

**Auditors' Report and  
Audited Financial Statements  
of  
Power Grid Company of Bangladesh Ltd.  
For the year ended 30 June 2013**

**Auditors' Report  
to the shareholders of  
Power Grid Company of Bangladesh Ltd.**

We have audited the accompanying financial statements of Power Grid Company of Bangladesh Ltd. (PGCBL) which comprise the Statement of Financial Position as at 30 June 2013 and statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of Power Grid Company of Bangladesh Ltd. (PGCBL) for the year ended 30 June 2012 were audited by ACNABIN Chartered Accountants who expressed a qualified opinion on 08 November 2012.

**Management's Responsibility for the Financial Statements**

Management of PGCBL is responsible for the preparation and fair representation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994 and other applicable laws and regulations 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 Bangladesh Standards on Auditing. 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 evidence about the amount 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 sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

1. The carrying amount of property, plant and equipment as reported in the Balance Sheet is Tk. 42,116,295,135. Proper register for property, plant and equipment is not maintained by the company. Valuation of plant and machinery transferred from Bangladesh Power Development Board (BPDB) and Dhaka Power Distribution Company (DPDC, previously DESA) was not done properly. No physical verification of its property, plant and equipment as at 30 June 2013 or any time during the period under audit was done. We had no other practical alternative auditing procedure that we could apply to authenticate the physical existence as well as the value thereof as on 30 June 2013. Bangladesh Accounting Standard (BAS) 36 requires impairment test of property, plant and equipment and necessary disclosure in this regard. The Company has no laid down policy and procedure in regard to impairment test, and no such test was carried out. However, the company has hired the services of a firm of Chartered Accountants for the valuation in September 2011 which is still in progress.

And as disclosed in Note # 5 to the financial statements, the Company has reported an amount of Tk. 48,513,303,442 as Capital work-in-progress which includes five completed projects amounting Tk. 847,632,179. The projects have been completed and are already in operation and generating revenue but have not been transferred to Property, Plant and Equipment; as a result the company has understated depreciation expenses by Tk. 14,833,563 in relation to the projects. For which EPS for the year 2012-13 has been overstated.

2. As disclosed in Note # 6 to the financial statements, the Company has reported an amount of Tk. 1,658,585,163 as inventories. Movement of inventories is not properly recorded in the accounts maintained at the cost centers we visited. As a result, physical existence of inventory could not be verified. We had no other practical alternative auditing procedure that we could apply to authenticate the physical existence as well as the value thereof as on 30 June 2013. However, the company has hired the services of a firm of Chartered Accountants for the valuation in September 2011 which is still in progress.
3. Exchange rate fluctuation gain amounting to Tk. 645,808,508 relating to the outstanding principal amount of loan for the year ended 30 June 2013 of the completed projects that are now in operation has been deducted from Property, plant and equipment instead of recognizing such gain in Profit and Loss Account. Para-28 of Bangladesh Accounting Standard (BAS-21) requires that the said exchange rate fluctuation gain shall be recognized in Profit and Loss account. The company has been following the policy of capitalizing or deducting such exchange rate fluctuation loss /gain from Property, plant and equipment from the year 2010-2011 which is a non-compliance of the above provision of BAS-21.

4. As disclosed in Note # 7 to the financial statements, the Company has reported an amount of Tk. 1,278,732,152 as receivable from transmission/wheeling and optical fiber charge. It includes receivables from DPDC, DESCO and WZPDCL Tk. 296,231,062, 173,596,648 and Tk. 88,402,498 respectively. Receivable from DPDC includes Tk. 136,848,400 being carried forward from June 2008 due to fewer amounts received against wheeling charge bills over the years. Receivable from DESA Tk. 15,700,698 due to fewer amounts received against wheeling charge bills from DPDC subsequent to June 2008. Receivable from DESCO includes Tk. 3,106,230 being carried forward from 2007. And receivable from WZPDCL includes Tk. 968,010 being carried forward from the year 2007. Repair and maintenance charge receivable from DESA is Tk. 104,722,014 which is being carried forward from 2010. Ernst & Young India has produced a report in reference to the repair and maintenance charge receivable from DESA but the company is yet to provide provisions for the disputed amounts according to the report. As for the other disputed amounts, in our opinion the company is very unlikely to receive the amounts in full. If provisions were provided for the abovementioned amounts the EPS for the year 2012-13 would have adversely been affected.
5. As disclosed in Note# 19 to the financial statements, liabilities for other finance include an amount of Tk. 3,765,000 owed to BPDB, and as disclosed in Note # 19.4, liabilities for other finance include account current with corporations and other offices amounting to Tk. 104,032,421 comprising Tk. 106,454,988 and Tk (2,422,567) on account of BPDB and Project-1 respectively as on 30 June 2013. As disclosed in Note # 12.3, Note # 12.4(A) and Note # 16 PGCBL owes to BPDB Tk. 8,003,670, Tk. 9,855,673,033 and Tk. 881,647,500 respectively. The balances could not be confirmed from BPDB.
6. As disclosed in Note # 14 to the financial statements, the gratuity scheme operated by the company is unfunded and provision is provided as per Company policy. But no actuarial valuation has been done as per BAS 19.

#### Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, financial statements give a true and fair view of the financial position of Power Grid Company of Bangladesh Ltd. as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994 and other applicable laws and regulations.

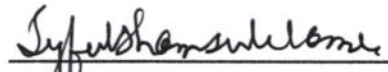
**Report on Other Legal and Regulatory Requirements**

**We also report that:**

- i) 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;
- ii) in our opinion, proper books of account as required by law have been kept by the Fund so far as it appeared from our examination of those books;
- iii) the statement of financial position and statement of comprehensive income of the Company dealt with by the report are in agreement with the books of account;
- iv) the expenditure incurred was for the purposes of the Company's business.

**Place: Dhaka**

**Dated: 10 November 2013**

  
SYFUL SHAMSUL ALAM & CO.  
CHARTERED ACCOUNTANTS  
*SSA*



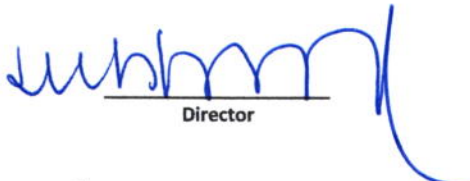
**Power Grid Company of Bangladesh Ltd.**  
**Statement Of Financial Position**  
**as at 30 June 2013**

	Notes	2013 Taka	2012 Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	04	42,116,295,135	41,849,896,138
Capital work-in-progress	05	48,513,303,442	32,560,541,870
		<b>90,629,598,577</b>	<b>74,410,438,008</b>
<b>Current assets</b>			
Investment in FDR	06	5,860,000,000	4,940,000,000
Inventories	07	1,658,585,163	1,471,182,090
Accounts and other receivables	08	1,607,095,693	1,577,598,855
Advances, deposits and prepayments	09	4,958,623,141	4,037,096,904
Cash and cash equivalents	10	3,947,665,038	2,719,387,878
		<b>18,031,969,035</b>	<b>14,745,265,727</b>
<b>Total assets</b>		<b>108,661,567,612</b>	<b>89,155,703,735</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	4,609,129,910	4,190,118,100
Deposit for shares	12	18,973,754,871	11,820,001,386
Retained earnings		5,774,062,389	6,121,379,532
		<b>29,356,947,170</b>	<b>22,131,499,017</b>
<b>Non-current liabilities</b>			
Term loan-interest bearing	13	63,245,787,725	54,002,075,071
Grant from SIDA	14	115,811,792	120,725,019
Deferred liability-gratuity	15	674,893,948	587,934,431
Deferred tax liabilities	16	3,619,490,958	2,953,736,108
		<b>67,655,984,423</b>	<b>57,664,470,629</b>
<b>Current liabilities</b>			
Term loan-interest bearing	17	1,966,838,264	1,991,313,004
Interest Payable	18	7,929,219,838	5,779,427,703
Liabilities for expenses	19	212,044,593	205,605,143
Liabilities for other finance	20	1,496,819,414	1,342,973,239
Provision for taxation	21	43,713,910	40,415,000
		<b>11,648,636,019</b>	<b>9,359,734,089</b>
<b>Total liabilities</b>		<b>79,304,620,442</b>	<b>67,024,204,718</b>
<b>Total equity and liabilities</b>		<b>108,661,567,612</b>	<b>89,155,703,735</b>

The accounting policies and explanatory notes (1 to 33) form an integral part of these Financial Statements.

  
 \_\_\_\_\_  
 Company Secretary

  
 \_\_\_\_\_  
 Managing Director

  
 \_\_\_\_\_  
 Director

As per our report of same date.

