

Power Grid Company of Bangladesh Ltd.

PGCB Bhaban, Avenue-3, Jahurul Islam City, Aftabnagar, Badda
Dhaka- 1212, Bangladesh

Power Grid Company of Bangladesh Ltd.

Independent auditors' report and financial statements
for the year ended 30 June 2020

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07 November 2020

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**Independent Auditor's Report to the Shareholders of
Power Grid Company of Bangladesh Limited**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Power Grid Company of Bangladesh Limited (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note # 2 to the financial statements.

Basis for Qualified Opinion

01. In note # 2.1 to the financial statements, the Company reports an amount of BDT 87,595,532 as addition to property, plant and equipment (PPE) resulting from increase in Bangladesh currency equivalent to the foreign currency loan liabilities, relating to acquisition of such PPE, due to change in exchange rates during the year ended on 30 June 2020. Again, in note # 5 to the financial statements, the Company reports capitalizing of BDT 1,447,482,853 as an addition to capital work in progress for the ongoing projects resulting from the increase in Bangladesh currency equivalent to the foreign currency loan liabilities, relating to the acquisition of such capital work in progress, due to change in exchange rates during the year ended on 30 June 2020. As per Para-28 of IAS-21: Effects of Changes in Foreign Exchange Rate, the said amount should be recognized as a loss in the Statement of Profit or Loss and Other Comprehensive Income. The Company describes the reason for such capitalization in note # 2.1.

In note # 17 to the financial statements, the Company discloses Deferred Tax Liabilities amounting to BDT 7,197,693,144. While calculating the Accounting base of property, plant and equipment, the Company deducted foreign exchange losses (recognized as PPE from acquisition dates till the year ended on 30 June 2020) amounting to BDT 7,908,788,661 from the PPE amounts. The PPE amount (including accumulated foreign exchange losses capitalized) is disclosed in note # 4 to the financial statements. Had the accounting base been consistent with note # 4, both the deferred tax expense and the deferred tax liability would have increased by BDT 1,977,197,165 as on 30 June 2020, with a consequential reduction in net profit after tax, earnings per share (EPS) and net asset value (NAV).

02. As disclosed in Note # 4 to the financial statements, the carrying amount of PPE is reported at BDT 142,908,891,275. No fixed assets register with the required information was available. Some items of PPE have been received by the Company from Bangladesh Power Development Board (BPDB, previously PDB) and Dhaka Power Development Company (DPDC, previously DESA) without



conducting physical verification and valuation thereof. It is also noted that no physical verification of PPE was conducted either at the year-end or any time during the year under audit. As such we are unable to confirm the authenticity of the physical existence of PPE as of 30 June 2020. Out of the total assets of the Company, PPE is 48.82% which remains unverified as to its quantity. Moreover, the Company has never performed impairment test of its PPE which is also a non-compliance with IAS 36.

03. As disclosed in note # 5 to the financial statements, the inventory in transit of BDT 140,227,650 is shown under Capital work-in-progress. Out of this inventory in transit, BDT 118,580,523 has remained unchanged since 2014 without any adjustment. It is very unlikely for any inventory booked in transit account to remain unchanged for such a long period without recognizing it as a part of property, plant & equipment, thus resulting in understatement of property, plant & equipment and overstatement of capital work-in-progress. Also, Note-7 to the financial statements discloses inventories BDT 2,069,593,343 out of which BDT 19,748,332 has been delivered to the project named, '**National Power Transmission Network Development (NPTND)**' in 2018-19, but no accounting entry for this delivery has yet been given, thus resulting in overstatement of inventory with corresponding understatement of capital work-in-progress in the financial statements of the current year as well as of the previous year.

In addition, in note # 7 to the financial statements, the Company discloses BDT 2,069,593,343 as inventories. Movement of inventories was not properly recorded, and mismatches were found between store ledger and accounts ledger balances at the cost centers we visited. During our visit to 10 GMDs, we observed that the physical store statement showed the inventory of BDT 512,798,455 as against BDT 342,990,142 as per the accounts ledger, the difference being BDT 169,808,313. As a result, the physical existence and value of the inventory could not be confirmed. We had no other practical alternative auditing procedure that we could apply to confirm the physical existence as well as the value thereof as on 30 June 2020.

04. As disclosed in note # 8 to the financial statements, the Company reports an amount of BDT 6,226,149,623 as 'Accounts and other receivables'. It includes inter-alia receivables from DPDC, DESCO, BPDB, PBS, WZPDCL, M/S Abul Khair Steel Product and BWDB GK Project (Bheramara, Kushtia) amounting to BDT 982,852,325, BDT 279,419,664, BDT 2,650,888,558, BDT 1,864,364,829, BDT 175,425,309, BDT 6,433,733 and BDT 1,560,621 respectively. Amounts as stated above are increasing year by year till to date. It includes disputed amounts with DPDC, DESCO, BPDB, PBS, WZPDCL, M/S Abul Khair Steel Product and BWDB GK Project (Bheramara, Kushtia) amounting to BDT 698,508,019, BDT 5,589,781, BDT 2,183,080,320, BDT 16,418,006, BDT 70,716, BDT 6,433,733 and BDT 1,560,621 respectively. In our opinion, the Company is very unlikely to recover the amounts in full. Had adequate provisions been made for the above, the earnings per share (EPS) for the year 2019-20 and net asset value (NAV) as at 30 June 2020 would have been adversely affected to that extent.

05. In note # 12 to the financial statements, the Company discloses BDT 58,858,845,659 as 'Deposit for Shares'. As per gazette # ১৪৬/এফআরসি/প্রশাঃ/প্রজ্ঞাপন/ ২০২০/০১ dated 02 March 2020, any money received as Share Money Deposit (SMD) or whatever name, included in the Equity, is not refundable. And money received under SMD should be converted to Share Capital within 6 months of receipt of the money. The above-mentioned gazette also requires that, until converting the SMD into Share Capital, SMD amount should be considered as Potential Share Capital and also for the calculation of Earnings Per Share of the Company. During the year, the Company refunded SMD amounting to BDT 1,257,628,787, out of which BDT 1,253,075,287 was refunded after the publication of the gazette mentioned above. Also, the Company have neither converted the SMD



into Share Capital nor considered the SMD while calculating the EPS. The earnings per share (EPS) for the year 2019-20 would have been adversely affected to that extent.

The Company had already written to FRC for exemption from the above-mentioned circular. But, FRC advised the Company to take necessary action in discussion with the officers concerned of the Ministry of Finance regarding the matter.

06. In note # 14 to the financial statements, the Company discloses 'Term loan-interest bearing' amounting to BDT 185,431,692,703. 'Term loan-interest bearing' includes the loans provided by the development partners, loan taken from the Government of Bangladesh, Assigned Loans, and loans from some other parties. In the case of recognizing loans from development partners, the Company recognized the loans when the Company issued payment certificates /withdrawal notifications, even though the loans were disbursed at later dates by the development partners. As a result, the Company has recognized more loans from the development partners instead of recognizing 'Liabilities for other finance'. However, the loan interest calculations thereon have been correctly made from the disbursement dates.

In addition, in note # 14.3 to the financial statements, the Company discloses 'Assigned loan from BPDB' and 'Assigned loan from DPDC(DESAs)' amounting to Tk.0 (zero) (2018-19: BDT 49,794,639) and BDT 3,599,172,321(2018-19: BDT3,599,172,321) respectively. As per the letter' সূত্র নং-১৫৯৩-বিউবো(অর্থ)বহি:অর্থ' of BPDB dated 30 June 2020, BPDB has a loan receivable from PGCB amounting to BDT 3,817,586,856. In the case of 'Assigned loan from DPDC(DESAs)', the Company has been carrying the same balance since long. It is also mentionable that in the audited financial statements of DPDC for the year 2018-19, no receivable was found to be recognized on account of Power Grid Company of Bangladesh.

07. In notes # 20 and 21 to the financial statements, the Company discloses 'Liabilities for expenses' and 'Liabilities for other finance' amounting to BDT 1,374,881,374 and BDT 10,777,322,838 respectively. Liabilities for expenses include inter-alia BDT 1,371,326,765 as 'Sundry expenses'. Due to non-availability of party-wise breakdown of Sundry expenses and also of Liabilities for other finance in entirety, we could not verify such liabilities' closing balances.

In addition, in note#21.1 to the financial statements, the Company discloses the provision for Workers' Profit Participation Fund. The Company has stated to have formed a separate Trust and Trust meeting minutes are available, but no Trust Deed was found in this regard. The Company makes full contributions with regard to workers' profit participation, workers' welfare and Bangladesh Labour Welfare Foundation to the bank account (Account Title: 'PGCB Workers Profit Participation Fund'). In addition, the Company paid the eligible portion to the employees directly. The WPP Fund, later on, refunded the amount to the Company. However, neither the Company, nor the WPP Fund Trust has yet transferred BDT 135,689,755 to Bangladesh Workers' Welfare Foundation from the financial year 2005-06 to 2019-20.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities



in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matter, though our opinion is not qualified in respect of the same:

In note # 25 to the financial statements the company discloses BDT 569,750,170 as 'Administrative expenses' which consists of rent, rates and taxes amounting to BDT 12,429,618. Out of this amount, office rent expenses of GMD offices comprise of BDT 6,005,039. This arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration similar to leases. Also, the rental tenures for the offices are more than 12 months and the underlying assets are not of low value. As such these rentals should have been recognized and measured in the financial statements as lease liabilities and right-of-use assets as per **IFRS-16 Leases**. But the IFRS 16 was not followed while preparing the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below as the key audit matters to be communicated in our report.

Recognition and Valuation of Capital work-in-progress	
Risk	Our Response to the risk
The carrying value of the capital work in progress amounted to BDT 111,854,617,728 at 30 June 2020. The valuation of Capital work in progress was identified as a key audit matter due to the significance of this balance to the financial statements.	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none">• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.• Evaluating the design and implementation of key management controls operating across the Company over the capital work in progress.• We obtained a listing of capital work in progress expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.• We considered the adequacy of the Company's disclosures about the capital work in progress.• We reviewed the exchange gain or loss recognition in regard of capital work in

	<p>progress as per IAS 21.</p> <p>We reviewed the transfer to Property, Plant and Equipment from capital work in progress on verification of completion of such under different projects.</p>
Please see note#5 to the financial statements.	
Revenue Recognition	
Risk	Our Response to the risk
<p>At the year end the Company reported total Revenue of BDT 18,740,622,266.</p> <p>Revenue has been identified as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management and the recognition also considered to be complex and judgmental.</p> <p>There is a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We tested certain internal controls within the revenue process including controls over the calculation of the units invoiced for; • We tested a sample of revenue which comprised of transmission /wheeling charge and optical fiber charge as main components and compared to underlying documentation, including the contracts. • We critically assessed journals posted to revenue to identify unusual or irregular items and obtained underlying documentation. • We developed an expectation of the current year revenue based on trend analysis information, taking into account historical sales information. We compared this expectation against actual revenue and, where relevant, completed further corroborative inquiries and obtained underlying documentation as appropriate. • Assessed the Company's disclosures in respect of the revenue.
Please see note#23 to the financial statements.	
IT Systems and Controls	
Risk	Our Response to the risk
<p>Our audit procedures have a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the volume of transactions proceeded in numerous locations daily and the reliance on automated and IT department manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to</p>	<p>We relied on the test (carried out by us during the previous year) on the design implementation, and operating effectiveness of the Company's access controls over the information systems that are critical to financial reporting, and we also identified the changes to above made during the year and conducted necessary tests. It included the following:</p> <ul style="list-style-type: none"> • We tested IT general controls (Logical

<p>ensuring IT department and application-based controls are operating effectively.</p>	<p>access, Changes management & aspects of IT operational controls). These included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.</p> <ul style="list-style-type: none"> • We considered the control environment relating to various interfaces, configuration and other application-layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. • In addition we identified where relevant changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.
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Legal and regulatory matters

Risk	Our Response to the risk
<p>The Company has several legal proceedings, claims and government investigations and inquiries pending that expose it to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process. • We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. • We enquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel. • We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. • We also assessed the Company's provisions and contingent liabilities disclosure.

