atlanta Enterprise	December 2010	PGCB
3	Design, supply, erection, testing and commissioning work for Aminbazar-Old airport 230 kV transmission line.	21 March 2010 JV of CCC - Etern China.	February 2012	ADB & GOB
4	Design, supply, erection, testing and commissioning work for Old airport-Dhaka University (New location Satmoshjid) 230 kV transmission line.	15 November 2009 JV of CCC-Etern China.	July 2012	ADB & GOB
5	Design, supply, erection, testing and commissioning (Lot-2) for Old airport-Dhaka University (New location Satmoshjid) 230 kV transmission line	15 November 2009 JV of CCC-Etern China.	April 2012	ADB & GOB
6	Design, supply, erection, testing and commissioning work of Rampura-Ullon underground cable transmission line.	15 November 2009 JV of CCC-Etern China.	January 2012	ADB & GOB
7	Consultancy service of 1X500 MW HVDC substations at Bheramara and transmission line Bangladesh part of Bangladesh-India Interconnection transmission line.	17 April 2010 Consultant PGCIL was appointed	24 Man-month	PGCB
8	Design, supply, erection, testing and commissioning of 132 kV underground transmission line work for Ghorashal and Siddirganj Rental Power Plants.	1 June 2010 JV of CCC-Etern China.	25 July 2010	PGCB
9	Design, supply, erection, testing and commissioning work for Old-airport 230/132/33 kV GIS substation.	15 April 2010 Consortium of Siemens, Germany, India & Bangladesh	April 2012	ADB & GOB
10	Supply of steel pole and earthwire insulator of 132 kV transmission lines for Rental Power Plants.	8 March 2010 Confidence Steels Ltd.	June 2010	PGCB

Detail status of on going development projects during the year 2009-2010.**1) National Load dispatch centre (NLDC):**

Objective	a) Facilitating centralized coordination among power generation, transmission and distribution; b) Making each power plant and substation commercially profitable c) Establishing communication amongst power establishments by SCADA system and OPGW network.
Main components of the projects	Purchase and erection of equipment & accessories for SCADA system, Energy management network, Communication system, Fiber optical cable, Copper cable, Civil works including control building.
Contractor for implementing the project	AREVA T&D, France, FURUKAWA, Japan.
Estimate	Total Taka 5,441.80 million. Project aid: Taka 3,206.50 million.
Source of Fund	ADB and Government of Bangladesh
Progress up to June 2010	100%
Completion time	2009-10.

2) Construction and extension of grid substation including transmission line facilities:

Objective	a) To meet the growing demand of power in Daudkandi, Meghnaghat, Munshiganj, Brahmanbaria and Gollamari areas. b) Reducing over loading of Aminbazar, Rampura, Haripur, Comilla, Hathajari & Husnabad substations. c) Reducing transmission loss of overall transmission system.
Main components of the projects	a) Construction of 132/33 kV substations at Daudkandi, Meghnaghat, Munshiganj, Brahmanbaria and Gollamari. b) Contraction of 85 km transmission line for the mentioned substations. c) Extension of 230/132 kV substations at Aminbazar, Rampura and Haripur. d) Extension of 230/132 kV substations at Comilla and Hathazari. e) Extension of 132/33 kV substations at Hasnabad.
Contractor for implementing the project	Siemens AG. Germany; Siemens Ltd. Bangladesh; Siemens Ltd. India; CCC, China; Hysung, Korea; JV of ABB Ltd., India and Energypac Engineering Ltd. Bangladesh.
Estimate	Total Taka 7,703.05 million. Project aid: Taka 4,600.00 million.
Source of Fund	ADB, JICA and Government of Bangladesh
Progress up to June 2010	65.46%
Completion time	2011-12.

3) Three transmission (132) line project:

Objective	a) To meet growing demand of power in Chuadanga, Magura, Jaipurhat and Panchagar area. b) Reducing over loading of Jhinaidaha, Noagaon, Thakurgaon substations. c) Reducing transmission loss of overall transmission system.
Main components of the projects	a) Contraction of 158 km 132 kV transmission line. b) Contraction of 132/33 kV substations at Chuadanga, Magura, Joipurhat and Panchagar.
Contractor for implementing the project	HG Power, Malaysia and CCC, China.
Estimate	Total Taka 3,777.20 million. Project aid Taka 2,219.70 million.
Source of Fund	ADB and Government of Bangladesh
Progress up to June 2010	89.10%
Completion time	2010-2011.

4) Meghnaghat-Aminbazar 400 kV transmission line project (Phase-1):

Objective	a) To evacuate power from Meghnaghat power plant to west area of Dhaka. b) Reduce transmission loss of overall transmission system.
Main components of the projects	a) Construction of 50km 400 kV transmission line. b) Construction of 4 nos. of 230 kV bays at Meghnaghat & Aminbazar.
Contractor for implementing the project	JV of Samsung & Hanbeak, Korea.
Estimate	Total Taka 2,736.80 million. Project aid Tk. 1,543.50 million.
Source of Fund	ADB and Government of Bangladesh
Progress up to June 2010	17.02%
Completion time	2011-2012.