Place: Dhaka  
 Dated: 10 November 2013

  
 SYFUL SHAMSUL ALAM & CO.  
 CHARTERED ACCOUNTANTS  
 SSC

**Power Grid Company of Bangladesh Ltd.**  
**Statement Of Comprehensive Income**  
for the year ended 30 June 2013

	Notes	2012-2013 Taka	2011-2012 Taka
Revenue	22	7,870,432,616	7,142,208,076
Transmission expenses	23	(4,718,696,940)	(4,320,538,770)
<b>Gross profit</b>		<b>3,151,735,676</b>	<b>2,821,669,306</b>
Administrative expenses	24	(254,574,320)	(219,919,063)
<b>Results from operating activities</b>		<b>2,897,161,356</b>	<b>2,601,750,243</b>
Finance income	25	825,045,245	825,634,836
Other income	26	47,304,164	115,157,155
Finance expenses	27	(1,653,728,998)	(1,629,264,693)
<b>Profit before contribution to WPPF</b>		<b>2,115,781,767</b>	<b>1,913,277,541</b>
Contribution to WPPF		(100,751,513)	(91,108,454)
<b>Profit before income tax</b>		<b>2,015,030,254</b>	<b>1,822,169,087</b>
Income tax expense	28	(1,004,842,371)	(638,625,905)
Current Tax		43,713,910	40,415,000
Deferred Tax		961,128,461	598,210,905
<b>Profit after tax carried forward</b>		<b>1,010,187,883</b>	<b>1,183,543,182</b>
<b>Basic Earnings Per Share (per value Tk.10)</b>	29	<b>2.19</b>	<b>2.82</b>

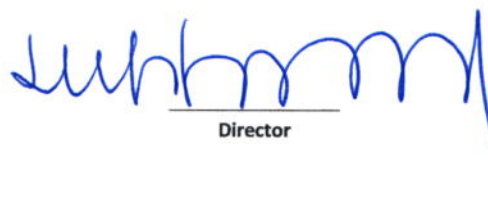
*The accounting policies and explanatory notes (1 to 33) form an integral part of these Financial Statements.*



Company Secretary



Managing Director



Director

As per our report of same date.

Place: Dhaka  
Dated: 10 November 2013



SYFUL SHAMSUL ALAM & CO.  
CHARTERED ACCOUNTANTS

**Power Grid Company of Bangladesh Ltd.**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2013**

	Share capital Taka	Deposit for shares Taka	Retained earnings Taka	Total Taka
<b>Balance as at 30 June 2011</b>	<b>4,190,118,100</b>	<b>9,738,181,387</b>	<b>5,853,349,465</b>	<b>19,781,648,952</b>
Prior year adjustment on account of :				
Reversal of overstated expenses of prior years			161,475	161,475
Reversal of understated tax provision of prior years		-	(287,156,874)	(287,156,874)
Profit for the year			1,183,543,181	1,183,543,181
Net investment received during the year		2,081,820,000		2,081,820,000
Final dividend of 2011 (15% Cash)			(628,517,715)	(628,517,715)
<b>Restated Balance as at 30 June 2012</b>	<b>4,190,118,100</b>	<b>11,820,001,386</b>	<b>6,121,379,532</b>	<b>22,131,499,019</b>
Profit for the year	-	-	1,010,187,883	1,010,187,883
Reversal of understated expenses of prior years	-	-	(806,411,289)	(806,411,289)
Reversal of overstated expenses of prior years	-	-	295,447,047	295,447,047
Reversal of overstated income of prior years	-	-	(8,517,163)	(8,517,163)
Net investment received during the year	-	7,153,753,485	-	7,153,753,485
Final dividend of 2011 (10% Cash)	-	-	(419,011,810)	(419,011,810)
Final dividend of 2011 (10% Stock)	419,011,810	-	(419,011,810)	-
<b>Balance as at 30 June 2013</b>	<b>4,609,129,910</b>	<b>18,973,754,871</b>	<b>5,774,062,389</b>	<b>29,356,947,170</b>

*[Signature]*

**Company Secretary**

Place: Dhaka

Dated: 10 November 2013

*[Signature]*

**Managing Director**

*[Signature]*

**Director**





# Power Grid Company of Bangladesh Ltd.

## Statement of Cash Flows for the year ended 30 June 2013

	2012-2013	2011-2012
	Taka	Taka
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers	7,772,581,746	6,916,887,690
Cash paid to suppliers, contractors, employees, etc.	(1,719,326,111)	(1,599,722,093)
<b>Cash generated from operating activities</b>	6,053,255,635	5,317,165,597
Interest paid	(669,908,984)	(1,068,669,637)
Income taxes paid	-	(40,415,000)
<b>Net cash from operating activities</b>	<b>5,383,346,651</b>	<b>4,208,080,960</b>
<b>B. Cash flows from investing activities</b>		
Interest received	873,399,275	852,434,486
Cash receipts from others	67,304,164	115,157,155
Addition to property, plant and equipments and capital work-in-progress	(19,605,357,885)	(17,070,678,051)
Investment in fixed deposit	(920,000,000)	-
<b>Net cash used in Investing activities</b>	<b>(19,584,654,446)</b>	<b>(16,103,086,410)</b>
<b>C. Cash flows from financing activities</b>		
Share capital and deposit for share	6,629,358,848	2,081,819,999
Long term loan	9,219,237,916	9,524,701,760
Dividend paid	(419,011,810)	(628,517,715)
<b>Net cash from financing activities</b>	<b>15,429,584,954</b>	<b>10,978,004,044</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,228,277,160</b>	<b>(917,001,406)</b>
<b>E. Opening cash and cash equivalents</b>	<b>2,719,387,878</b>	<b>3,636,389,284</b>
<b>F. Closing cash and cash equivalents (D+E)</b>	<b>3,947,665,038</b>	<b>2,719,387,878</b>

Company Secretary

Managing Director

Director

Place: Dhaka

Dated: 10 November 2013



**Power Grid Company of Bangladesh Ltd.**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2013**

**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 and other applicable laws and regulations.

Foreign currency exchange difference of Tk 2,317,749,491.00 arising on foreign currency denominated loans and borrowings taken by the Company has been deducted from the carrying amount of capital work-in-progress and property, plant and equipment 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. The difference arising from capitalisation of foreign exchange loss/(gain) has been recognised in accordance with the requirements of the Companies Act 1994.

**2.1.1 Other regulatory compliances**

The Company is also required to comply with the following major laws and regulation in addition to the Companies Act 1994:

The Securities & Exchange Rules, 1987  
The Securities & Exchange Ordinance, 1969  
The Income Tax Ordinance, 1984  
The Income Tax Rules, 1984  
The Value Added Tax Act, 1991  
The Value Added Tax Rules, 1991  
The Customs Act, 1969



## 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.

## 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:

	<u>Note Ref.</u>
Depreciation and amortisation	4
Deferred liability for gratuity and earned leave	15
Deferred tax liabilities	16
Foreign currency denominated loans and borrowings	13-14 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 Applicable accounting standards**

The following BASs are applicable for the financial statements for the year under review:

BAS - 1 Presentation of Financial Statements  
BAS - 2 Inventories  
BAS - 7 Statements of Cash Flows  
BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors  
BAS - 10 Events after the Reporting Period  
BAS - 12 Income Taxes  
BAS - 16 Property, Plant and Equipment  
BAS - 18 Revenue  
BAS - 19 Employee Benefits  
BAS - 21 The Effects of Changes in Foreign Exchange Rates  
BAS - 23 Borrowing Costs  
BAS - 24 Related Party Disclosures  
BAS - 32 Financial Instruments: Presentation  
BAS - 33 Earnings Per Share  
BAS - 34 Interim Financial Reporting, Comparative Information  
BAS - 36 Impairment of Assets  
BAS - 37 Provisions, Contingent Liabilities and Contingent Assets  
BAS - 39 Financial Instruments: Recognition and Measurement  
BFRS-7 Financial Instruments Disclosure  
BFRS-13 Fair Value Measurement

## **2.9 Reporting period**

The financial statements of the Company covers one year from 1 July 2012 to 30 June 2013 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. While recognising foreign exchange gain/loss the company is following Companies Act 1994. Details are given in notes # 2.1.

### **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 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. However, the depreciation for the current year as well as last year has been charged for 6 (six) months on the addition of fixed assets due to lack of some relevant information. The amount is not material.

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. And the cost do not include the retention money kept by the donors by the instruction of PGCBL.

### 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.





#### **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 contributed by the shareholders and bonus shares issued by the company to the ordinary 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 2012. Last year's tax liability has been set off against advance tax.

##### **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 are reversed, based on income tax 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.



### 3.8 Revenue recognition

Revenue comprises 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 is recognised when monthly invoices are 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). Amount 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 are raised against Grameen Phone Ltd, Bangladesh Telecommunication Company Limited (BTCL) and Robi Axiata Ltd. Quantum of Invoices is determined in accordance with the agreement.

### 3.9 Basis for allocation of Transmission expense and Administrative expense:

particulars	Transmission	Admin.	Total
Salary and other employee benefits	89	11	100
Travelling and conveyance	96.2	3.8	100
Functions, games and entertainment	8.67	91.33	100
Rent, rates and taxes	44.9	55.1	100
Postage, telephone and fax	67.66	32.34	100
Recruitment and training	47.4	52.6	100
CPF contribution	92.11	7.89	100
Gratuity	83	17	100
Electricity and power	98.34	1.66	100
Office Expenses	35.52	64.48	100
Fuel and lubricant	76.13	23.87	100
Security expense	98.66	1.34	100
Insurance	21.63	78.37	100
Bank charges and commission	98	2	100
Consultancy	17.88	82.12	100
Repair and maintenance	96.87	3.13	100
C & F, carrying and handling	96.01	3.99	100
Miscellaneous expenses	81.55	18.45	100
Depreciation (Note: 4)	99.62	0.38	100

Note: Based on the above ratio the cost is allocated between transmission and administrative expense. No particular policy is followed for the allocation of cost.