COVID-19	
Risk	Our Response to the risk
The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole and on the operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The global pandemic COVID-19 has already had a significant impact on global trade and economy, with a consequential impact on trade, business, financial market, and Bangladesh's overall economy. There is a potential impact on the Company's smooth operation, impairment of assets, the fair value of the asset, expected credit loss, contact modification, valuation of inventories, and going concern of the Company.	Our procedure included: <ul style="list-style-type: none"> • Checked the operational effectiveness and capacity utilization during the pandemic situation; • Checked the impairment testing of the assets, if the Company made any assessment; • Checked the subsequent position of the receivables and payables; and • Checked the going concern of the Company considering the existing operation and plan of the Company.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The draft Annual Report is expected to be made available to us after the date of this auditor's report but before finalization of the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report before finalization, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the annual report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, as explained in note# 2, 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) 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;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.



MABS & J Partners
Chartered Accountants
Signed by: J C Biswas, FCA
Partner



ACNABIN
Chartered accountants
Signed by: ASM Nayeem, FCA
Partner

Dated, Dhaka
07 November 2020

Power Grid Company of Bangladesh Ltd.
Statement of Financial Position
As at 30 June 2020

	Notes	Amounts in BDT	
		30.06.2020	30.06.2019
Assets			
Non-current assets			
Property, plant and equipment	04	142,908,891,275	144,494,665,501
Capital works-in-progress	05	111,854,617,728	68,590,309,163
Total non-current assets		254,763,509,003	213,084,974,664
Current assets			
Investment in FDR	06	910,000,000	10,000,000
Inventories	07	2,069,593,343	1,137,052,392
Accounts and other receivables	08	6,226,149,623	5,542,285,929
Advances, deposits and prepayments	09	14,385,557,778	14,188,602,127
Cash and cash equivalents	10	14,361,932,660	11,938,407,665
Total current assets		37,953,233,404	32,816,348,113
Total assets		292,716,742,407	245,901,322,777
Equity and liabilities			
Equity			
Share capital	11	7,127,269,910	4,609,129,910
Deposit for shares	12	58,858,845,659	50,710,701,193
Retained earnings	13	12,689,580,007	10,940,901,160
Total equity		78,675,695,576	66,260,732,263
Non-current liabilities			
Term loan-interest bearing	14	185,431,692,703	156,740,746,757
Grant from SIDA & KFW & ADB	15	2,021,439,449	1,397,138,163
Deferred liability-gratuity	16	2,797,771,548	3,000,998,610
Deferred tax liabilities	17	7,197,693,144	6,524,327,821
Total non-current liabilities		197,448,596,844	167,663,211,351
Current liabilities			
Term loan-interest bearing	18	2,001,575,654	777,574,800
Interest payable (Current portion)	19	1,001,575,778	331,989,607
Liabilities for expenses	20	1,374,881,374	1,053,892,851
Liabilities for other finance	21	10,777,322,838	9,337,938,750
Provision for taxation	22	1,437,094,343	475,983,155
Total current liabilities		16,592,449,987	11,977,379,163
Total liabilities		214,041,046,831	179,640,590,514
Total equity and liabilities		292,716,742,407	245,901,322,777

The accounting policies and explanatory notes (1 to 37) form an integral part of these Financial Statements.

For and on behalf of Board of Directors of Power Grid Company of Bangladesh Ltd.


Company Secretary


Managing Director


Director

See annexed report of the date


MABS & J Partners
Chartered Accountants
Signed by: J C Biswas, FCA
Partner


ACNABIN
Chartered Accountants
Signed by: ASM Nayeem, FCA
Partner

Dated, Dhaka
07 November 2020

Power Grid Company of Bangladesh Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Notes	Amounts in BDT	
		2019-20	2018-19
Revenue	23	18,740,622,266	17,782,781,714
Transmission expenses	24	(10,068,153,047)	(10,041,743,816)
Gross profit		8,672,469,219	7,741,037,898
Administrative expenses	25	(569,750,170)	(753,879,913)
Profit from operating activities		8,102,719,049	6,987,157,985
Finance income	26	518,031,921	332,112,266
Other income	27	424,039,825	376,968,178
Finance expenses	28	(3,995,750,986)	(3,249,457,807)
Profit before contribution to WPPF		5,049,039,809	4,446,780,622
Contribution to WPPF		(240,430,468)	(211,751,458)
Profit before income tax		4,808,609,341	4,235,029,164
Income tax expense	29	(1,634,476,512)	(395,037,452)
Current tax		(961,111,188)	(110,951,173)
Deferred tax		(673,365,324)	(284,086,279)
Profit after tax		3,174,132,829	3,839,991,712
Other comprehensive income		-	-
Total comprehensive income		3,174,132,829	3,839,991,712
Earnings per share (EPS)- Basic	30	4.45	5.39

The accounting policies and explanatory notes (1 to 37) form an integral part of these Financial Statements

For and on behalf of Board of Directors of Power Grid Company of Bangladesh Ltd.


Company Secretary


Managing Director


Director

See annexed report of the date


MABS & J Partners
Chartered Accountants
 Signed by: J C Biswas, FCA
 Partner


ACNABIN
Chartered Accountants
 Signed by: ASM Nayeem, FCA
 Partner

Dated, Dhaka
 07 November 2020

Power Grid Company of Bangladesh Ltd.
Statement of Changes in Equity
For the year ended 30 June 2020

Particulars	Share capital	Deposit for shares	Retained earnings	Total
	BDT	BDT	BDT	BDT
Year ended 30 June 2019				
Balance as on 1 July 2018	4,609,129,910	37,348,943,886	7,875,722,492	49,833,796,289
Prior years' adjustment for:				
Overstated expenses	-	-	10,465,809	10,465,809
Understated expenses	-	-	(1,726,769)	(1,726,769)
Re-stated balance at 01 July 2018	4,609,129,910	37,348,943,886	7,884,461,532	49,842,535,329
Net investment received during the year	-	13,361,757,307	-	13,361,757,307
Total comprehensive income for the year	-	-	3,839,991,712	3,839,991,712
Final dividend of 2017-18 (17% cash)	-	-	(783,552,084)	(783,552,085)
Restated balance as on 30 June 2019	<u>4,609,129,910</u>	<u>50,710,701,193</u>	<u>10,940,901,160</u>	<u>66,260,732,263</u>
Year ended 30 June 2020				
Re-stated balance at 01 July 2019	4,609,129,910	50,710,701,193	10,940,901,160	66,260,732,263
Net investment received during the year	-	10,666,284,466	-	10,666,284,466
Shares issued to BPDB against deposit for shares	2,518,140,000	(2,518,140,000)	-	-
Total comprehensive income for the year	-	-	3,174,132,829	3,174,132,829
Final dividend of 2018-19 (20% cash)	-	-	(1,425,453,982)	(1,425,453,982)
Balance as on 30 June 2020	<u>7,127,269,910</u>	<u>58,858,845,659</u>	<u>12,689,580,007</u>	<u>78,675,695,576</u>

The accounting policies and explanatory notes (1 to 37) form an integral part of these Financial Statements

For and on behalf of Board of Directors of Power Grid Company of Bangladesh Ltd.



Company Secretary



Managing Director



Director

Dated, Dhaka
07 November 2020



Power Grid Company of Bangladesh Ltd.
Statement of Cash Flows
For the year ended 30 June 2020

	Note	Amounts in BDT	
		2019-20	2018-19
A. Cash flows from operating activities			
Cash receipts from customers	31.1.1	18,077,272,092	15,470,836,462
Cash paid to suppliers, contractors and employees' etc.	31.1.2	(4,396,317,245)	(7,849,754,280)
Cash generated from operation		13,680,954,847	7,621,082,182
Cash receipts from other income (Rearranged)	31.1.3	419,126,598	381,755,506
Interest paid		(1,534,142,934)	(893,060,954)
Income taxes paid		-	-
Net cash from operating activities	31.1	12,565,938,511	7,109,776,734
B. Cash flows from investing activities			
Interest received		497,518,401	332,378,933
Cash receipts from sale of transmission line and scraps	31.1.3	-	-
Addition to property, plant and equipment and capital works-		(46,250,180,321)	(38,985,495,652)
Investment in fixed deposit		(900,000,000)	100,000,000
Net cash used in investing activities		(46,652,661,920)	(38,553,116,719)
C. Cash flows from financing activities			
Share capital and deposit for shares		10,666,284,465	13,361,757,307
Receipt from Grant from SIDA	31.1.3	629,214,513	353,997,785
Receipt from long term loan		28,995,143,652	24,150,360,431
Payment to long term loan		(2,859,152,522)	(1,182,052,590)
Dividend paid		(921,241,703)	(783,552,085)
Net cash from financing activities		36,510,248,405	35,900,510,848
D. Net increase in cash and cash equivalents (A+B+C)		2,423,524,996	4,457,170,863
E. Opening cash and cash equivalents		11,938,407,665	7,481,236,802
F. Closing cash and cash equivalents (D+E)		14,361,932,661	11,938,407,665
Cash and cash equivalents comprise:			
Cash in hand (Note-10)	10	905,321	789,532
Balances with banks:			
Current deposit accounts(Note-10)	10	2,585,161,714	1,844,200,295
Short term deposit accounts(Note-10)	10	11,775,865,625	10,093,417,838
		14,361,027,339	11,937,618,133
		14,361,932,660	11,938,407,665

The accounting policies and explanatory notes (1 to 37) form an integral part of these Financial Statements

For and on behalf of Board of Directors of Power Grid Company of Bangladesh Ltd.



Company Secretary



Managing Director



Director

Dated, Dhaka
07 November 2020



Power Grid Company of Bangladesh Ltd.
Notes to the financial statements
For the year ended 30 June 2020

1. Reporting entity

1.1 Company profile

Power Grid Company of Bangladesh Ltd. (hereinafter referred to as "PGCB"/ "the Company") is a listed public limited company in Bangladesh. The Company was incorporated on 21 November 1996 having registration no. C-31820 (941)/96 under the Companies Act, 1994 as a fully Bangladesh Power Development Board (BPDB) owned private company limited by shares with an authorized capital of Taka 10 billion under the Power Sector Reform Program of the Government of Bangladesh and it was subsequently converted to a public limited company on 05 March 2000. PGCB is a subsidiary company of Bangladesh Power Development Board (BPDB). The Company was listed in October 2006 at the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Offloading of shares started in October 2006. The Shares of the company have been trading in both Stock Exchanges since then.