5) Aminbazar-Oldairport 230kV transmission line and associated substation project:

Objective	a) To supply reliably power and to meet the growing demand in west part of Dhaka. b) Reducing transmission loss of overall transmission system.
Main components of the projects	a) Construction of 10 km including 6 km underground cable 230 kV transmission line. b) Construction of 15 km 132 kV underground cable line. c) Construction of 230/132/33 kV GIS substation at Old-Airport. d) Construction of 132/33 kV GIS substation at Cantonment and Dhaka University (Relocated to Satmasjid).
Contractor for implementing the project	JV of CCC-ETERN; Siemens, Germany, Siemens, India; Siemens Ltd., Bangladesh.
Estimate	Total Taka 6,527.20 million. Project aid Taka 3,725.20 million.
Source of Fund	ADB and Government of Bangladesh
Progress up to June 2010	33.80%
Completion time	2010-2011

6) Transmission efficiency improvement through reactive power compensation at grid substation and re-enforcement of Goalpara substation:

Objective	a) Ensuring reliable voltage level and reduction of transmission loss of overall transmission system.
Main components of the projects	a) Total 600 megavar capacitor bank setting in 24 number 132/33 kV grid substations at 33 kV level.
Contractor for implementing the project	Energypac Engineering Ltd., Bangladesh.
Estimate	Total Taka 2,184.266 million. Project aid Taka 1,398.00 million.
Source of Fund	kfW and Government of Bangladesh
Progress up to June 2010	15.75%
Completion time	2010-2011.

7) Siddhirganj-Maniknagar 230 kV transmission line project:

Objective	a) Evacuation of power from Siddhirganj power plant. b) To meet the growing power demand of Maniknagar and adjoining areas.
Main components of the projects	a) Construction of 11 km 230 kV transmission line. b) Construction of 230/132 kV 2x225 MVA AIS substation at Siddhirganj and 230/132 kV 2x300 MVA GIS substation at Maniknagar.
Contractor for implementing the project	KEC International, India; JV of Shangdong Wazhok & Shangdang, Taikai, China.
Estimate	Total Taka 3,917.00 million. Project aid Taka 2,914.83 million.
Source of Fund	World Bank and Government of Bangladesh
Progress up to June 2010	9.64%
Completion time	2011-2012.

8) Shunt compensation at grid substation by capacitor bank (Phase-1)

Objective	a) To Maintain resonable voltage level at different points of power transmission system. b) Increasing capacity of megawatt flow of network by reducing reactive power flow of transmission system. c) Reduction of transmission loss by reducing megaver flow.
Main components of the projects	Installation of capacitor banks 2x45 MVR each at Rampura and Aminbazar substation and 1x45 MVR each at Ishuardi, Barisal, Jessore, Madaripur, Hathazari and Khulna (South).
Contractor for implementing the project	JV of ABB Ltd., India and Energypac Engineering Ltd., Bangladesh.
Estimate	Total Taka 537.87 million. Project aid Taka 336.40 million.
Source of Fund	ADB and Government of Bangladesh
Progress up to June 2010	100.00%
Completion time	2009-2010.

In addition to the above the development work by PGCB and other source of fund include the following:

1) Aminbazar-Savar 132 kV transmission line project:

Objective	a) To meet growing power demand of Savar area. b) To reduce overloading problem of Kabirpur 132/33 kV substation.
Main components of the projects	a) Construction of 13km 132 kV Aminbazar-Savar transmission line. b) Construction of Savar 132/33 kV substation.
Contractor for implementing the project	JV of CCC-ETERN; Siemens, Germany, Siemens, India; Siemens Ltd., Bangladesh.
Estimate	Total Taka 840.00 million.
Source of Fund	Dhaka Palli Biddut Samity.
Progress up to June 2010	100.00%
Completion time	2009-2010.

2) Noagaon-Niamatpur 132 kV transmission line project:

Objective	a) Increase reliability of power system in Barandra area. b) Reduce overloading problem of Nowgoan substation.
Main components of the projects	a) Construction of 48 km 132 kV transmission line. b) Construction of Niamatpur 132/33 kV substation.
Estimate	Total Taka 910.00 million.
Source of Fund	PGCB
Progress up to June 2010	100.00%
Completion time	2009-2010.

3) Ashuganj-Shahajibazar 132 kV single circuit transmission line project:

Objective	a) Reduction of overload of existing Ashuganj-Shahajibazar transmission line. b) To increase power evacuation capacity in grater Sylhet area.
Main components of the projects	a) Construction of 55 km Ashuganj-Shahajibazar 132kV transmission line.
Estimate	Total Taka 170.00 million.
Source of Fund	PGCB
Progress up to June 2010	100.00%
Completion time	2009-2010.

4) Power evacuation of 1,350 Mw power plants:

Objective	To build the power evacuation facility for the newly contracted Rental and Public sector new initiative power Plants.
Main components of the projects	a) Construction of short distance 132 kV transmission lines and extension of bays of a substations concern for power evacuation from Rental Power Plants. b) Construction of short distance 132 kV transmission lines and extension of bays of substations concern for power evacuation from under construction public sector power plants.
Estimate	Total Taka 380.00 million.
Source of Fund	PGCB
Progress up to June 2010	On going.
Completion time	2010-2011.