### 3.10 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.



### **3.11 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 and split ordinary shares in accordance with the requirement of BAS 33: EPS.

### **3.12 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.

### **3.13 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.

### **3.14 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.

### **3.15 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.

#### **3.15.1 Defined contribution plan (provident fund)**

Defined contribution plan is a post-employment benefit plan. The recognised Employees' Provident Fund 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 recognises contribution to defined contribution plan as an expense when an employee 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.

#### **3.15.2 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

#### **3.15.3 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.



**3.16 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.

**3.17 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.

**3.18 Comparative information**

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



04. Property, plant and equipment

Particulars	Cost					Depreciation					Figures in Taka				
	Balance as at 01 July 2012	Prior Years Adjustment	Restated Balance as at 01 July 2012	Addition during the year	(Disposal) / Adjustment for the year	Balance as at 30 June 2013	Rate %	Balance as at 01 July 2012	Prior Year Adjustment	Restated Balance as at 01 July 2012	Disposal During the Year	Charged for the year	Balance as at 30 June 2013	As at 30 June 2013	As at 30 June 2012
Land and land development	627,434,250	-	627,434,250	-	-	627,434,250	-	-	-	-	-	-	-	627,434,250	627,434,250
Building	56,369,990	-	56,369,990	56,369,510	-	112,739,500	5	12,659,933	-	12,659,933	-	3,219,767	15,879,700	96,859,800	43,710,057
Plant and machinery (substation and transmission line)	83,164,233,732	4,364,107,530	87,528,341,262	(415,264,968)	-	87,113,076,294	3.5	42,170,562,157	763,718,819	42,934,280,975	-	3,056,224,807	45,990,505,782	41,122,570,512	40,993,671,574
Motor vehicle	273,455,709	42,692,472	316,148,181	107,254,262	(90,000)	423,312,443	20	164,265,592	42,692,472	206,958,064	(73,500)	44,063,406	250,947,970	172,364,473	109,190,117
Office equipment	96,706,332	-	96,706,332	14,780,018	-	111,486,350	10	43,355,892	-	43,355,892	-	9,136,505	52,492,397	58,993,953	53,350,440
Signboard	9,272,331	-	9,272,331	16,638,460	-	25,910,791	25	5,843,740	-	5,843,740	-	2,642,358	8,486,098	17,424,693	3,428,591
Furniture and fixture	34,532,068	-	34,532,068	4,839,043	-	39,371,111	10	15,420,960	-	15,420,960	-	3,302,697	18,723,657	20,647,455	19,111,108
Total	84,262,004,412	4,406,800,002	88,668,804,414	(215,283,675)	(90,000)	88,453,330,740		42,412,108,274	806,411,291	43,218,519,564	(73,500)	3,118,589,542	46,337,035,605	42,116,295,135	41,849,896,138

Depreciation allocated to:

	2012-2013	2011-2012
Transmission expenses (Note 22)	3,106,738,900	2,903,245,042
Administrative expenses (Note 23)	11,850,640	9,904,709
	<b>3,118,589,540</b>	<b>2,913,149,752</b>

Plant and machinery includes substations and transmission lines amounting to Tk 47,370,760,000 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 (6th agreement) till date was made on 10-04-2012. Final vendors agreement, however, is expected to be signed in next accounting year.





5. Capital work-in-progress

	30.06.2013 Taka	30.06.2012 Taka
Balance as at 1 July	32,560,541,870	23,549,981,251
Cost incurred during the year	15,952,761,572	16,923,685,631
Adjustment/transfer to assets	-	(7,913,125,012)
Balance as at 30 June	<b>48,513,303,442</b>	<b>32,560,541,870</b>

Project-wise break-up:

National Load Dispatch Centre	-	-
Ishwardi-Baghabari-Sirajgonj Bogra Transmission Line (Note-19.5)	5,283,895,768	5,064,429,714
Three Transmission Line (Natore-Rajshahi 132 KV T/L)	-	-
Transmission Line Facility	6,254,729,954	5,764,371,852
Meghnaghat -Aminbazar 400 Kv Transmission Line	3,891,231,706	2,847,773,801
Aminbazar Old Airport 230 Kv Transmission Line	5,941,659,029	4,627,349,433
Siddirgonj-Maniknagar 230 Kv Transmission Line	1,762,259,727	1,015,584,604
Aminbazar-Saver 132 Kv Transmission Line	979,691,758	979,691,758
Shajibazar Ashuganj 132 Kv Transmission Line	158,988,750	158,988,750
i) Extension of 132 Kv Sub-station at Ashuganj, Shajibazar, Fenchuganj and Sylhet	191,416,016	-
ii) Meghnaghat -Aminbazar 400 Kv RPP, Associated T/L extension Transmission Line	460,887,092	-
Transmission Efficiency Improvement	652,303,107	651,606,152
Sylhet Shajibazar Brahmanbaria 400 Kv TL	1,211,502,573	888,528,235
Exchange Rate Fluctuation loss	36,340,322	36,340,322
Inventory in transit	(566,587,163)	1,105,353,820
HVDC Bangladesh- India Interconnector	-	25,804,327
Three Transmission Line (Magura-Jhenaidah-Chuadanga-Panchagar)	9,787,197,718	1,236,765,583
Barisal-Bhola-Borhanuddin TLP	-	-
Bibiyana- Kaliakoir 400 kv Fenchuganj bibiyana 230 kv TLP	747,710,310	7,841,103
Bibiyana- Comilla (North) 230 kv TLP	6,876,822,967	4,166,559,145
Haripur Combined Cycle 360 MW	3,270,478,147	2,766,851,584
Kulaura Sherpur Transmission Line Project	1,764,830,672	1,211,769,523
Mymensingh Tangail Bhaluka and Jamalpur Sherpur	257,366,780	1,744,603
National Power Transmission Network Development	198,502	198,502
Asuganj Bhulta 400 KV Transmission Line Project	3,341,925	2,989,060
B. Baria-Nabinagar-Narshingdi 132 KV Transmission Line Project	58,030	-
Bay Extension at Goalpara 132/33 KV SubStation	200,000	-
Construction of 230KV Bibiana Switching Substation at Bibiana	2,558,923	-
Goalpara Bagherhat 132 KV Transmission Line	131,049,723	-
Grid Development Project in Eastern Region	906,207	-
Head Office Building	62,308,583	-
Kodda 132 KV Transmission Line	2,200,000	-
	59,426	-
	<b>48,513,303,442</b>	<b>32,560,541,870</b>

6. Investment

These represent the Fixed Deposit of Tk. 5,860,000,000 as at 30 June 2013 in various scheduled bank.

7. Inventories

1,658,585,163	1,471,182,090
---------------	---------------

These represent the closing inventory of electrical goods as at 30 June 2013. The electrical goods include spare parts which were received from Bangladesh Power Development Board (BPDB) along with the substations and transmission lines.



8. Accounts and other receivables

	30.06.2013 Taka	30.06.2012 Taka
Receivable from transmission/wheeling and optical fiber charge	1,278,732,152	1,180,881,283
Repair and maintenance charge receivable from DESA & T/L sales (Tangail and Sirajgonj PBS)	174,422,569	194,422,569
Interest receivable	153,940,972	202,295,003
	<b>1,607,095,693</b>	<b>1,577,598,855</b>

The age-wise analysis of receivables against transmission/wheeling and optical fiber charge of Tk.1,278,732,152 was as under:

Particulars	> 6 Months Taka	< 6 Months Taka	Total Taka
DPDC	-	296,231,062	296,231,062
RPC	5,439,000	-	5,439,000
DESCO	-	173,596,648	173,596,648
PBS	-	711,642,580	711,642,580
WZPDCL	-	88,402,498	88,402,498
BPDB	-	-	-
Grameenphone Ltd. for optical fiber	-	625,364	625,364
BTCL for optical fiber	-	2,795,000	2,795,000
Robi Axiata for optical fiber	-	-	-
	<b>5,439,000</b>	<b>1,273,293,152</b>	<b>1,278,732,152</b>

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.

9. Advances, deposits and prepayments

Advances (Notes-9.1)	4,957,526,522	4,036,000,285
Deposits (Notes-9.2)	1,096,619	1,096,619
	<b>4,958,623,141</b>	<b>4,037,096,904</b>

9.1 Advances

Advance against Purchase	-	11,500
Advance against Legal expense (Doza & Haroon)	561,343	411,343
Advance against TA/DA	99,000	302,252
Advance against Contractors/suppliers	619,475	236,874
Advance of Branch offices and GMDs	5,214,593	11,632,614
Advance tax (Note 9.1.1)	2,531,989,370	1,810,163,826
Advance against expenses	3,480,733	2,345,460
Advance against house rent	3,847,759	8,819,310
Recoverable From Employees of GMD Aricha	73,493	73,493
Advances given by Projects (Note-9.3)	2,411,609,617	2,201,972,476
Suspense account (Defalcation at GM-Project)	31,138	31,138
Loan to IBSB 230 KV T/L Project	-	-
	<b>4,957,526,522</b>	<b>4,036,000,285</b>

9.1.1 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.