1.2 Nature and scope of business

The Company's principal activities are planning, promoting, developing, operating and maintaining an integrated and efficient power transmission system/network throughout Bangladesh. As the sole power transmission Company in Bangladesh, the Company is responsible for all aspects, regarding transmission lines, sub-stations, load dispatch centers, 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 organizations. The company is the sole electric power transmission organization in Bangladesh. It is a government-owned company that solely operates the power grid & transmission of electricity in Bangladesh.

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, Bangladesh.

1.4 Corporate head office

Corporate head office of the Company is located at PGCB Bhaban, Avenue - 3, Jahurul Islam City, Aftabnagar, Badda, Dhaka-1212, Bangladesh.

2. Basis of preparation of financial statements

2.1 Statement of compliance

Except as detailed below, the financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Companies Act, 1994, Bangladesh Security Exchange Commission (BSEC) Acts & Rules and other applicable laws and regulations.

Foreign currency exchange difference of BDT 87,595,532 arising from foreign currency denominated loans and borrowings taken by the Company for acquisition of property, plant and equipment has been added with the carrying amount of capital works-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 since the loans were used in the projects that were accounted for in capital works in progress. While IAS 21 does not allow capitalization of foreign exchange difference, the company recognized the foreign exchange loss/(gain) as part of its property, plant, and equipment as allowed under the Companies Act, 1994.

The Company carries an unfunded gratuity scheme for its employees and provision is made as per the Company's gratuity policy for which actuarial valuation have done though required under IAS 19: Employee Benefits.

2.1.1 Other regulatory compliances

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

The Securities & Exchange Ordinance, 1969

The Securities & Exchange Rules, 1987

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax and Supplementary Duty Act, 2012

The Value Added Tax And Supplementary Duty Rules, 2016

The Customs Act, 1969

The Labor Act, 2006 As Amended 2018



2.2 Presentation of financial statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

- a. Statement of Financial Position;
- b. Statement of Profit or Loss & Other Comprehensive Income;
- c. Statement of Changes in Equity;
- d. Statement of Cash Flows; and
- e. Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements.
- f. comparative information in respect of the preceding period

2.3 Basis of measurement

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the company is historical cost except for the inventories which are stated at the lower of cost and net realizable value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the number of proceeds received in exchange for the obligation, or some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2.4 Functional and presentation currency

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

2.5 Level of precision

The figures of financial statements presented in BDT 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 are believed to be reasonable under the circumstances, the result of which forms 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 is recognised in the period in which the estimates are revised and in any future periods affected. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized 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 recognized in the financial statements is included in the following notes:

	<u>Note Ref.</u>
Depreciation and amortisation	4
Deferred liability for gratuity	16
Deferred tax liabilities	17
Foreign currency denominated loans and borrowings	14-15 and 18-19

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 a going concern basis in preparing the financial statements. The current resources of the Company provide sufficient funds to meet the present requirements of the existing business.

2.8 Accrual basis of accounting

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income, and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.9 Materiality and aggregation

The Company presents separately each material class of similar items and items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.



2.10 Offsetting

The Company does not offset assets and liabilities or income and expenses unless required or permitted by an IFRS.

2.11 Applicable accounting standards

The following IASs and IFRSs are applicable for the financial statements for the year under review:

IAS - 1	Presentation of Financial Statements
IAS - 2	Inventories
IAS - 7	Statements of Cash Flows
IAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS - 10	Events after the Reporting Period
IAS - 12	Income Taxes
IAS - 16	Property, Plant and Equipment
IAS - 19	Employee Benefits
IAS - 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS - 21	The Effects of Changes in Foreign Exchange Rates
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 32	Financial Instruments: Presentation
IAS - 33	Earnings per Share
IAS - 34	Interim Financial Reporting
IAS - 36	Impairment of Assets
IAS - 37	Provisions, Contingent Liabilities and Contingent Assets
IAS - 38	Intangible Assets
IFRS - 7	Financial Instruments Disclosures
IFRS - 9	Financial Instruments
IFRS - 13	Fair Value Measurement
IFRS - 15	Revenue from Contracts with Customers
IFRS - 16	Leases

2.12 Reporting period

The financial statements of the Company cover one year from 01 July 2019 to 30 June 2020 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

International 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 BDT 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 the balance sheet date. While recognizing foreign exchange gain/loss, on foreign currency-denominated loans for acquisition of property, plant, and equipment the Company consistently follows the Companies Act 1994. Details are given in note 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 IAS 16: Property, Plant and Equipment. The cost of an item of property, plant, and equipment comprises its purchase price, import duties, and nonrefundable 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 an intended manner. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.2.2 Subsequent costs

The cost of replacing part of an item of property, plant, and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant, and equipment are recognized in profit or loss and other comprehensive income 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. In addition to property, plant, and equipment, depreciation is charged from the month of capitalization 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:

Category of asset	Rate of depreciation (%)
Building	5
Plant and machinery (substations and transmission lines)	3.5
Motor vehicle	20
Office equipment	10
Computer and accessories	10
Signboard	25
Furniture and fixtures	10

3.2.4 Capital works-in-progress

Capital works-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 nonrefundable taxes and VAT. Property, plant, and equipment that is being under construction/ acquisition is also accounted for as capital works-in-progress until construction/acquisition is completed and measured at cost. And the cost does not include the retention money kept by the donors by the instruction of the Company.

3.2.5 Retirement and disposal

An item of property, plant, and equipment is derecognized 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 recognized the net with 'other income' in the statement of profit or loss and other comprehensive income.

3.2.6 Impairment

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recorded on a judgmental basis, for which provision may differ in the future years based on the actual experience. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit and loss and other comprehensive income.

3.3 Inventories

Inventories consisting of spare parts at Grid Maintenance Divisions (GMD) offices are valued at cost. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs 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 cost to sale.

3.4 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets carried in the statement of financial position include cash and cash equivalents, other receivables, inter company receivables and advance, deposits and prepayments.

Nonderivative financial instruments comprise of cash and cash equivalents, accounts and other receivables, loans and borrowings and other payable.

3.4.1 Financial assets

All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

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 the Company without any restriction.

Advances, deposits and prepayments

Advances are recognized and stated at original invoiced amounts and carried at anticipated realizable values.



Accounts and other receivables

Accounts and other receivables 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 collectability of any amount so recognised.

3.4.2 Financial liabilities

Financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include interest bearing borrowing mostly from government , non refundable grants, trade payables and other current liabilities.

Interest-bearing borrowings

Interest bearing borrowings are created against the capital assets which are brought in the name of projects of the company and paid for by the lenders. The company creates an interest bearing borrowing amount in the name of the lender when a capital asset is booked under a project's name for which the lender paid to the procurer. In the cases of foreign borrowings, the company goes into a Subsidiary Loan Agreement (SLA) with the GoB.

In case of interest bearing borrowings from the GoB, the borrowings are detruncated into 40%-60% ratio as per the commemoratives of the borrowings distributed in the name of the company. 40% of the borrowing is recorded as interest bearing borrowing where the other 60% is recorded as Deposit for Share. The unused amount of GoB loans are refunded in the name of GoB through treasury challan.

Grants

Grants or non-repayable grants are disbursed or given by the grant makers to fund specific projects. Grants are usually conditional upon certain qualifications as to the use, maintenance of specified standards, or a proportional contribution by the grantee or other grantors. The company receives its grants from foreign grant makers through GoB Subsidiary Grant Agreements (SGAs). The grant makers disburse the amount of grant against procurements of the company under the terms of SGAs.

Trade payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.5 Share capital

Paid up capital represents the 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.

Deposit for shares

A share money deposit is a part of equity. These are considered equity shares and are long-term profit-invested deposits geared toward to stockholders of a company. The company gets Share money deposit from two key concerns, i.e., Bangladesh Power Development Board (BPDB) and the Govt. of Bangladesh.

BPDB represents the amount of investment received through the 5th & 6th Vendors Agreement with the company. GoB's amount represents the investment received from GoB against the development projects. GoB's borrowings are detruncated into a 40%-60% ratio as per the commemoratives of the borrowings distributed in the name of the company. 60% of the borrowings are deposited as a deposit for shares in the name of GoB.

3.6 Provision, contingent liabilities and contingent assets

Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of the past event, an outflow of economic benefits will probably 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.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent liabilities

A contingent liability arises where a past event may lead to an entity having a liability in the future but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability should be disclosed in the financial statements unless the possible outflow of resources is thought to be remote.

Contingent asset

A contingent asset is a potential asset that arises from past events but whose existence can only be confirmed by the outcome of future events not wholly within an entity's control. A contingent asset should be disclosed in the financial statements only when the expected inflow of economic benefits is probable.



3.7 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income 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 requirements of IAS 12: Income Taxes.

3.7.1 Current tax

Current tax is 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 25% as per Income Tax Ordinance 1984.

Minimum Tax is applicable for the Company as per section 82C(4) of Income Tax Ordinance 1984 on gross receipts from all sources @ 0.60% or as per section 82C(2-b) of Income Tax Ordinance 1984 tax deducted as source for wheeling bill.

Provision for tax has been made on the basis of income tax laws.

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

IFRS 15: Revenue from Contracts with Customers supersedes IAS 11: Construction Contracts, IAS 18: Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Due to the transition methods chosen by the Company in applying this standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

Revenue comprises transmission/wheeling charge and rental income which is recognized in the statement of profit or loss and other comprehensive income after meeting the recognition criteria in accordance with the requirements of IFRS 15: Revenue from Contracts with Customers. Revenues are measured at a fair value of the consideration received or receivable, net of sale-related taxes (VAT).

Transmission charge is recognized when monthly invoices are raised against Bangladesh Power Development Board (BPDB), Dhaka Power Distribution Company (DPDC), Palli Bidyut Samitees (PBSs), West Zone Power Distribution Co. Ltd (WZPDC), North Electric Supply Co. Ltd (NESCO) and Dhaka Electric Supply Company Ltd. (DESCO). The amount of invoices is determined by a survey of meter reading at the cut-off time.

Rental income from Optical Fibber Cable Network is recognized when monthly invoices are raised against Grameen Phone Ltd, Bangladesh Telecommunication Company Limited (BTCL), Banglalink, Fibber @ Home, UGC, Robi Axiata Ltd. & Summit Communications 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	89.00	11.0	100
Travelling and conveyance	96.20	3.80	100
Functions, games and entertainment	8.67	91.33	100
Rent, rates and taxes	44.90	55.10	100
Postage, telephone and fax	67.66	32.34	100
Recruitment and training	47.40	52.60	100
CPF contribution	92.11	7.89	100
Gratuity	83.00	17.00	100
Electricity and power	98.34	1.66	100
Office expenses	35.52	64.48	100
Fuel and lubricants	76.13	23.87	100
Security expense	98.66	1.34	100
Insurance	21.63	78.37	100
Bank charges and commission	98.00	2.00	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 ratios the cost is allocated between transmission and administrative expenses.