Auditors:

ACNABIN

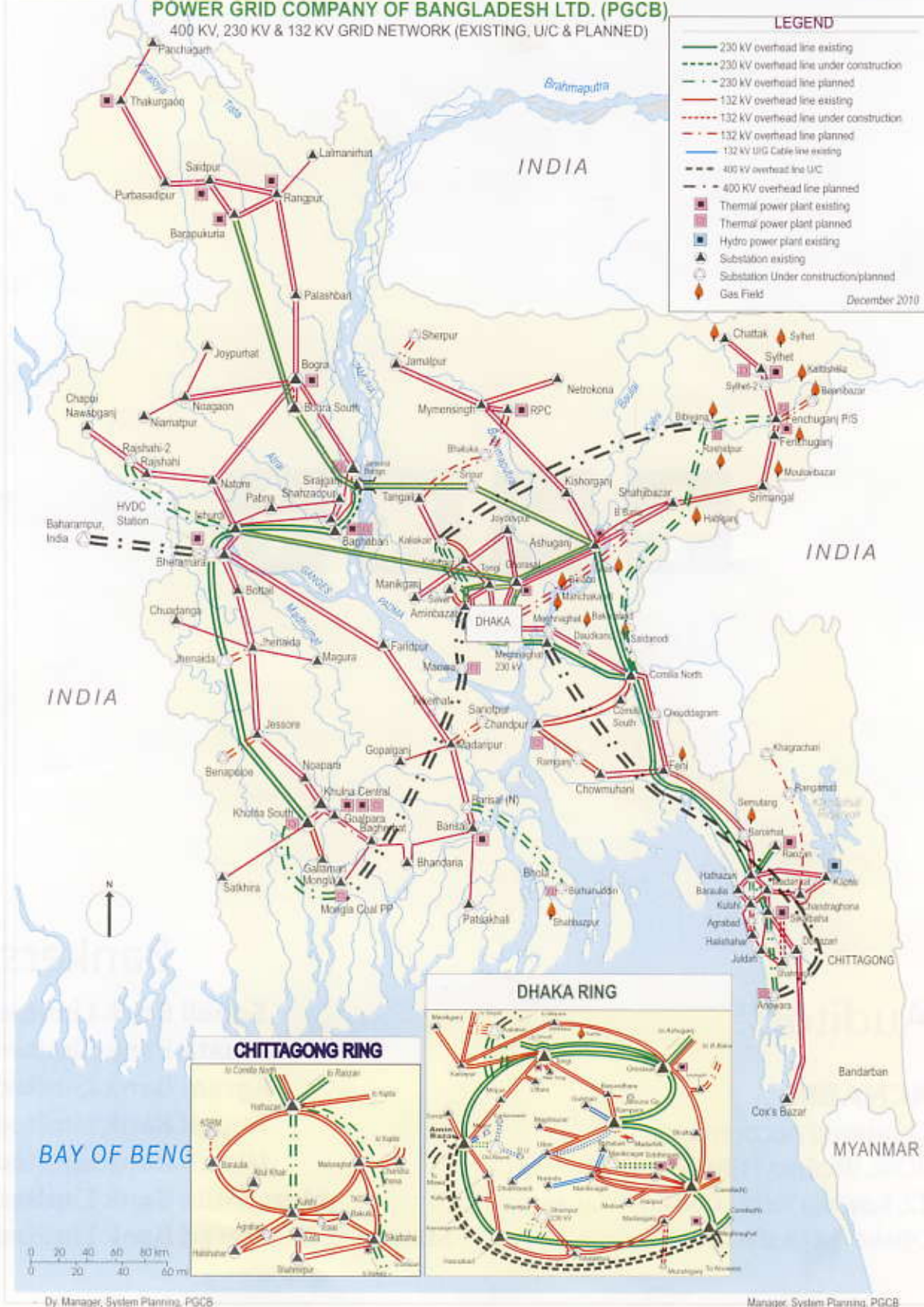
Chartered Accountants
BDBL Bhaban (13th Floor)
12, Kawran Bazar Commercial Area,
Dhaka-1215, Bangladesh.

Bankers:

Sonali Bank Limited
Janata Bank Limited
Agrani Bank Limited
Rupali Bank Limited
Uttara Bank Limited
Mercantile Bank Limited
Standard Chartered Bank Limited

POWER GRID COMPANY OF BANGLADESH LTD. (PGCB)

400 KV, 230 KV & 132 KV GRID NETWORK (EXISTING, U/C & PLANNED)





ISO 9001:2000
CERTIFIED

পাওয়ার গ্রিড কোম্পানী অফ বাংলাদেশ লিঃ

POWER GRID COMPANY OF BANGLADESH LTD.

IEB Bhabon (New), 3rd & 4th Floor, 8/A Ramna, Dhaka- 1000

PABX: 9553663, 9550514, 9560064, 9558054 Fax: 7171833

E-mail: info@pgcb.org.bd Web: www.pgcb.org.bd