## 9.2 Deposits

Grid maintenance divisions (GMDs)  
CDBL  
Others

30.06.2013	30.06.2012
Taka	Taka
225,090	225,090
500,000	500,000
371,529	371,529
<b>1,096,619</b>	<b>1,096,619</b>

## 9.3 Advances given by Projects

Opening Balance  
TLF Project  
Meghnaghat-Aminbazar Project  
TEI Project  
Siddirgong-Maniknagar  
Meghnaghat-Aminbazar RPP Project  
Bibiyana-kallakore Project  
Grid Interconnection Project  
Bibiyana-Comilla(North) Project  
Project 1  
Kulaura Sherpur Project  
Barishal Bhola Borhanuddin Project  
Goalpara-Bagerhat Project  
RRAGS Project

306,747.79	306,747.79
2,894,884.42	5,531,639.44
7,765,485.37	676,703.86
3,692,967.30	10,568,400.30
6,727,282.00	20,636,015.00
104,859.97	104,859.97
10,297,313.88	27,740,025.94
1,871,505,905.71	2,088,405,386.61
1,628,788.61	19,617,996.61
10,843,527.25	28,374,700.25
41,709,258.70	10,000.00
367,125,808.15	-
2,281,294.00	-
84,725,494.18	-
<b>2,411,609,617</b>	<b>2,201,972,476</b>

## 10. Cash and Cash Equivalents

Cash in hand  
Balances with banks as:  
Current deposit accounts  
Short term deposit accounts

555,234	510,881
1,555,102,841	495,941,773
2,392,006,963	2,222,935,223
3,947,109,804	2,718,876,996
<b>3,947,665,038</b>	<b>2,719,387,878</b>

## 11. Share capital

### Authorized share capital

1,000,000,000 ordinary shares of Tk. 10 each

<b>10,000,000,000</b>	<b>10,000,000,000</b>
-----------------------	-----------------------

### Paid up share capital

460,912,991 ordinary shares of Tk. 10 each

<b>4,609,129,910</b>	<b>4,190,118,100</b>
----------------------	----------------------

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

116,536,000 Shares of Tk. 10 each fully called and paid up in cash  
247,822,100 Shares of Tk. 10 each paid up other than cash  
546,537,100 Shares of TK. 10 each as 15% Bonus Shares  
41,901,181 Shares of TK. 10 each as 10% Bonus Shares

1,165,360,000	1,165,360,000
2,478,221,000	2,478,221,000
546,537,100	546,537,100
419,011,810	-
<b>4,609,129,910</b>	<b>4,190,118,100</b>



30.06.2013	30.06.2012
Taka	Taka

Percentage of shareholdings:

Particulars	30.06.2013		30.06.2012	
	No. of shares	%	No. of shares	%
Sponsors (BPDB)	351,446,348	76.25	319,496,680	76.25
Institutions (financial & others)	87,649,555	19.02	82,108,950	19.60
Individual	21,817,088	4.73	17,406,180	4.15
<b>Total</b>	<b>460,912,991</b>	<b>100.00</b>	<b>419,011,810</b>	<b>100.00</b>

Classification of shareholders by holding:

Share holding range	Number of shareholders as at		% of shareholdings as at	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Less than 500 shares	2,352	2,371	36.12	35.84
500 to 5,000 shares	3,455	3,526	53.06	53.31
5,001 to 10,000 shares	281	289	4.32	4.37
10,001 to 20,000 shares	171	172	2.63	2.60
20,001 to 30,000 shares	58	48	0.89	0.73
30,001 to 40,000 shares	33	29	0.51	0.44
40,001 to 50,000 shares	9	19	0.14	0.29
50,001 to 100,000 shares	55	59	0.84	0.89
100,001 to 1,000,000 shares	85	86	1.31	1.30
Over 1,000,000 shares	12	15	0.18	0.23
<b>Total</b>	<b>6,511</b>	<b>6,614</b>	<b>100.00</b>	<b>100.00</b>



## 12. 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 & BPDB's Investment received through 5th & 6th Vendors Agreement.

	30.06.2013 Taka	30.06.2012 Taka
Balance as at 1 July 2012	11,820,001,386	9,738,181,386
Add: Received during the year from the GoB as part of equity in respect of development projects (Note # 12.1)	4,839,120,000	2,160,165,000
Received from BPDB through 6th Vendors Agreement	2,346,400,000	
	19,005,521,386	11,898,346,386
Less: Refunded to GoB the surplus fund released by GoB (Note # 12.2)	31,766,515	78,345,000
Balance as at 30 June	<b>18,973,754,871</b>	<b>11,820,001,386</b>
Note: Investment of Govt.	16,155,614,873	
Investment of BPDB	2,818,140,000	
Total Investment	<b>18,973,754,873</b>	

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

### 12.1 Equity in respect of development projects

TLF Project	72,000,000	-
Aminbazar-Old Airport Project	390,000,000	366,000,000
Meghnaghat-Aminbazar 400kv Project	270,000,000	264,000,000
Haripur Combined Cycle Project	84,000,000	162,000,000
TEI Project	120,000,000	89,100,000
Siddirgong-Maniknagar 230kv Project	240,000,000	117,720,000
Grid Interconnection Project	1,995,120,000	306,345,000
Bibiyana-Comilla(north)	660,000,000	630,000,000
Bibiyana-Kaliakore-Fenchugong Project	1,008,000,000	135,000,000
Transmission Line Facilities	-	90,000,000
	<b>4,839,120,000</b>	<b>2,160,165,000</b>

### 12.2 Refund to GOB

Aminbazar-Old Airport Project	298,429	-
TLF Project	11,269,761	-
TEI Project	2,198,324	-
Bibiyana-Comilla(north)	18,000,000	-
Grid Interconnection Project	-	78,345,000
	<b>31,766,515</b>	<b>78,345,000</b>

## 13. Term loan- interest bearing

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

	Notes		
ADB loan *	13.1	27,008,182,250	22,249,844,578
GoB loan	13.2	9,768,447,632	6,773,983,110
Bangladesh Power Development Board	13.3	8,003,670	8,003,670
Assigned loan *	13.4	13,700,350,133	13,326,320,170
Suppliers credit	13.5	302,725,463	439,121,544





		30.06.2013	30.06.2012
		Taka	Taka
Exchange rate fluctuation loss/(gain)*		-	-
SIDA loan *	13.6	395,150,589	294,232,883
KFW loan *	13.7	2,787,907,707	2,786,792,481
Danida loan *	13.8	1,183,972,461	1,273,300,150
DPBS-1 loan	13.9	684,000,000	684,000,000
NDF loan *	13.10	875,267,281	940,471,136
JBIC loan BD 52 & 55 *	13.11	4,382,928,677	4,468,220,122
IDA Loan No 4508 *	13.12	1,058,447,100	671,862,011
EDCF Loan *	13.13	3,057,243,028	2,077,236,219
		65,212,625,990	55,993,388,075
Less: Transferred to Term loan-interest bearing (Note-17) i.e. Current portion of long term loan		1,966,838,264	1,991,313,004
Balance as at 30 June		<b>63,245,787,725</b>	<b>54,002,075,071</b>

### 13.1 ADB loan

Balance as at 1 July	22,249,844,578	17,264,730,145
Current Portion of Debt	-	-
Received during the year	6,541,718,186	3,635,955,259
	28,791,562,764	20,900,685,404
Exchange rate fluctuation loss/(gain)	(1,424,232,793)	1,742,885,761
Repaid during the year (Note # 13.1.1)	(359,147,722)	(393,726,587)
Balance as at 30 June	<b>27,008,182,250</b>	<b>22,249,844,578</b>

Loan details are as follows:

	Loan no.		
Mymensingh power station and transmission Line	1505	124,571,087	124,571,087
Rampura Sub-Station	1505	264,866,130	359,391,144
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
Exchange rate fluctuation loss/(gain)	1505	704,265,738	799,828,416
<b>Total ADB 1505</b>		<b>1,765,493,022</b>	<b>1,955,580,715</b>
Hasnabad-Aminbazar-Tongi Transmission Line	1731	168,217,208	239,106,378
Sub-station Aminbazar	1731	408,315,660	408,315,660
Sub-station Extension Tongi, Hasnabad & Kalyanpur	1731	522,249,289	522,249,289
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	365,739,955
Exchange rate fluctuation loss/(gain)	1731	506,179,765	654,181,209
<b>Total ADB 1731</b>		<b>2,790,025,260</b>	<b>3,008,915,874</b>
Khulna -Ishwardi Transmission Line- L & T	1885	73,655,571	158,919,195
Khulna Ishwardi Transmission Line-(TATA Power)	1885	1,424,686,823	1,424,686,823
Ashuganj-Sirajganj Transmission Line -(LG & Sejon)	1885	1,549,286,408	1,657,756,322
Ashuganj-Sirajganj ABB Ltd.	1885	186,232,208	186,232,208
Ishwardi-Baghabari-Sirajgonj-Bogra-BHEL	1885	779,228,281	779,228,281
Gallamari 132/33 KV GIS S/S Cons. & 132 KV TL Cons.	1885	477,789,256	477,789,256
Shunt Compensation Phase-1	1885	309,818,788	309,818,788
Exchange rate fluctuation loss/(gain)	1885	691,102,573	983,584,029
<b>Total ADB 1885</b>		<b>5,491,799,909</b>	<b>5,978,014,903</b>
National Load Dispatch Centre	2039	2,537,470,259	2,537,470,259
Exchange rate fluctuation loss/(gain)	2039	300,871,192	448,663,463
<b>Total ADB 2039</b>		<b>2,838,341,451</b>	<b>2,986,133,722</b>