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 relating to finance expenses. All finance expenses are recognised in the statement of profit or loss and other comprehensive income.

3.11 Earnings per share

The company presents basic and diluted (when dilution is applicable) earnings per share (EPS) data for its ordinary shares in accordance with the requirements of IAS 33: Earnings per Share.

Basic EPS is calculated by dividing the net profit for the year attributable to ordinary shareholders (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the year and splitted ordinary shares (IAS 33.10).

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares (IAS 33.31).

3.12 Events after the reporting period

Events after the reporting period provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the reporting date 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 IAS 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 is charged as expenses for the year in accordance with requirements of IAS 23: Borrowing Costs. In respect of projects that have not yet commenced commercial operation, borrowing costs are adjusted with capital works-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 IAS 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 the statement of profit or loss and other comprehensive income. Employees are entitled to gratuity benefits after completion of minimum 3 years service with 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 2.5 months' basic salary for every completed year of service.

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 or loss and other comprehensive income annually as per the insurance policy.

3.16 Workers Profit Participation Fund (WPPF)

This is required to be made in terms of section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013). As per that Act, 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the fund, the proportion of the payment to the participation fund and the welfare fund being 80:10. The remaining 10% shall be paid by the company to the workers' welfare foundation fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.

The company makes provision @ 5% of its net profit before tax as a contribution to workers' profit participation fund before tax and charging such expense in accordance with The Bangladesh Labour Act 2006 (as amended in 2013). However, the fund is not separately allocated in the above stated manner.

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 paras 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.

The Board of Directors of the Company recommended 20% (BDT 2.00 per share) cash dividend amounting to BDT 1,425,453,982 for 30 June 2020 at the board meeting held on 07 November 2020. The dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company dated 16 January 2021. The financial statements for the year ended 30 June 2020 do not include the effect of the cash dividend which will be accounted for in the period when shareholders' right to receive payment is established.

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.



4. Property, plant and equipment

Particulars	Cost				Depreciation							Figures in BDT
	At 01 July 2019	Addition during the year*	(Disposal)/ adjustment for the year	Total at 30 June 2020	Rate (%)	Upto 01 July 2019	Prior year's adjustment	Restated balance as at July 01, 2019	(Disposal)/ adjustment during the year	Charge for the year*	Total to 30 June 2020	Carrying amount/written down value at 30 June 2020
Land and land development	7,221,322,551	2,464,676,592	-	9,685,999,143	-	-	-	-	-	-	-	9,685,999,143
Building	726,722,861	53,851,142	-	780,574,003	5	126,303,848	-	126,303,848	-	35,122,131	161,425,979	619,148,024
Plant and machinery	209,379,083,746	1,933,037,873	-	211,312,121,619	3.5	73,448,638,333	-	73,448,638,333	-	6,075,525,644	79,524,163,976	131,787,957,642
Motor vehicle	1,249,865,057	98,706,989	-	1,348,572,046	20	887,884,597	-	887,884,597	-	138,375,182	1,026,259,780	322,312,266
Office equipment	492,899,803	158,069,995	-	650,969,798	10	196,207,981	-	196,207,981	-	57,579,712	253,787,693	397,182,105
Computer and accessories	75,618,522	15,437,863	-	91,056,385	10	35,822,684	-	35,822,684	-	7,589,910	43,412,594	47,643,791
Signboard	56,411,853	-	-	56,411,853	25	56,411,853	-	56,411,853	-	-	56,411,853	-
Furniture and fixtures	93,880,594	12,147,807	-	106,028,401	10	49,870,189	-	49,870,189	-	7,509,907	57,380,096	48,648,304
Total 2019-2020	219,295,804,986	4,735,928,260	-	224,031,733,246		74,801,139,485	-	74,801,139,485	-	6,321,702,486	81,122,841,971	142,908,891,275
Total 2018-2019	183,752,215,530	35,543,589,456	-	219,295,804,986		68,631,608,688	(5,110,649)	68,626,498,039	-	6,174,641,446	74,801,139,485	144,494,665,501

Depreciation charged for the year

	2019-2020	2018-2019
Transmission expenses (note 24)	6,297,680,017	6,151,177,808
Administrative expenses (note 25)	24,022,469	23,463,637
	<u>6,321,702,486</u>	<u>6,174,641,446</u>

Plant and machinery include substations and transmission lines (included in note 7) amounting to BDT 47,370,760,000 that has been transferred from PDB through several vendors agreements of which the 1st agreement was made on 14-10-99 and the last agreement (6th agreement) till date was made on 10-04-2012. The final vendors' agreement, however, is expected to be signed in the next accounting year.

* During the earlier years, the Company mistakenly recorded a Building as its assets and not transferred some inventories to its respective assets. During the year, the Company adjusted the same with respective assets amounting to (BDT 25,832,218), BDT 214,225,223, BDT 27,569,130 and BDT 45,000 on account of office building, plant and machinery, office equipment, computer and accessories respectively. The Company also adjusted depreciation of such assets during the year. As the amount is not material, the Company adjusted the same with the current year's addition.



5. Capital work-in-progress

Balance as at 01 July

Add: Cost incurred during the year
Less: Adjustment/transfer to assets

Balance as at 30 June

Amounts in BDT	
30.06.2020	30.06.2019
68,590,309,163	63,269,033,237
44,736,218,817	37,845,927,959
(1,471,910,252)	(32,524,652,033)
111,854,617,728	68,590,309,163

Project-wise break-up:

400/230/132 Kv Chocoria Matharbari TLP	234,562	234,562
Aminbazar Mawa Mongla 400 KV TLP & Aminbazar S/S Project	9,432,700,906	981,161,557
132 KV Amnura Substation & Associated TLP	819,198,599	638,603,706
Bakerganj-Barguna 132kv and Barguna S/s construction Project	803,121,955	491,383,917
Bay Extension at Tongi and Rampura SS Construction Project	157,731,701	12,393,953
Baharampur-BD-Baharampur-India 2nd 400kv TLP	1,093,184,035	588,373,874
Bangladesh power system reliability and efficiency improvement Project	309,626,316	45,231,692
Bhaluka Sreepur 132kv TLP	1,265	1,265
Enhancement of capacity of Grid S/S & TL for Rural Electrification Project	9,399,840,705	8,748,331,074
ESPNER Eastern Region Project	136,468,996	102,925,428.50
Power Grid Network Strengthening Project (G to G)	220,202,310	151,184,452
Ghorasal 230kv UG cable project	135,880,501	135,583,998
400/230/132 KV Grid Network Development Project	11,040,331,615	8,065,449,524
Head Office Building *	1,889,107,714	1,708,156,217
HVDC 400kv back to back substation project	62,767,292	89,355,821
Ruppur Paromanobik Biddut Nirman Prokolpo	284,920,836	1,371,059
Kodda 132/33 KV S/S Project	260,858,222	190,102,337
Kodda-Rajendrapur 132kv double circuit TLP	761,918,080	511,504,278
Matarbari-Anowara-Madunaghat 400 KV TL Project	5,097,511,265	685,794,023
DTIMEZRPS Mirsharail project	1,768,557,435	410,263,973
Dhaka-Chittagong MPGS Project (MMM)	8,079,840,406	592,945,310
Mongla Khulna (South) 230 KV TLP	1,015,567,626	951,339,689
Management Training Centre Building, Agargaon	231,825,669	203,013,902
Mymensingh Tangail Bhaluka and Jamalpur Sherpur	198,502	198,502
National Power Transmission Network Development	19,163,923,668	16,769,507,335
Sylhet Shajibazar Brahmanbaria 400 Kv TL	36,340,322	36,340,322
Shajibazar Ashuganj 132 Kv Transmission Line	158,988,750	158,988,750
Replacement of Aminbazar 132kv double circuit TLP	110,527,750	110,527,750
Patuakhali (Payra) Gopalganj 400 KV TLP & Gopalganj 400 KV S/S	16,504,428,360	12,063,552,348
Patuakhali-Payra 230kv TL Project	2,702,557,113	2,281,945,775
Rajendrapur 132kv GIS S/S project	972,578,039	531,032,368
RE Component of MUSCCFP	633,574,258	608,834,560
Reconductoring of 132kv TLP	1,665,775,403	1,602,648,545
Rural Trans. Network Development and Renovation Project (Energy Efficiency in Grid Based Power Supply Project).	345,407,345	214,534,489
Western Grid Network Development Project	8,304,341,946	4,627,602,598
Sahajibazar XLPE Cable Replacement Project	103,177,443	103,103,817
South Western Transmission Expansion Project	2,117,248,072	2,924,794
33 Kv Switching Station at Agrabad & Rampur, Ctg.	11,003,848	11,003,848
GMD-Dhaka (North) WIP	-	130,869,377
Barapukuria-Bogura-Kaliakoir 400 KV TL Project	3,134,569	-
Dhaka and Western Zone Transmission Grid Expansion Project (DWZTGE)	7,808,923	-
Expansion & Strengthening of Power System Network under Chottogram Area Project (ESPNC A Project)	2,619,830	-
GMD Dhaka-North West WIP	49,357,500	-
GRIC CIRCLE Dhaka(NORTH) WIP	2,778,800,553	-
GMD Barishal WIP	612,965,196	-
GMD Dhaka(East) WIP	9,907,991	-
Patuakhali Gopalganj 400 KV TLP & Gopalganj 400 KV S/S	28,000	-
Payra Power Station 400/138/33KV SS Project	612,004,040	-
Rahanpur (Chapainawabjong)-Monakosa 400 kv TL Project	149,349,660	-
Replacement of Ashuganj 132 kv Old AIS Substation by 132 KV New GIS Substation	130,517,627	-
Grid Circle khulna (WIP-102091)	78,944,510	-
Exchange Rate Fluctuation loss/(Gain)	1,447,482,853	1,968,449,324
Inventory in Transit	140,227,650	2,063,539,050
Balance as at 30 June	111,854,617,728	68,590,309,163

*Head Office Building partially has now been used.

6. Investment in FDR

FDR with Different Schedule Bank Accounts

910,000,000	10,000,000
910,000,000	10,000,000

Details are given in Note 36.1.c

7. Inventories

2,069,593,343	1,137,052,392
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These represent the closing inventory of electrical goods as at 30 June. The electrical goods include spare parts which were received from Bangladesh Power Development Board (BPDB) along with the substations and transmission lines mentioned in note 4.

During prior years, the Company used inventory items amounting to BDT 18,022,688 to repair the transmission lines and substations but not recorded the same. During the year, the Company reduced the Inventories accordingly. As the amount is not material, the Company adjusted the same during the year.



Amounts in BDT	
30.06.2020	30.06.2019

8. Accounts and other receivables

Receivable from transmission/wheeling and optical fiber charge (note 8.1 and note-23.1)	6,205,596,521	5,542,246,347
Other receivables (note 8.2)	20,553,102	39,582
	6,226,149,623	5,542,285,929

8.1 Accounts receivables

Receivable from transmission/wheeling and optical fiber charge	6,211,035,521	5,547,685,347
Provision for bad debt (RPCL)	(5,439,000.00)	(5,439,000)
Net receivable from transmission/wheeling and optical fiber charge	6,205,596,521	5,542,246,347

Details are given in Note 8.3.