		30.06.2013	30.06.2012
		Taka	Taka
Meghnaghat - Aminbazar 400 KV TL	2332	2,108,752,300	1,613,302,465
Aminbazar Old Airport 230 KT TL	2332	3,736,087,328	3,081,604,925
3 Transmission Line NCC	2332	1,034,521,006	1,034,521,006
3 Transmission Line-HG Power	2332	753,634,898	753,634,898
Exchange rate fluctuation loss/(gain)	2332	241,176,310	629,939,585
<b>Total ADB 2332</b>		<b>7,874,171,842</b>	<b>7,113,002,879</b>
Bangladesh India Grid Interconnector	2661	6,596,031,699	1,204,245,751
Exchange rate fluctuation loss/(gain)		(347,680,933)	3,950,735
<b>Total ADB 2661</b>		<b>6,248,350,766</b>	<b>1,208,196,486</b>
Total ADB Loan		27,008,182,250	22,249,844,578
Add: Current portion of Long Term Loan		-	-
		<b>27,008,182,250</b>	<b>22,249,844,578</b>

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

#### 13.1.1 Repaid during the year

	Loan no.		
Substation Rumpura (Meghnaghat Associated TL Project)	1505	94,525,014	94,525,014
Hasanabad-A.bazar-Tongi	1731	70,889,170	70,889,170
LG & Sejon (Ashuganj Serajgonj)	1885	108,469,914	108,469,914
(Khulna-Ishwardi) L & T	1885	85,263,624	42,631,812
NLDC Project	2039	-	77,210,677.00
		<b>359,147,722</b>	<b>393,726,587</b>

#### 13.2 GOB loan

Balance as at 1 July	6,773,983,110	5,620,957,412
Current Portion of Debt	-	-
Received during the year	3,226,080,000	1,440,110,000
	10,000,063,110	7,061,067,412
Refunded during the year (Note # 13.2.1)	(231,615,478)	(287,084,302)
Balance as at 30 June	<b>9,768,447,633</b>	<b>6,773,983,110</b>

Loan details are as follow:

a) Comilla-Meghnaghat-Rampura & Meghnaghat-Haripur-203 KV Transmission Line	193,906,770	247,725,160
b) Hasnabad-Aminbazar-Tongi Transmission Line	244,725,338	275,316,004
c) Kabirpur-Tangail-Sirajgonj Transmission Line	67,318,440	73,729,720
d) Ishwardi-Baghabari-Sirajgonj-Bogra Transmission Line(Note-13.2.2)	612,804,828	612,804,828
e) Khulna-Ishwardi-Bogra-Barapukuria Transmission Line	1,027,625,602	1,113,261,068
f) Ashuganj- Jamuna Bridge-Serajgonj (Inter Connector Line)	356,811,000	390,793,000
g) Construction and Extension of Sub-Station & Transmission Line	960,228,509	919,741,683
h) NLDC Project-National Load Dispatch Centre	463,913,496	463,913,496
i) Three Transmission Line	525,247,450	525,247,450
j) Aminbazar-Old Airport 230 Kv Associated Substation	773,217,574	513,416,527
k) Shunt compensation at Grid Substation	83,701,607	83,701,607
l) Meghnaghat-Aminbazar 400 Kv Transmission Line	516,977,030	336,977,030
m) Transmission Efficiency improvement	152,724,487	74,190,036
n) Siddirgonj Maniknagar 230 Kv T/L Cons. Project	283,405,501	123,405,501
o) BD - India Grid Interconnection project	1,655,840,000	325,760,000
p) Bibiana Comilla (North) 230KV TLP	924,000,000	496,000,000
q) Haripur 360mw Combined Cycle Power Plant	164,000,000	108,000,000
r) Bibiana Kaliakoir & Fenchugonj Bibiana 230kv T/L Project	762,000,000	90,000,000
	9,768,447,632	6,773,983,110
Add: Current portion of Long Term Loan	-	-
	<b>9,768,447,632</b>	<b>6,773,983,110</b>



30.06.2013	30.06.2012
Taka	Taka

### 13.2.1 Refund during the year

Comilla-Meghnaghat-Rampura & Meghnaghat-Haripur-203 KV Transmission Line	53,818,390	53,818,390
Hasnabad-Aminbazar-Tongi Transmission Line	30,590,666	30,590,666
Kabirpur-Tangail-Sirajgonj Transmission Line	6,411,280	6,411,280
Khulna-Ishwardi-Bogra-Barapukuria Transmission Line	85,635,466	85,635,466
Ashugonj- Jamuna Bridge-Serajgonj (Inter Connector Line)	33,982,000	33,982,000
Construction and Extension of Sub-Station & Transmission Line (TLF)	7,513,174	-
Transmission Efficiency improvement	1,465,550	-
Bibiana Comilla (North) 230KV TLP	12,000,000	-
Aminbazar Old Airport 230Kv Associated Substation	198,953	-
NLDC Project	-	24,416,500
BD-India Grid Interconnection Project	-	52,230,000
	<b>231,615,478</b>	<b>287,084,302</b>

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

### 13.3 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.

### 13.4 Assigned loan

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

#### A. Assigned loan from BPDB

Balance as at 1 July	9,481,643,070	10,620,095,349
Add: Current portion of the debt	-	-
Add: Exchange rate fluctuation loss/(gain)	12,651,851	14,729,954
Addition/adjustment during the year	361,378,112	(1,153,182,233)
	<b>9,855,673,033</b>	<b>9,481,643,070</b>
<b>Balance as at 30 June (A)</b>	<b>9,855,673,033</b>	<b>9,481,643,070</b>

#### B. Assigned loan from DESA

Balance as at 1 July	3,844,677,100	3,844,677,100
Addition/adjustment during the year	-	-
	<b>3,844,677,100</b>	<b>3,844,677,100</b>
<b>Balance as at 30 June (B)</b>	<b>3,844,677,100</b>	<b>3,844,677,100</b>
<b>Balance as at 30 June Grand total (A+B)</b>	<b>13,700,350,133</b>	<b>13,326,320,170</b>

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 Haripaur-Ghorashal 230 KV 45 KM. Transmission Line.

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



30.06.2013	30.06.2012
Taka	Taka

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.

6th Phase – 230 KV and 132 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.

## 13.5 Suppliers credit

This represents the credit received from the following two contractors for construction of transmission line projects:

Name of contractor	Name of the transmission line		
<b>a) Tata Power Ltd. India</b>	<b>Ishwardi -Baghabari</b>		
Balance as at 1 July		134,905,643	192,209,399
Received During the year		-	-
Paid During the Year (Note 13.5.1)		(29,964,178)	(57,303,756)
<b>Balance as at 30 June</b>		<b>104,941,465</b>	<b>134,905,643</b>
<b>b) China Nation Wire &amp; Cable</b>	<b>Bogra -Barapukuria</b>		
Balance as at 1 July		304,215,900	408,860,587
Received During the year		163,507	-
Paid During the Year (Note 13.5.2)		(106,595,409)	(104,644,687)
<b>Balance as at 30 June</b>		<b>197,783,998</b>	<b>304,215,900</b>
<b>Total (a+b)</b>		<b>302,725,463</b>	<b>439,121,544</b>

### 13.5.1 Paid during the year

Ishwardi -Baghabari	29,964,178	57,303,756
	<b>29,964,178</b>	<b>57,303,756</b>

### 13.5.2 Paid during the year

Bogra -Barapukuria	106,595,409	104,644,687
	<b>106,595,409</b>	<b>104,644,687</b>



### 13.6 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.

	30.06.2013 Taka	30.06.2012 Taka
Balance as at 1 July	294,232,883	310,579,155
Received During the year	-	-
Paid During the Year (Note 13.6.1)	(16,346,272)	(16,346,272)
Exchange rate fluctuation loss/(gain)	117,263,978	-
<b>Balance as at 30 June</b>	<b>395,150,589</b>	<b>294,232,883</b>

#### 13.6.1 Paid during the year

Khulna-Ishurdi-Bogra-Baropukuria 230 kv TL Project	16,346,272	16,346,272
	<b>16,346,272</b>	<b>16,346,272</b>

### 13.7 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 the transmission line	
<b>KFW loan</b>	<b>WZP, IBSB &amp; TEI Project</b>	
Balance as at 1 July	2,786,792,481	2,335,590,050
Received During the year	98,098,284	570,339,500
Paid During the Year (Note 13.7.1)	(33,497,910)	(33,497,910)
Exchange rate fluctuation loss/(gain)	(63,485,149)	(85,639,159)
<b>Balance as at 30 June</b>	<b>2,787,907,707</b>	<b>2,786,792,481</b>

#### 13.7.1 Paid during the year

Bogra S/s ABB Germany WZP	16,748,955	16,748,955
Ishardi-Bagabari-Sirajgonj-Bogra	16,748,955	16,748,955
	<b>33,497,910</b>	<b>33,497,910</b>

### 13.8 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 the transmission line	
<b>Danida Loan</b>	<b>Joydevpur-Kabirpur-Tangail</b>	
Balance as at 1 July	1,273,300,150	1,381,938,344
Received During the year	-	-
Paid During the Year (Note 13.8.1)	(62,862,940)	(62,862,940)
Exchange rate fluctuation loss/(gain)	(26,464,750)	(45,775,254)
<b>Balance as at 30 June</b>	<b>1,183,972,461</b>	<b>1,273,300,150</b>





**13.8.1 Paid during the year**

Joydebpur-Kabirpur-Tangail Project

30.06.2013	30.06.2012
Taka	Taka
62,862,940	62,862,940
<b>62,862,940</b>	<b>62,862,940</b>

**13.09 DPBS-1 loan**

<b>684,000,000</b>	<b>684,000,000</b>
--------------------	--------------------

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.

**13.10 NDF loan no-363**

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.

Balance as at 1 July	940,471,136	1,019,906,829
Received During the year	-	-
Paid During the Year (13.10.1)	(45,640,600)	(45,640,600)
Exchange rate fluctuation loss/(gain)	(19,563,254)	(33,795,093)
Balance as at 30 June	<b>875,267,281</b>	<b>940,471,136</b>

**13.10. Paid during the year**

Khulna-Ishurdi-Bogra-Baropukuria 230 kv TL Project(WZPSDP)

45,640,600	45,640,600
<b>45,640,600</b>	<b>45,640,600</b>

**13.11 JBIC loan BD 52 & 55**

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 the transmission line		
<b>JBIC Loan no-52 &amp; 55</b>	<b>Transmission Line Facility &amp; Haripur 360 MW Combined Cycle</b>		
Balance as at 1 July		4,468,220,122	2,548,464,738
Received During the year		659,850,423	1,658,958,771
Paid During the Year		-	-
Exchange rate fluctuation loss/(gain)		(745,141,868)	260,796,613
Balance as at 30 June		<b>4,382,928,677</b>	<b>4,468,220,122</b>

**13.12 IDA loan - 4508**

	Name of the transmission line		
<b>IDA loan - 4508</b>	<b>Siddirganj - Maniknagar</b>		
Balance as at 1 July		671,862,011	193,205,076
Received During the year		436,148,308	447,710,655
Paid During the Year		-	-
Exchange rate fluctuation loss/(gain)		(49,563,220)	30,946,280
Balance as at 30 June		<b>1,058,447,100</b>	<b>671,862,011</b>



### 13.13 EDCF Loan

Name of the transmission line

EDCF Loan Bibiyana - Kaliakoir - Fenchugonj

30.06.2013	30.06.2012
Taka	Taka
Balance as at 1 July	2,077,236,219
Received During the year	1,099,221,095
Paid During the Year	-
Exchange rate fluctuation loss/(gain)	(119,214,287)
<b>Balance as at 30 June</b>	<b>3,057,243,028</b>
	<b>2,077,236,219</b>

### 14. Grant from SIDA

Balance as at 1 July  
Current year amortization  
Balance as at 30 June

120,725,019	125,638,246
(4,913,227)	(4,913,227)
<b>115,811,792</b>	<b>120,725,019</b>

### 15. Deferred Liability- gratuity

Balance as at 1 July  
Add: Provision made during the year  
  
Less: Paid during the year  
**Balance as at 30 June**

587,934,431	513,935,448
107,651,361	96,640,828
695,585,792	610,576,276
20,691,844	22,641,845
<b>674,893,948</b>	<b>587,934,431</b>

### 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  
Prior Year Adjustment  
Addition/(Reversal) during the year  
**Balance as at 30 June**

2,953,736,108	2,119,972,683
(295,373,611)	235,552,520
961,128,461	598,210,905
<b>3,619,490,958</b>	<b>2,953,736,108</b>

### 17. Term loan - interest bearing

ADB loan no. 1505, 1731, 1885 & 2039  
Govt. loan  
BPDB assigned loan  
Other (Note 17.1)

508,000,549	511,697,303
259,270,801	277,672,036
881,647,500	881,647,500
317,919,414	320,296,165
<b>1,966,838,264</b>	<b>1,991,313,004</b>



#### 17.1 Other Loan

	30.06.2013 Taka	30.06.2012 Taka
Danida	62,862,940	62,862,940
KFW	33,497,910	33,497,910
NDF	45,640,600	45,640,600
SIDA	16,346,272	16,346,272
CCC	102,865,761	57,303,756
Tata	56,705,931	104,644,687
	<b>317,919,414</b>	<b>320,296,165</b>

#### 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	5,779,427,703	4,272,927,362
Interest charged during the year (Note # 18.1)	2,821,158,652	2,583,085,282
	8,600,586,354	6,856,012,644
Payment/Adjustment made during the year (Note # 18.2)	(671,366,518)	(1,076,584,941)
<b>Balance as at 30 June</b>	<b>7,929,219,838</b>	<b>5,779,427,703</b>

#### 18.1 Interest charge during the year

Iswardi-Baghabari-Sirajgong-Bogra Transmossion Line project	219,466,054	250,354,837
BD India Project	108,437,128	15,122,897
Bibiyana-Kaliakore-Fechugong Project	125,457,818	62,808,205
3TL Project	-	148,424,021
Khulna-Ishurdi-Bogra-Baropukuria 230 kv TL Project	-	7,915,304
Meghnaghat-Aminbazar Project	122,168,985	46,001,691
Siddirgong-Maniknagar Project	42,891,413	14,393,114
Bibiyana-comilla north project	36,342,329	16,252,008
TEI Projects	74,612,296	19,797,629
TLF Projects	151,090,011	182,491,313
Amin Bazar old Airport	205,117,896	153,720,063
Haripur 360 MW Project	81,845,723	2,339,508
Aminbazar-Savar Project	-	34,200,000
<b>Total IDC</b>	<b>1,167,429,653</b>	<b>953,820,590</b>
Add: Interest charged in finance expenses	1,653,728,998	1,629,264,693
	<b>2,821,158,652</b>	<b>2,583,085,282</b>



## 18.2 Interest paid/adjustment made during the year

	30.06.2013 Taka	30.06.2012 Taka
Iswardi-Baghabari-Sirajgong-Bogra Transmossion Line project	4,194,985	9,503,465
BD India Project	12,702,615	1,542,658
Biblyana-Kaliakore-Fechugong Project	3,110,656	-
3TL Project	22,371,934	415,068
Meghnaghat Associated TL Project	76,258,458	86,511,379
Hasnabad-Aminbazar-Tongi TL Project	74,026,394	79,454,832
East West (Ashugong-Sirajgong-Interconnection) TL Project	115,210,310	122,875,256
Joydebpur-Kabirpur-Tangail Project	56,093,775	59,557,486
Khulna-Ishurdi-Bogra-Baropukuria 230 kv TL Project	249,014,378	231,124,490
Meghnaghat-Aminbazar Project	3,293,150	-
Siddirgong-Maniknagar Project	3,928,588	-
Bibiyana-comilla north project	32,360,502	-
CCC - Suppliers credit	12,126,576	15,529,734
TEI Projects	3,019,951	-
TLF Projects	-	5,000,000
Amin Bazar old Airport	3,654,247	889,863
BPDB & Interest payable adjustment	-	51,500,673
Aminbazar-Savar Project	-	412,680,038
	<b>671,366,518</b>	<b>1,076,584,941</b>

## 19. Liabilities for expenses

Salaries	2,508	125,967
Gas charge	485,562	270,422
Audit fee (Including last year Audit Fee)	1,100,000	700,000
Sundry expenses	210,456,522	204,508,754
	<b>212,044,593</b>	<b>205,605,143</b>

## 20. Liabilities for other finance

Deposit work –Sylhet -Sunamgonj	2,061,403	2,061,403
Deposit work – GMD Comilla	671,657	1,309,732
PGCB WPPF Trust (Note-20.1)	99,805,568	231,782,685
Revenue sharing payable BTRC	31,632,608	21,238,980
Tax/VAT withheld from contractor/suppliers	29,879,844	9,286,342
Unclaimed dividend (Note-20.2)	25,326,129	25,313,567
PGCB Employees Provident Fund	(2,460)	(156)
Contractors earnest/security/retention money	819,172,684	572,985,829
Tax withheld from employees	786,219	2,738,880
Revenue stamp	46,191	115,636
PM Relief Fund	(1,812,174)	(28,164)
Bangladesh Power Development Board	3,765,000	3,765,000
PGCB union subscription	139,214	105,210
Performance guarantee (Note-20.3)	10,076,841	10,076,841
Account current with corporation (Note-20.4)	104,032,421	104,032,421
Advance receipt of PF Contribution -Lien	14,256	14,256
WPPF Trust A/c	36,429	36,429
Deposit work- Halishahor – Dhaka (North-West)	699,345	699,345
Deposit work-RAJUK	200,000,000	200,000,000