8.2 Other receivables

Interest receivable	20,553,102	39,582
	20,553,102	39,582

8.3 The age-wise analysis of receivables against transmission/wheeling charge and optical fiber charge

The age-wise analysis of receivables against transmission/wheeling charge and optical fiber charge of BDT 6,205,596,521 is as under:

Particulars	> 6 Months	< 6 Months	Total
	BDT	BDT	BDT
BPDB	1,911,180,748	739,707,810	2,650,888,558
DPDC	669,312,978	313,539,347	982,852,325
DESCO	3,106,230	276,313,434	279,419,664
PBS	93,765,076	1,770,599,753	1,864,364,829
WZPDCL	65,796	175,359,513	175,425,309
NESCO (NWZPDCL)	-	187,315,398	187,315,398
M/S Abul Khair Steel Product	6,433,733	-	6,433,733
BWDB GK Project Bheramara, Kushtia	1,560,621	-	1,560,621
Grameenphone Ltd. for optical fiber	788,521	-	788,521
BTCL for optical fiber	2,096,251	-	2,096,251
Banglalink	1,108,073	-	1,108,073
Robi Axiata for optical fiber	72	1,894,937	1,895,009
Fibre @ Home for optical fiber	6,982,209	31,806,029	38,788,238
Summit Communication	(3)	9,251,619	9,251,616
UGC for optical fiber	55,097	3,353,278	3,408,375
	2,696,455,403	3,509,141,118	6,205,596,521

The Company has reported an amount of BDT 6,205,596,521 as receivable from transmission/wheeling and optical fiber charge. It includes receivables from PDB, DPDC, DESCO, WZPDCL and NESCO BDT 2,650,888,558, 982,852,325, 279,419,664, BDT 175,425,309 & BDT 187,315,398 respectively. Receivable from DPDC includes BDT 13,702,055 being carried forward from June 2008 to June 2020 due to fewer amounts not received against wheeling charge bills over the years. Receivable from DESCO includes BDT 3,106,230 being carried forward from 2012 and receivable from WZPDCL includes BDT 9,620 being carried forward from the year 2015.

The accounts receivable from BPDB has been partly 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.

9. Advances, deposits and prepayments

Advances (note 9.1)	14,384,274,209	14,186,622,803
Deposits (note 9.2)	1,283,569	1,979,324
	14,385,557,778	14,188,602,127

9.1 Advances

Advance against legal expense (Doza & Haroon)	407,815	407,815
Advance against TA/DA	89,000	99,000
Advance against contractors/suppliers	6,443,129	6,504,073
Advance of branch offices and GMDs	19,820,772	41,261,715
Advance tax (note 9.1.1)	9,934,019,477	8,040,668,844
Advance against expenses	9,186,708	10,138,315
Advance against office rent	1,554,650	1,554,650
Advances given by projects (note 9.3)	4,412,721,520	6,084,541,433
Suspense account (defalcation at CE-Project Monitoring)	31,138	31,138
Advance against training (employee)	-	1,415,820
	14,384,274,209	14,186,622,803

9.1.1 Advance tax represents income tax deducted at source on import of raw materials, interest on fixed deposits and short term accounts and advance payment of tax deducted by customer.

9.2 Deposits

Grid maintenance divisions	225,090	1,102,845
CDBL	500,000	500,000
Others	558,479	376,479
	1,283,569	1,979,324



Amounts in BDT	
30.06.2020	30.06.2019

9.3 Advances given by projects

IBSB Project	306,748	306,748
33 KV GIS SS at Agrabad & Rampur Ctg.	-	2,478,266
132 KV Amnura S/S & Associated TLP	1,000	7,000
RRAGS Project	1,191,057	7,221,069
National Power Transmission Network Development (NPTND)	198,059,427	262,103,503
132KV GNDP in Eastern Region	-	10,520,226
400/230/132 KV GND Project	37,000	17,000
Mongla-Khulna-South	111,581,790	98,019,502
Kodda 132/33KV SS	-	498,906
ECGSTLP	-	4,889,240
Ruppur Paromanobik Biddut Nirman Project	4,712,144	17,537,897
Dhaka-Chittagong MPGC Project	-	2,176,186,875
Aminbazar-Mawa-Mongla 400kv TL Project	817,480,878	1,477,637,927
RE Component of MUSCCFPP	4,038,454	4,038,454
Power Grid Network Strengthening Project-G to G	2,131,115	40,313,794
Patuakhali(Paira)-Gopalganj 400kv TLP	26,135,109	77,072,379
Patuakhali(Paira)-Gopalganj 230kv TLP	-	26,450
Re-conductoring of 132kv TL project	-	9,520,170
Rajendrapur 132/33kv GIS project	3,841,589	3,841,589
DTIMEZRPS Mirsharail project	48,988,938	176,179,040
Rajendrapur 132kv double circuit TLP	-	3,959,532
Bakerganj Barguna 132kv & Barguna SS construction project	19,703,059	43,163,929
Bharamara-Baharampur 2nd 400kv TL	17,564,812	48,400,877
Matarbari-Modunaghat 400kv TL project	92,106,880	179,659,248
WGNDP	280,057,718	825,300,531
Energy efficiency in grid base power supply	1,480,028,153	-
South Western Expansion Project	1,052,346,339	588,648,810
ESPNER Project, Eastern Region	104,615,855	125,405
Bay Extension at Rampura SS & Tongi Project	3,281,405	7,635,440
Replacement of Ashuganj 132 kv Old AIS Substation by 132 kv New GIS Substation	51,032,380	-
Infras. Dev. Evacuation Facilities of Rooppur Nuclear Power Project	46,750	-
Rahanpur-Monakosha 400KV TLP	65,212,618	-
Dhaka and Western Zone Transmission Grid Expansion Project	48	-
Bashkhali LILO to Matarbari-Madunaghat 400kv TL Project	28,220,254	-
Bhaluka-Sherpur Project	-	19,231,626
	4,412,721,520	6,084,541,433

10. Cash and cash equivalents

Cash in hand	905,321	789,532
Balances with banks as:		
Current deposit accounts	2,585,161,714	1,844,200,295
Short term deposit accounts	11,775,865,625	10,093,417,838
	14,361,027,339	11,937,618,133
	14,361,932,660	11,938,407,665

Details are given in Note 36.1.c

11. Share capital

Authorised share capital

10,000,000,000 ordinary shares of BDT 10 each

100,000,000,000 **100,000,000,000**

Paid up share capital

712,726,991 ordinary shares of BDT 10 each

7,127,269,910 **4,609,129,910**

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

116,536,000 shares of BDT 10 each fully called and paid up in cash	1,165,360,000	1,165,360,000
499,636,100 shares of BDT 10 each paid up other than cash	4,996,361,000	2,478,221,000
54,653,710 shares of BDT 10 each as 15% bonus shares	546,537,100	546,537,100
41,901,181 shares of BDT 10 each as 10% bonus shares	419,011,810	419,011,810
	7,127,269,910	4,609,129,910

Percentage of shareholdings:

Particulars	30-Jun-20		30-Jun-19	
	No. of shares	%	No. of shares	%
Sponsors (BPDB)	603,260,348	84.64	351,446,348	76.25
Institutions (financial & others)	88,060,109	12.36	86,755,354	18.82
Individual	21,406,534	3.00	22,711,289	4.93
Total	712,726,991	100	460,912,991	100

Classification of shareholders by holding:

Shareholding range	Number of shareholders as at		% of shareholdings as at	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Less than 500 shares	1,736	1,913	34.44	35.53
500 to 5,000 shares	2,584	2,606	51.27	48.40
5,001 to 10,000 shares	292	365	5.79	6.78
10,001 to 20,000 shares	198	232	3.93	4.31
20,001 to 30,000 shares	63	77	1.25	1.43
30,001 to 40,000 shares	20	31	0.40	0.58
40,001 to 50,000 shares	17	31	0.34	0.58
50,001 to 100,000 shares	46	50	0.91	0.93
100,001 to 1,000,000 shares	71	67	1.41	1.24
Over 1,000,000 shares	13	12	0.26	0.22
Total	5,040	5,384	100	100



		Amounts in BDT	
		30.06.2020	30.06.2019
12. Deposit for shares			
This represents the amount of investment received from the Government of Bangladesh (GoB) as part of GoB equity against the development projects & BPDB's investment received through the 5th & 6th Vendors Agreement.			
Balance as at 01 July		50,710,701,193	37,348,943,886
Add: Received during the year from the GoB as part of equity in respect of development projects (note 12.1)		11,923,913,253	13,478,835,000
		62,634,614,446	50,827,778,886
Less: Refunded to GoB the surplus fund released by GoB (note 12.2)		(1,257,628,787)	(117,077,692)
Less: Shares issued to BPDB against deposit for shares		(2,518,140,000)	-
Balance as at 30 June		58,858,845,659	50,710,701,193
	2019-2020	2018-2019	
Note: Investment of Govt.	58,858,845,659	48,192,561,193	
Investment of BPDB	-	2,518,140,000	
Total investment	<u>58,858,845,659</u>	<u>50,710,701,193</u>	
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			
Ashuqanj-Bhulta TL Project		-	26,400,000
HVDC 2nd Block		-	374,400,000
400/230/132KV GNDP		450,000,000	450,300,000
NPTND		450,000,000	1,950,000,000
ECGSTLP		-	120,000,000
Dhaka-Chittaqong MPGS Project(MMM)		1,173,000,000	-
Aminbazar-Mawa-Monqla 400kv TLP		2,220,000,000	410,250,000
Patukhali(Paira)-Gopalqanj 400kv TLP		3,000,000,000	6,324,000,000
Energy Efficiency in Grid Based Power Supply Project		335,432,400	228,000,000
Patukhali-Paira 230kv TLP		155,205,000	1,415,985,000
Power Grid Network strengthening project- (G to G)		539,999,132	240,000,000
Bangladesh Power System Reliability and Efficiency Improvement Project		42,000,000	-
Bakerqanj-Barquna 132kv and Barquna 132/33kv S/S construction project		170,040,000	342,000,000
Bharamara-Baharampur 2nd 400kv double circuit TL project		181,980,000	571,500,000
DTIMEZRPS Mirsharail project		809,940,000	459,000,000
Western Grid Network Development project		240,000,000	540,000,000
Materbari Madunaghat 400 Kv TLP		960,000,000	27,000,000
South Western Transmission Expansion Project		449,976,808	-
Rahanpur-Monkosha 400 KV TL Cons. Project		122,340,000	-
Replacement of Ashugonj Old 132 KV AIS SS by New 132 KV GIS SS		102,000,000	-
Enhancement and Strengthening of Power Network in Eastern Region Project (ESPNER Project)		521,999,913	-
		<u>11,923,913,253</u>	<u>13,478,835,000</u>
12.2 Refund to GoB			
HVDC 2nd Block		-	21,796,693
Bakerqanj-Barquna 132kv and Barquna 132/33kv S/S construction project		-	62,592,254
Materbari Madunaghat 400 Kv TLP		-	2,693,497
Bharamara-Baharampur 2nd 400kv double circuit TL project		39,637,653	29,995,249
Ashuqanj-Bhulta TL Project		4,299,673	-
Patuakhali(Paira)-Gopalqanj 400kv TL Project		1,063,963,819	-
Patuakhali-Payra 230kv TL Project		31,467,638	-
DTIMEZRPS Mirsharail project		25,452,141	-
Aminbazar Mawa monqla 400 kv TL Project		90,000,000	-
Rahanpur-monkosha 400 kv TL project		2,807,863	-
		<u>1,257,628,787</u>	<u>117,077,692</u>
13. Retained earnings			
Balance as at 01 July (A)		10,940,901,160	7,875,722,492
Prior years' adjustment for:			
Understated expenses (note 13.1)		-	(1,726,769)
Overstated expenses (note 13.2)		-	10,465,809
Total prior years adjustment (B)		-	8,739,040
Re-stated balance at 01 July (A+B)		10,940,901,160	7,884,461,532
Total comprehensive income for the year		3,174,132,829	3,839,991,712
Final dividend		(1,425,453,982)	(783,552,084)
Balance as at 30 June		12,689,580,007	10,940,901,160
13.1 Prior years adjustment for understated expenses			
Depreciation not charged in previous years		-	1,726,769
		<u>-</u>	<u>1,726,769</u>