	30.06.2013	30.06.2012
	Taka	Taka
Deposit work for Projects (Project-1 & Aminbazar - Meghnaghat RPP)	2,887,401	-
Deposit work-Roads & Highway Dhaka-Ctg 4 lain Project	17,758,156	-
Advance Rent Receipt - UGC	144,000,000	152,000,000
Provision for Bad Debt	5,439,000	5,439,000
Fraction Bonus Share Sales Proceeds Payable	403,680	-
	<b>1,496,819,414</b>	<b>1,342,973,239</b>
<b>20.1 Workers' profit participation fund</b>		
Balance as at 1 July	231,782,685	141,055,456
Provision made during the year	100,751,513	91,108,454
Transfer to WPPF trust A/c	(232,728,630)	(381,225)
<b>Balance as at 30 June</b>	<b>99,805,568</b>	<b>231,782,685</b>
<b>20.2 Unclaimed dividend</b>		
Year ended 30 June 2006	566,292	566,292
Year ended 30 June 2007	2,878,790	2,881,040
Year ended 30 June 2008	5,332,049	5,357,564
Year ended 30 June 2009	6,874,913	6,892,733
Year ended 30 June 2010	4,030,025	3,311,342
Year ended 30 June 2011	5,088,504	6,304,596
Year ended 30 June 2012	555,556	-
	<b>25,326,129</b>	<b>25,313,567</b>
<b>20.3 Performance guarantee</b>		
CNEEC	76,841	76,841
BTTB	10,000,000	10,000,000
	<b>10,076,841</b>	<b>10,076,841</b>
<b>20.4 Account Current with Corporation &amp; Other Office</b>		
BPDB	106,454,988	106,454,988
Project-1	(2,422,567)	(2,422,567)
Project-2	-	-
TSS	-	-
IBSB Project (Note-20.4.1)	(637,536,768)	(637,536,768)
WPPF	-	-
	(533,504,347)	(533,504,347)
Provision for cash defalcation of IBSB project	637,536,768	637,536,768
	<b>104,032,421</b>	<b>104,032,421</b>

#### 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. Two investigation committee was formed, one by the management and another by the Board of Directors. The management committee submitted the report and ascertained the defalcation amount of Tk. 637,536,768. Provision was made for cash defalcation for the said amount in 2010-11.

**21. Provision for taxation**

	30.06.2013 Taka	30.06.2012 Taka
Balance as at 01 July	40,415,000	36,190,504
Add: Addition during the year	43,713,910	40,415,000
	84,128,910	76,605,504
Prior Year adjustment	-	-
Less: Paid/Adjustment during the year	(40,415,000)	(36,190,504)
	<b>43,713,910</b>	<b>40,415,000</b>

**22. Revenue**

Transmission/wheeling charge	7,672,953,703	7,020,861,398
Optical Fiber charge	197,478,913	121,346,678
	<b>7,870,432,616</b>	<b>7,142,208,076</b>

**23. Transmission expenses**

Salary and other employee benefits	962,353,314	889,347,035
Travelling and conveyance	37,252,708	26,794,792
Functions, games and entertainment	466,374	428,934
Rent, rates and taxes	13,434,783	13,426,652
Postage, telephone and fax	4,309,392	4,321,070
Recruitment and training	5,456,502	3,771,504
CPF contribution	42,152,981	37,736,826
Gratuity	89,350,630	80,211,887
Electricity and power	101,604,332	96,358,373
Office Expenses	4,771,687	4,240,724
Fuel and lubricant	20,899,891	19,036,573
Security expense	91,606,824	79,515,819
Insurance	704,583	384,546
Bank charges and commission	1,333,877	2,506,218
Consultancy	1,355,732	749,492
Repair and maintenance	234,619,485	158,008,476
C & F, carrying and handling	118,348	160,719
Miscellaneous expenses	166,599	294,087
Depreciation (Note: 4)	3,106,738,900	2,903,245,042
Bad Debt	-	-
Provision for cash defalcation of IBSB	-	-
	<b>4,718,696,940</b>	<b>4,320,538,770</b>





**24. Administrative expenses**

	2012-2013 Taka	2011-2012 Taka
Salary and other employee benefits (Note-24.1)	118,942,544	109,919,296
Travelling and conveyance	1,471,521	1,058,422
Functions, games and entertainment	4,912,797	4,518,402
Rent, rates and taxes	16,506,788	16,496,798
Postage, telephone and fax	2,059,795	2,065,377
Recruitment and training	6,055,105	4,185,256
CPF contribution	3,610,759	3,232,478
Gratuity	18,300,731	16,428,941
Electricity and power	1,715,103	1,626,550
Office Expenses	8,662,116	7,698,250
Fuel and lubricant	6,553,007	5,968,777
Security expense	1,244,204	1,079,984
Insurance	2,552,849	1,393,289
Bank charges and commission	25,835	48,540
Consultancy	6,226,663	3,442,298
Repair and maintenance	7,580,871	5,105,466
C & F, carrying and handling	4,918	6,679
Miscellaneous expenses	37,692	66,535
Depreciation (Note: 4)	11,850,640	9,904,709
Advertisement and publicity	8,286,471	10,990,718
Audit fee	1,122,000	415,000
Legal expenses	584,700	1,007,038
Fees and renewals	13,204,466	7,200,074
Directors' honorarium and support service allowance	2,810,803	2,883,045
AGM Expenses	3,262,695	3,177,140
Corporate Social Responsibilities	6,989,245	-
	<b>254,574,320</b>	<b>219,919,063</b>

**24.1 Salary and other benefits to managing director and 3 (Three) full time directors**

Basic pay	3,722,052	2,182,677
Accommodation allowance	1,561,098	917,145
CPF contribution	183,794	98,268
Bonus	778,440	446,400
	<b>6,245,384</b>	<b>3,644,490</b>

**25. Finance income**

Interest Income	825,045,245	825,634,836
	<b>825,045,245</b>	<b>825,634,836</b>

**26. Other income**

Rental income	-	5,546,768
Miscellaneous sales	18,745,275	10,151,916
Grant Income (note # 14)	4,913,227	4,913,227
Miscellaneous income	23,645,661	94,545,245
	<b>47,304,164</b>	<b>115,157,155</b>



27. Finance expenses

	2012-2013 Taka	2011-2012 Taka
On Loan, 5th Phase Assets transferred from BPDB	299,784,361	356,495,153
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)	11,678,509	14,378,715
Rampura sub-station (ADB Loan No. 1505)	26,762,382	34,350,478
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)	13,363,512	14,898,323
Hasnabad-Aminbazar-Tongi Line Project (ADB Loan: 1731)	12,125,386	16,037,744
Substation –Aminbazar – Savar (ADB Loan : 1731)	22,457,361	22,457,361
Substation Extension –Tongi –Hasnabad-& Kallyanpur (ADB Loan : 1731)		
	28,723,711	28,723,711
Khulna-Ishwardi-Bogra-Boropukuria TL (Local : GOB)	54,536,888	58,833,437
Khulna-Ishwardi-Bogra-Boropukuria 230 Kv TL (ADB Loan: 1885) TATA Powe	78,357,775	80,683,306
Substation Extension (Ishwardi 230/132 & Khulna Central 132/33 Kv) L & T(ADB Loan : 1885)	7,507,153	8,600,128
Khulna - Bheramera - Ishwardi - Boropukuria TL & Substation (Nippon Koei)		
	-	-
Bogra 230/132 Kv Substation (ABB GmbH) (Loan No : Kfw)	84,201,207	88,234,828
Khulna South 230/132 Kv Substation (NDF Loan)	44,523,968	47,042,863
Boropukuria Substation (ABB Power) SIDA Loan	15,946,347	16,848,495
Ashuganj-BangaBandu Bridge -Sirajganj (Inter Connector) (Local : GOB)		
	19,092,763	20,797,727
Ashuganj-Sirajganj 230 Kv TL (LG & Sejong) (ADB Loan: 1885)	89,607,499	91,176,598
Shunt Compensation Project GOB Loan	4,185,080	4,185,080
Shunt Compensation Project ADB Loan 1885	17,040,033	17,040,033
Switchyard at Sirajganj & extension of 230 Kv Substation (ABB India) (ADB Loan : 1885)	10,242,771	14,660,105
NLDC Project GOB Loan	23,195,675	24,406,493
NLDC Project ADB Loan 2039	126,873,513	129,662,456
Kabirpur Tangail Sirajgonj Project (Local Loan: GoB)	3,602,173	3,923,844
Joydebpur-Kabirpur-Tangail (Danida Loan)	54,178,382	57,332,376
Exchange loss/(gain) (Note-27.1)	-	-
Rampura Gulshan Underground Cable Line -ADB Loan 1731	7,539,010	7,539,010
Gulshan 132 KV GIS S/S Line -ADB Loan 1731	20,115,698	20,115,698
Upgradation of 230/132KV Rampura -Haripur-Aminbazar S/S(ADB Loan 1731)	37,523,776	37,523,776
CCC - Suppliers credit	12,126,576	15,529,734
Three Transmission Line Project (CCC)	51,726,050	-
Three Transmission Line Project (HGPT)	37,681,745	-
Three Transmission Line Project (GOB)	26,262,373	-
Aminbazar Savar 132 kv Transmission Line Project (DPBS)	34,200,000	-
On Exchange Rate Fluctuation Loss	160,459,062	179,678,962
	<b>1,653,728,998</b>	<b>1,629,264,693</b>

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.