13.2 Prior years adjustment for overstated expensesCollection from employee for internal audit objection from side offices
Depreciation

Amounts in BDT	
30.06.2020	30.06.2019
-	5,355,160
-	5,110,649
-	10,465,809

14. Term loan- interest bearing

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

	Notes		
ADB loan	14.1	60,516,896,695	54,714,263,071
GoB loan	14.2	36,503,434,780	29,665,279,766
Assigned loan	14.3	3,599,172,321	3,648,966,960
SIDA loan	14.4	201,028,372	217,621,575
KFW loan	14.5	7,011,468,276	4,293,272,303
Danida loan	14.6	636,043,775	704,810,725
DPBS-1 loan	14.7	-	398,642,500
NDF loan	14.8	450,834,523	500,682,623
JBIC loan BD 52, 55, 70, 76, 81 &103	14.9	28,005,727,229	20,280,803,416
IDA loan (No 4508, 53810, 6177 & 60100)	14.10	9,728,186,248	9,104,751,537
EDCF loan	14.11	7,431,136,098	7,400,483,209
HSBC loan	14.12	81,889,898	216,352,435
IDB loan BD 0172	14.13	3,578,931,721	1,784,298,288
DPBS-3 loan	14.14	-	-
Indian 3rd LOC Loan	14.15	257,232,193	-
Gazipur PBS-1 loan	14.16	304,485,727	-
Gazipur PBS-2 loan	14.17	303,499,755	-
Energy Pac Engineering Ltd. Loan for 132 KV Amnura SS and Associated TL Project	14.18	543,847,458	-
		159,153,815,070	132,930,228,408
Less: Transfer to term loan-interest bearing (note 18) i.e. current portion of long term loan		(2,001,575,654)	(777,574,800)
Total long term loan		157,152,239,416	132,152,653,608
Add: Long term interest		28,279,453,287	24,588,093,149
Balance as at 30 June		185,431,692,703	156,740,746,757

14.1 ADB loan

Balance as at 01 July	54,714,263,071	48,974,530,673
Add: Received during the year	6,342,260,232	5,746,575,807
	61,056,523,303	54,721,106,480
Exchange rate fluctuation loss/(gain)	65,042,079	389,309,875
Less: Repaid during the year (note 14.1.1)	(604,668,687)	(396,153,285)
Balance as at 30 June	60,516,896,695	54,714,263,071

Loan details are as follows:

	Loan no.		
Mymensingh Power Station and Transmission Line	1505	30,046,073	30,046,073
Rampura Sub-Station	1505	28,553,595	28,553,595
Sub-station-Extension -Mirpur	1505	19,891,454	19,891,454
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 (General Project)	1505	349,546,766	444,071,780
Exchange rate fluctuation loss/(gain)	1505	838,631,589	832,661,229
(A) Total ADB 1505		1,332,708,789	1,421,263,444
Hasnabad-Aminbazar-Tongi Transmission Line	1731	26,438,868	26,438,868
Sub-station Aminbazar	1731	53,869,810	160,203,565
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	734,020,243	723,263,904
(B) Total ADB 1731		2,521,641,547	2,617,218,964
Khulna -Ishwardi Transmission Line- L & T	1885	-	-
Khulna Ishwardi Transmission Line-(TATA Power)	1885	986,760,650	1,114,656,086
Ashuganj-Sirajganj Transmission Line -(LG & Sejon)	1885	1,332,346,580	1,332,346,580
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	176,286,134	214,157,758
Exchange rate fluctuation loss/(gain)	1885	1,146,931,004	1,125,400,137
(C) Total ADB 1885		5,085,574,113	5,229,810,306



		Amounts in BDT	
		30.06.2020	30.06.2019
National Load Dispatch Centre	2039	1,770,960,087	2,009,002,945
Exchange rate fluctuation loss/(gain)	2039	531,279,111	520,987,040
(D) Total ADB 2039		2,302,239,198	2,529,989,985
Meghnaghat - Aminbazar 400 KV TL	2332	2,770,384,288	2,770,384,288
Aminbazar Old Airport 230 KT TL	2332	4,602,794,915	4,602,794,915
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	1,113,699,076	1,071,315,317
(E) Total ADB 2332		10,275,034,183	10,232,650,424
Bangladesh India Grid Interconnector	2661	8,973,642,077	8,973,642,077
Exchange rate fluctuation loss/(gain)	2661	433,315,367	394,512,361
(F) Total ADB 2661		9,406,957,444	9,368,154,438
GNDP in Eastern Region	2966	6,448,593,643	6,300,361,186
Aminbazar-Mawa-Mongla 400 KV TLP	2966	95,938,478	95,938,478
Exchange rate fluctuation loss/(gain)	2966	419,679,662	535,621,110
(G) Total ADB 2966		6,964,211,783	6,931,920,774
ADB Loan(400/230/132kv GNDP)	3087	1,716,393,786	1,716,393,786
Exchange rate fluctuation loss/(gain)	3087	80,269,058	72,727,638
(H) Total ADB 3087		1,796,662,843	1,789,121,423
ADB Loan(400/230/132kv GNDP)	3350	2,834,821,354	2,559,928,528
Aminbazar-Mawa-Mongla 400 KV TLP	3350	94,282,038	-
Exchange rate fluctuation loss/(gain)	3350	39,521,085	30,493,515
(I) Total ADB 3350		2,968,624,477	2,590,422,044
ADB Loan(HVDC 2nd Block)	3298	2,804,585,935	2,749,533,708
Exchange rate fluctuation loss/(gain)	3298	165,164,065	152,959,833
(J) Total ADB 3298		2,969,750,000	2,902,493,542
ADB Loan(HVDC 2nd Block)	3299	7,168,678,609	6,909,881,631
Exchange rate fluctuation loss/(gain)	3299	150,070,512	132,407,424
(K) Total ADB 3299		7,318,749,120	7,042,289,055
ADB Loan(Aminbazar-Mawa-Mongla 400 KV TLP)	3522	5,364,184,641	1,464,742,287
Exchange rate fluctuation loss/(gain)	3522	10,707,015	5,537,576
(L) Total ADB 3522		5,374,891,656	1,470,279,863
ADB Loan(South Western Trans Exp)	3683	1,931,288,096	588,648,810
Patuakhali (Payra) Gopalganj 400KV TLP	3683	268,922,068	-
Exchange rate fluctuation loss/(gain)	3683	(358,622)	-
(M) Total ADB 3683		2,199,851,542	588,648,810
Total ADB loan (A+B+C+D+E+F+G+H+I+J+K+L+M)		60,516,896,695	54,714,263,071
Total ADB loan (A+B+C+D+E+F+G+H+I+J+K+L+M)		60,516,896,695	54,714,263,071

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

14.1.1 Repaid during the year

	Loan no.		
Haripur-Rampur Transmission Line (General Project)	1505	94,525,014	94,525,014
Substation Aminbazar	1731	106,333,755	35,444,585
Khulna Ishurdi-TATA	1885	127,895,436	85,263,624
Shunt Compensation Project	1885	37,871,624	24,832,827
NLDC	2039	238,042,858	156,087,235
		604,668,687	396,153,285

14.2 GoB loan

Balance as at 01 July	29,665,279,766	21,105,049,433
Current Portion of Debt	-	-
Add: Received during the year	7,949,274,979	8,985,890,000
	37,614,554,745	30,090,939,433
Less: Refunded during the year (note 14.2.1)	(838,419,192)	(78,051,795)
Less: Paid during the year (note 14.2.2)	(272,700,774)	(347,607,871)
Balance as at 30 June	36,503,434,780	29,665,279,766



Amounts in BDT	
30.06.2020	30.06.2019

Loan details are as follow:

1) Comilla-Meghnaghat-Rampur & Meghnaghat-Haripur-203 KV Transmission Line	86,269,990	86,269,990
2) Hasnabad-Aminbazar-Tongi Transmission Line	30,590,676	76,476,675
3) Kabirpur-Tangail-Sirajgonj Transmission Line	19,233,840	25,645,120
4) Ishwardi-Baghabari-Sirajgonj-Boqra Transmission Line	612,804,828	612,804,828
5) Khulna-Ishwardi-Boqra-Barapukuria Transmission Line	299,724,141	385,359,607
6) Ashugonj- Jamuna Bridge-Serajgonj (Inter Connector Line)	135,928,000	169,910,000
7) NLDC Project-National Load Dispatch Centre	341,830,996	366,247,496
8) Three Transmission Line	525,247,450	525,247,450
9) Aminbazar-Old Airport 230 Kv Associated Substation	924,418,863	924,418,863
10) Shunt compensation at Grid Substation	54,936,606	59,121,686
11) Meghnaghat-Aminbazar 400 Kv Transmission Line	703,887,136	703,887,136
12) Transmission efficiency improvement	148,182,284	158,766,733
13) Siddirgonj Maniknagar 230 Kv T/L Cons. Project	208,205,501	208,205,501
14) BD - India Grid Interconnection Project	1,666,584,784	1,666,584,784
15) Bibiana Comilla (North) 230KV TLP	862,400,000	924,000,000
16) Haripur 360mw Combined Cycle Power Plant	167,324,499	167,324,499
17) 132 KV GNDP Eastern Region	672,958,958	672,958,958
18) Ashugonj Bhulta 400 KV TLP	2,388,411,964	2,391,278,412
19) Grid Interconnection between Tripura (India)	624,780,000	624,780,000
20) HVDC 2nd Block	2,152,546,378	2,152,546,378
21) Bibiana Kaliakoir 400kv & Fenchuqonj Bibiana 230kv T/L Project	3,020,264,696	3,020,264,696
22) NPTND	2,420,000,000	2,120,000,000
23) 400/230/132kv Grid Network Development	804,200,000	504,200,000
24) TLF(Project-2)	949,782,673	949,782,673
25) Enhancement of Capacity(ECGSTLP)	536,000,000	536,000,000
26) Feasibility Study to Connect Nuclear Power Plant with National Grid	35,474,516	35,474,516
27) Dhaka-Chittagong MPGS Project(MMM)	869,133,200	87,133,200
28) Aminbazar-Mawa-Monqia 400kv TL Project	1,833,210,000	413,210,000
29) Patuakhali(Payra)-Gopalqonj 400kv TL Project	7,318,930,787	6,028,240,000
30) Energy Efficiency in Grid Based Power Supply Project	618,282,831	394,661,231
31) Patuakhali-Payra 230kv TL project	1,126,291,574	1,043,800,000
32) Power Grid Network strenathening project-G to G	535,999,401	176,000,000
33) Bakerqani-Barquna 132kv and Barquna 132/33kv S/S construction project	339,631,830	226,271,830
34) Bharamara-Baharampur 2nd 400kv double circuit TL project	487,898,065	393,003,167
35) DTIMEZRPS Mirsharail project	862,191,905	339,200,000
36) Western Grid Network Development project	640,000,000	480,000,000
37) Materbari Madunaghat 400 Kv TLP	656,204,336	16,204,336
38) Bangladesh Power System Reliability and Efficiency Improvement Project	28,000,000	-
39) South Western Transmission Expansion Project	299,984,539	-
40) Rahanpur-Monkosha 400 KV TL Cons. Project	79,688,092	-
41) Replacement of Ashugonj Old 132 KV AIS SS by New 132 KV GIS SS	68,000,000	-
42) Enhancement and Strengthening of Power Network in Eastern Region Project (ESPNER Project)	347,999,439	-
	36,503,434,780	29,665,279,766
Add: Current portion of long term loan	-	-
	36,503,434,780	29,665,279,766

14.2.1 Refund during the year

HVDC 2nd Block	-	14,531,128
Bakerqani-Barquna 132kv and Barquna 132/33kv S/S construction project	-	41,728,170
Materbari Madunaghat 400 Kv TLP	-	1,795,664
Bharamara-Baharampur 2nd 400kv double circuit TL project	26,425,102	19,996,833
Ashugonj-Bhulta 400kv TLP	2,866,448	-
Patuakhali(Paira)-Gopalqani 400kv TLP	709,309,213	-
PGCB DTIMEZRPS Mirsharai Project	16,968,095	-
Patuakhali-Payra 230kv TL Project	20,978,426	-
Aminbazar Mawa monqia 400 kv TL Project	60,000,000	-
Rahanpur-monkosha 400 kv TL project	1,871,908	-
	838,419,192	78,051,795

14.2.2 Paid during the year

Hasnabad-Aminbazar-Tongi Transmission Line	45,885,999	15,295,333
Kabirpur-Tangail-Sirajgonj Transmission Line	6,411,280	12,822,560
Khulna-Ishwardi-Bogra-Barapukuria Transmission Line	85,635,466	256,906,398
Ashugonj- Jamuna Bridge-Serajgonj (Inter Connector Line)	33,982,000	33,982,000
Shunt Compensation Project	4,185,080	4,185,080
NLDC	24,416,500	24,416,500
Transmission efficiency improvement project (TEI)	10,584,449	-
Bibiyana-Comilla(North) 230kv TLP	61,600,000	-
	272,700,774	347,607,871



Amounts in BDT	
30.06.2020	30.06.2019

14.3 Assigned loan

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

A. Assigned loan from BPDB

Balance as at 01 July	49,794,639	795,147,662
Add: Current portion of the debt	696,880,563	-
Add: Exchange rate fluctuation loss/(gain)	(49,794,639)	(745,353,023)
Addition/adjustment during the year	(696,880,563)	-
Balance as at 30 June (A)	-	49,794,639

B. Assigned loan from DPDC(DESA)

Balance as at 01 July	3,599,172,321	3,599,172,321
Addition/adjustment during the year	-	-
Balance as at 30 June (B)	3,599,172,321	3,599,172,321
Balance as at 30 June grand total (A+B)	3,599,172,321	3,648,966,960

Above loans have been taken over from BPDB and DPDC(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.
 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 DPDC(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 DPDC(DESA). So, the repayments are made through BPDB and DPDC(DESA).

14.4 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.

Balance as at 01 July	217,621,575	273,987,868
Received during the year	-	-
Less: Paid during the year (note 14.4.1)	(16,346,272)	(49,038,816)
Exchange rate fluctuation loss/(gain)	(246,931)	(7,327,477)
Balance as at 30 June	201,028,372	217,621,575

14.4.1 Paid during the year

Khulna-Ishurdi-Bogra-Baropukuria 230 kv TL Project	16,346,272	49,038,816
	16,346,272	49,038,816

14.5 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

KFW loan	WZNDP, IBSB, KIBB, TEI & EEGBPS Project	
Balance as at 01 July	4,293,272,303	3,379,242,577
Add: Received during the year	2,777,503,071	1,019,288,749
Less: Paid during the year (note 14.5.1)	(72,786,420)	(50,246,865)
Exchange rate fluctuation loss/(gain)	13,479,321	(55,012,158)
Balance as at 30 June	7,011,468,276	4,293,272,303

14.5.1 Paid during the year

Bogra S/s ABB Germany WZP	33,497,910	50,246,865
Khulna-Ishurdi-Bogra-Baropukuria TLP	39,288,510	-
	72,786,420	50,246,865

Loan details are as follows: Name of the transmission line

KFW loan	Bogra S/S ABB Germany	
Balance as at 01 July	492,750,723	542,997,588
add: Received during the year	-	-
Paid during the year	(33,497,910)	(50,246,865)
Exchange rate fluctuation loss/(gain)	-	-
(A) Balance as at 30 June	459,252,813	492,750,723



		Amounts in BDT	
		30.06.2020	30.06.2019
	<u>Name of the transmission line</u>		
KFW loan	Ishardi-Bagabari-Sirajgonj-Bogra		
	Balance as at 01 July	1,182,579,634	1,232,599,956
	add: Received during the year	-	-
	Paid during the year	-	-
	Exchange rate fluctuation loss/(gain)	(19,835,988)	(50,020,323)
(B) Balance as at 30 June		1,162,743,646	1,182,579,634
	<u>Name of the transmission line</u>		
KFW loan	Energy Efficiency Program		
	Balance as at 01 July	956,210,820	956,210,820
	add: Received during the year	-	-
	Paid during the year	(39,288,510)	-
	Exchange rate fluctuation loss/(gain)	-	-
(C) Balance as at 30 June		916,922,310	956,210,820
	<u>Name of the transmission line</u>		
KFW loan	WZNDP		
	Balance as at 01 July	1,557,837,935	606,732,994
	add: Received during the year	1,522,488,489	955,537,994
	Paid during the year	-	-
	Exchange rate fluctuation loss/(gain)	33,948,318	(4,433,053)
(D) Balance as at 30 June		3,114,274,742	1,557,837,935
	<u>Name of the transmission line</u>		
KFW loan	EGBPS		
	Balance as at 01 July	103,893,191	40,701,217
	add: Received during the year	1,255,014,582	63,750,756
	Paid during the year	-	-
	Exchange rate fluctuation loss/(gain)	(633,008)	(558,782)
(E) Balance as at 30 June		1,358,274,765	103,893,191
Total KFW loan (A+B+C+D+E)		7,011,468,276	4,293,272,303
14.6 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.			
	<u>Name of the transmission line</u>		
Danida loan	Joydebpur-Kabirpur-Tangail		
	Balance as at 01 July	704,810,725	846,286,898
	Received during the year	-	-
	Less: Paid during the year (note 14.6.1)	(62,862,940)	(125,725,880)
	Exchange rate fluctuation loss/(gain)	(5,904,010)	(15,750,292)
Balance as at 30 June		636,043,775	704,810,725
14.6.1 Paid during the year			
	Joydebpur-Kabirpur-Tangail Project	62,862,940	125,725,880
		62,862,940	125,725,880
14.7 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 BDT 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.			
	Balance as at 01 July	398,642,500	467,042,500
	Received during the year (14.7.1)	(330,242,500)	-
	Less: Paid during the year (14.7.2)	(68,400,000)	(68,400,000)
Balance as at 30 June		-	398,642,500
14.7.1 Adjustment during the year			
	Kodda 132kv Grid SS	330,242,500	-
		330,242,500	-
14.7.2 Paid during the year			
	Aminbazar Savar Transmission Line & Savar Substation	68,400,000	68,400,000
		68,400,000	68,400,000
14.8 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 01 July	500,682,623	603,194,084
	Add: Received during the year	-	-
	Less: Paid during the year (14.8.1)	(45,640,600)	(91,281,200)
	Exchange rate fluctuation loss/(gain)	(4,207,500)	(11,230,261)
Balance as at 30 June		450,834,523	500,682,623



14.8.1 Paid during the year

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

Amounts in BDT	
30.06.2020	30.06.2019
45,640,600	91,281,200
45,640,600	91,281,200

14.9 JBIC loan BD 52, 55, 70, 76, 81 & 103

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			
JBIC loan	Transmission Line Facility ,		
Balance as at 01 July	Haripur 360 MW Combined Cycle &	20,280,803,416	13,962,811,964
Add: Received during the year	National Power Transmission Network	7,558,138,386	5,732,826,755
Paid during the year	Development Project	-	-
Exchange rate fluctuation loss/(gain)	Dhaka-Chittagong MPGSP	166,785,427	585,164,697
Balance as at 30 June		28,005,727,229	20,280,803,416

Loan details are as follows:

	Loan no.		
JBIC loan no-P52 : TLF	52	3,158,148,904	3,051,304,852
Add: Received during the year		-	-
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)	52	22,578,366	106,844,052
(A) JBIC loan no-52		3,180,727,270	3,158,148,904
JBIC loan no-P55 : Haripur 360MW	55	1,538,119,210	1,486,082,750
Add: Received during the year		-	-
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)	55	10,996,384	52,036,460
(B) JBIC loan no-55		1,549,115,594	1,538,119,210
JBIC loan no-P70 : NPTND Project	70	11,618,053,099	8,660,461,218
Add: Received during the year		1,379,959,019	2,566,590,886
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)	70	94,768,991	391,000,994
(C) JBIC loan no-70		13,092,781,109	11,618,053,098
JBIC loan no-76	76	532,819,674	455,112,520
Add: Received during the year		68,519,822	77,707,154
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)	76	-	-
(D) JBIC loan no-76		601,339,496	532,819,674
JBIC loan no-81 : Dhaka Chittagonj MPGSP	81	2,624,205,856	309,850,623
Add: Received during the year		3,210,109,250	2,314,355,234
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)	81	-	-
(E) JBIC loan no-81		5,834,315,106	2,624,205,856
JBIC loan no-P103 : Matarbari-Modunaghat 400KV TLP	103	809,456,672	-
Add: Received during the year		2,899,550,295	774,173,481
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)	103	38,441,687	35,283,191
(F) JBIC loan no-103		3,747,448,654	809,456,672
Total JICA loan (A+B+C+D+E+F)		28,005,727,229	20,280,803,416