2012-2013	2011-2012
Taka	Taka

**28. Income tax expense/(Income)**

Current tax	43,713,910	40,415,000
Deferred tax	961,128,461	598,210,905
Deferred Tax (Income)/Expenses related to the origination and reversal of	961,128,461	362,658,385
Adjustment to opening deferred tax liability resulting from	-	235,552,520
	<b>1,004,842,371</b>	<b>638,625,905</b>

**29. Earning per share (EPS)- basic**

Net profit after tax	1,010,187,883	1,183,543,182
Number of Ordinary shares outstanding during the year	460,912,991	419,011,810
EPS - basic	<b>2.19</b>	<b>2.82</b>
Restated EPS (EPS of 2011-2012 has been restated)	<b>2.19</b>	<b>2.57</b>



2012-2013	2011-2012
Taka	Taka

### 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:

<u>Name of the party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	Transactions during the year Taka	Receivable/ (payable) as at 30 June 2013 Taka
Bangladesh Power Development Board (BPDB)	Associate company	Transmission Charge	1,699,021,888	-
West Zone Power Distribution Company(WZPDCO)		Transmission Charge	467,523,601	88,402,498
Dhaka Power Distribution Company(DPDC-Ex DESA)		Transmission Charge	1,473,580,387	296,231,062
Dhaka Electric Supply Company(DESCO)		Transmission Charge	991,823,318	173,596,648

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 2013 is 2113 and which was 1952 as at 30 June 2012. All the employees are paid over Tk. 4,000.

### 32. Events after balance sheet date

The board of directors in its meeting held on 10 November 2013 recommended cash dividend @15% per share for the year 2012-13 which is subject to the approval at the forthcoming AGM.



### 33. Financial risk management

Bangladesh Financial Reporting Standard BFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to: both recognised and unrecognised financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the group's activities. This note presents information about the group's exposure to each of the following risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. The company has exposure to the following risks from its use of financial instruments.

- a) Credit risk
- b) Liquidity risk
- c) Market risk

#### 33.1 Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from Banks and customers etc.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to Transmission/wheeling charge of electricity and optical fiber charge.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

##### a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	30.06.2013	30.06.2012
	Taka	Taka
Accounts and other receivables		
Receivable from transmission and optical fiber charge	1,278,732,152	1,180,881,283
Repair and maintenance charge receivable from DESA &	174,422,569	194,442,569
Interest receivable	153,940,972	202,295,003
Advance, deposit and prepayments	4,958,623,141	4,037,096,904
FDR	5,860,000,000	4,940,000,000
Cash and bank balances	3,947,665,038	2,719,387,878
	<b>16,373,383,872</b>	<b>13,274,103,637</b>

##### b) Ageing of receivables

Dues within 6 months	1,273,293,152	1,175,442,283
Dues over 6 months	5,439,000	5,439,000
	<b>1,278,732,152</b>	<b>1,180,881,283</b>

c) Credit exposure by credit rating

As on 30 June 2013			
	Credit rating	Amount	(%)
Accounts and other receivables	NR	1,607,095,694	9.82%
Advance, deposit and prepayments	NR	4,958,623,141	30.28%
Cash and bank balances			
Cash in hand		555,234	0.003%
Cash at bank		3,947,109,804	24.11%
AB Bank Ltd.	AA3	548,524,021	13.90%
Agrani Bank Ltd.	BB1	10,142,697	0.26%
All GMD- Banks	N/A	258,555,849	6.55%
Custom Deposit Ctg.	N/A	936,823,389	23.73%
Custom Deposit Benapole	N/A	342,373,058	8.67%
Custom Deposit Dhk.	N/A	195,377,013	4.95%
Custom Deposit Khulna	N/A	7,415,038	0.19%
Hongkong Shanghai Banking Corp.	AAA	344,406,423	8.73%
Janata Bank Ltd.	A+	2,190,815	0.06%
Mercantile Bank Ltd.	AA-	402,928,313	10.21%
Sonali Bank Ltd.	A1	861,929,195	21.84%
Standard Chartered	AAA	3,400,155	0.09%
Rupali Bank Ltd.	BBB3	33,043,839	0.84%
FDR		5,860,000,000	35.79%
AB Bank Ltd	AA3	430,000,000	7.34%
Bangladesh Krishi Bank		550,000,000	9.39%
Bank Asia Ltd.	AA2	190,000,000	3.24%
Exim Bank Ltd.	AA-	320,000,000	5.46%
First Security Islami Bank	A-	55,000,000	0.94%
HSBC Bangladesh	AAA	1,300,000,000	22.18%
IFIC Bank, Dhanmondi	AA3	70,000,000	1.19%
Jamuna Bank Ltd	A1	140,000,000	2.39%
Mercantile Bank	AA-	550,000,000	9.39%
Mitul Trust Bank Ltd. Uttara	AA-	60,000,000	1.02%
National Bank Ltd.	AA3	190,000,000	3.24%
NCC Bank	AA-	370,000,000	6.31%
One Bank Ltd. Banani	AA3	280,000,000	4.78%
Premier Bank	A-	120,000,000	2.05%
Prime Bank Ltd.	AA	60,000,000	1.02%
Pubali Bank, Shishupark	AA3	35,000,000	0.60%
Rupali Bank, Local Office	BBB3	100,000,000	1.71%
Shahajala Islami Bank Ltd	AA	45,000,000	0.77%
Sonali Bank BB Avenue	A1	550,000,000	9.39%
Southeast Bank Ltd.	AA-	35,000,000	0.60%
Standard Bank Ltd.	A1	310,000,000	5.29%
UCBL	A+	100,000,000	1.71%



### 33.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's In extreme stressed conditions, the company may get support from the Government of Bangladesh and it's sponsor shareholder BPDB in the form of loan and equity.

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount Taka	Maturity period	Nominal Interest rate	Contractual cash flows Taka	Within 6 months or less Taka	Within 6-12 months Taka
Current portion of long term loan	1,966,838,265	June 2014	4%~12%	1,966,838,265	-	1,966,838,265
Interest Payable	7,929,219,838	June 2014	4%~12%	7,929,219,838	-	7,929,219,838
Contribution to WPPF	99,805,568	June 2014	N/A	99,805,568	-	99,805,568
Liabilities for expenses	212,044,593	June 2014	N/A	212,044,593	-	212,044,593

### 33.3 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments.

#### a) Currency risk

The company is exposed to currency risk on certain loans taken from different donor agencies (e.g. ADB, World Bank, JICA etc.) Majority of the company's foreign currency transactions are denominated in USD, EURO, JPY and SEK.

#### Exposure to currency risk

#### Foreign currency monetary liabilities

#### Liabilities (Long Term Loan)

Asian Development Bank

Economic Development Co-operation Fund

International Development Association

30.06.2013 (USD)	30.06.2012 (USD)
346,959,343	271,686,555
39,306,287	25,384,776
13,486,361	8,094,636
<b>399,751,992</b>	<b>305,165,967</b>

Kreditanstalt für Wiederaufbau, Germany

Danish International Development Agency

Nordic Development Fund

30.06.2013 (EURO)	30.06.2012 (EURO)
27,543,930	26,932,893
11,697,587	12,305,984
8,647,596	9,089,312
<b>47,889,114</b>	<b>48,328,189</b>

Swedish International Development Co-operation Agency

30.06.2013 (SEK)	30.06.2012 (SEK)
<b>34,013,978</b>	<b>35,389,434</b>

Japan International Co-operation Agency

30.06.2013 (JPY)	30.06.2012 (JPY)
<b>3,672,014,050</b>	<b>3,332,009,444</b>



## Net exposure

The following significant exchange rates are applied during the year:

Exchange rate of USD	77.78	81.83
Exchange rate of SEK	11.62	11.83
Exchange rate of EURO	101.21	103.47
Exchange rate of JPY	0.78	1.02

### b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as the reporting date.

### i) Profile

As at 30 June, the interest rate risk profile of the company's interest bearing financial instrument was:

#### Fixed rate instrument

Financial Asset  
Financial Liability

30.06.2013
Taka
5,860,000,000
65,212,625,990

#### Variable rate instrument

Financial Asset  
Financial Liability

Nil  
Nil

### (II) Cash flow sensitivity analysis for variable rate instruments:

There being no variable rate instruments, sensitivity analysis has not presented.