14.10 IDA loan - (4508, 53810, 6177 & 60100)

Name of the transmission line			
14.10.1 IDA loan - 4508	Siddirganj - Maniknagar		
Balance as at 01 July		2,281,611,488	2,261,360,498
Add: Received during the year		-	-
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)		9,450,461	20,250,990
(A) Balance as at 30 June		2,291,061,949	2,281,611,488
14.10.2 IDA loan - 53810	ECGSTLP		
Balance as at 01 July		6,705,814,438	5,127,222,279
Add: Received during the year		293,576,973	1,526,530,370
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)		27,563,205	52,061,789
(B) Balance as at 30 June		7,026,954,616	6,705,814,438



		Amounts in BDT	
		30.06.2020	30.06.2019
14.10.3 IDA loan - 61770 BD	<u>Name of the transmission line</u> ESPNERP		
Balance as at 01 July		90,327,796	-
Add: Received during the year		99,543,620	92,470,432
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)		(312,019)	(2,142,636)
(C) Balance as at 30 June		189,559,397	90,327,796
14.10.4 IDA loan - 60100	<u>Name of the transmission line</u> BPSREIP		
Balance as at 01 July		26,997,816	-
Add: Received during the year		194,664,716	26,997,661
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)		(1,052,245)	154
(D) Balance as at 30 June		220,610,287	26,997,816
Total IDA loan (A+B+C+D)		9,728,186,248	9,104,751,537
14.11 EDCF loan	<u>Name of the transmission line</u> Bibiyana - Kaliakoir - Fenchugonj		
EDCF loan			
Balance as at 01 July		7,400,483,209	7,081,806,954
Add: Received during the year		-	255,257,088
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)		30,652,889	63,419,167
Balance as at 30 June		7,431,136,098	7,400,483,209
14.12 HSBC loan	<u>Name of the transmission line</u> Barisal - Bhola - Borhanuddin		
HSBC loan			
Balance as at 01 July		216,352,435	191,661,790
Add: Received during the year		-	250,607,803
Less: Paid during the year		(135,150,249)	(278,823,642)
Exchange rate fluctuation loss/(gain)		687,712	52,906,484
Balance as at 30 June		81,889,898	216,352,435
14.13 IDB loan BD-172	<u>Name of the transmission line</u> 400/230/132kv GNDP		
IDB loan BD-172			
Balance as at 01 July		1,784,298,288	1,254,926,242
Add: Received during the year		1,783,513,306	513,915,767
Less: Paid during the year		-	-
Exchange rate fluctuation loss/(gain)		11,120,127	15,456,279
Balance as at 30 June		3,578,931,721	1,784,298,288
14.14 DPBS-3 loan			
This loan was received from Dhaka Palli Bidyut Shamity-3 for the extension of one 132 kv bay in Savar 132/33 Kv substation under Kodda 132/33 kv grid substation project.			
Balance as at 01 July		-	38,476,823
Received during the year		-	-
Less: Paid/Adjustment		-	(38,476,823)
Balance as at 30 June		-	-
14.15 Indian 3rd LOC Loan			
This loan was received from Indian 3rd LOC Loan for Infrastructure development for evacuation facilities of Ruppur Nuclear project.			
Balance as at 01 July		-	-
Received during the year		257,232,193	-
Less: Paid/Adjustment		-	-
Balance as at 30 June		257,232,193	-
14.16 Gazipur PBS-1 loan			
This loan was received from Gazipur PBS-1 for Kodda 132 kv substation project.			
Balance as at 01 July		-	-
Received during the year		304,485,727	-
Less: Paid/Adjustment		-	-
Balance as at 30 June		304,485,727	-



		Amounts in BDT	
		30.06.2020	30.06.2019
14.17	Gazipur PBS-2 loan		
	This loan was received from Gazipur PBS-2 for Rajendrapur 132/33 kv GIS substation project.		
	Balance as at 01 July	-	-
	Received during the year	303,499,755	-
	Less: Paid/Adjustment	-	-
	Balance as at 30 June	303,499,755	-
14.18	Energy Pac Engineering Ltd. Loan for 132 KVAmnura Substation and Associated TL Project		
	Balance as at 01 July	-	-
	Add: Received during the year	522,165,662	-
	Less: Paid during the year	-	-
	Exchange rate fluctuation loss/(gain)	21,681,796	-
	Balance as at 30 June	543,847,458	-
15.	Grant from SIDA & KFW & ADB		
	Grant from KFW (note 15.1)	1,351,371,438	1,310,805,735
	Grant from SIDA (note 15.2)	81,419,201	86,332,428
	Grant from ADB (note 15.3)	588,648,810	-
		2,021,439,449	1,397,138,163
15.1	Grant from KFW		
	Balance as at 01 July	1,310,805,735	956,807,950
	Received During the year	40,565,703	353,997,785
	Balance as at 30 June	1,351,371,438	1,310,805,735
15.2	Grant from SIDA		
	Balance as at 01 July	86,332,428	91,245,655
	Less: Current year amortization	(4,913,227)	(4,913,227)
	Balance as at 30 June	81,419,201	86,332,428
15.3	Grant from ADB		
	Balance as at 01 July	-	-
	Received During the year	588,648,810	-
	Balance as at 30 June	588,648,810	-
16.	Deferred liability- gratuity		
	Balance as at 01 July	3,000,998,610	2,791,709,375
	Add: Provision made during the year	-	322,980,496
	Less: Adjustment the surplus amount by actuarial valuation	(92,818,042)	-
		2,908,180,568	3,114,689,871
	Less: Paid /adjustment during the year	(110,409,020)	(113,691,261)
	Balance as at 30 June	2,797,771,548	3,000,998,610
17.	Deferred tax liabilities		
	Deferred tax liabilities recognized in accordance with the provisions of IAS 12: Income taxes, is arrived as follows:		
	Deffered tax Liability		
	Carring amount of Property, Plant & Equipments excluding	125,148,625,985	131,583,558,923
	Less, Tax base including Unabsorbed Depreciation	(93,580,634,962)	(102,485,249,031)
	Taxable Temporary Difference (A)	31,567,991,023	29,098,309,892
	Deffered tax asset		
	Provision for Gratuity as per Accounts	2,908,180,568	3,114,689,871
	Less, Tax base	(110,409,020)	(113,691,261)
	Deductible Temporary Difference (B)	2,797,771,548	3,000,998,610
	Deffered tax Liability		
	Interest Receivable *	20,553,102	-
	Less, Tax base	-	-
	Taxable Temporary Difference (C)	20,553,102	-
	Net Taxable/(Deductible) Temporary Differences (D) = (A-B+C)	28,790,772,577	26,097,311,282
	Deferred Tax Liability as on 30 June 2020 (D X 25%)	7,197,693,144	6,524,327,821

*For Interest income the company is following cash basis accounting for determining taxable profit. However, previously the company was following accrual basis for the same.



		Amounts in BDT	
		30.06.2020	30.06.2019
18. Term loan - interest bearing (current portion)			
ADB Loan		1,245,828,570	619,227,078
GoB Loan		451,551,102	-
Others (note 18.1)		304,195,982	158,347,722
Current portion: The Company expects to pay during FY: 2020-21		2,001,575,654	777,574,800
18.1 Other loan			
Danida		62,862,940	62,862,940
KFW		73,321,928	33,497,910
NDF		45,640,600	45,640,600
JICA		106,024,242	-
SIDA		16,346,272	16,346,272
		304,195,982	158,347,722
19. Interest payable			
This represents the interest payable for the period. The movement of the above amount is given below:			
Balance as at 01 July		24,920,082,756	20,684,316,175
Add: Interest charged during the year (note 19.1)		5,895,089,242	5,128,827,535
		30,815,171,997	25,813,143,710
Payment/Adjustment made during the year (note 19.2)		(1,534,142,932)	(893,060,954)
Balance as at 30 June		29,281,029,065	24,920,082,756
Current portion: The Company expects to pay during FY: 2020-21		1,001,575,778	331,989,607
long term portion		28,279,453,287	24,588,093,149
Total Interest payable		29,281,029,065	24,920,082,756
19.1 Interest charge during the year			
Patukhali(Paira)-Gopalgonj 400kv TLP		210,698,578	100,553,770
Rahanpur-Monkosha 400 KV TL Cons. Project		99,895	-
BD-Baharampur India 2nd 400kv TLP		13,298,622	7,573,282
NPTND Project		543,575,535	425,575,437
Replacement of Ashugonj Old 132 KV AIS SS by New 132 KV GIS SS		16,721	-
400/230/132kv GNDP		283,094,650	194,393,147
ECGSTLP Project		290,324,197	249,457,550
Western GNDP		105,402,198	48,513,614
Dhaka-Chittagong MPGS Project		80,035,784	19,819,436
Energy Efficiency Grid Based Power Supply Project (EEGBPSP)		19,349,745	11,216,054
Amin Bazar - Mawa - Mongla		109,681,879	23,900,058
Matarbari Madunaghat Project		63,730,202	5,655,977
Patuakhali-Paira 230kv TL Project		33,171,371	15,669,616
BPSREI Project		3,046,489	308,017
Bakerganj-Barguna 132/33kv TLP		8,970,751	3,531,652
DTIMEZRPS Project		18,236,302	4,954,841
PGCB ESPN ER Project		6,480,563	3,524,021
South Western Transmission Expansion Project		13,187,715	-
132KV Amnura SS & Associated TLP		96,937,059	-
132 Kv GNDP in Eastern Region		-	275,122,502
Ashuganj Bhulta 400 KV TLP		-	71,340,539
Grid interconnection between BD-India 2nd phase		-	418,260,215
Total IDC		1,899,338,256	1,879,369,728
Add: Interest charged in finance expenses (note 28)		3,995,750,986	3,249,457,807
Total Interest charge during the year		5,895,089,242	5,128,827,535

In respect of projects that have not yet commenced commercial operation, borrowing costs are adjusted with capital works-in-progress with correspondence increase in interest payable. Borrowing costs are capitalized at the rate implicit in the loan agreement between the lender and the company.



19.2 Interest paid/adjustment made during the year

	Amounts in BDT	
	30.06.2020	30.06.2019
Meghnaghat Associated TL Project	13,233,502	20,795,503
Hasnabad-Aminbazar-Tongi TL Project	56,076,660	21,406,438
East West (Ashugong-Sirajgong-Interconnection) TL Project	6,371,625	8,070,725
Joydebpur-Kabirpur-Tangail Project	31,847,798	91,405,284
Khulna-Ishurdi-Bogra-Baropukuria 230 kv TL Project	159,281,674	372,365,143
Shunt Compensation Project	20,423,444	16,244,480
NLDC TLP	139,611,800	107,562,335
132 Kv GNDP in Eastern Region	20,188,769	19,975,358
Bhola Barisal Borhanuddin Project	11,805,758	29,071,009
Ashuganj-Bhulta Project	71,340,538	70,586,945
Dhaka Palli Biddyt Samity-1 (Aminbazar-Savar project)	10,784,670	14,204,670
NPTNDP	37,504,110	20,230,361
Aminbazar-Mawa-Mongla 400kv TLP	7,500,259	3,198,834
EEGBPSP	8,697,045	5,499,122
WGNDP	10,020,821	389,589
Bakerganj-Barguna 132 Kv TLP	3,531,652	107,441
Patuakhali-Gopalganj 400 Kv TLP	100,553,770	17,415,636
DTIMEZRPS	4,954,841	89,367
HVDC 2nd Block	61,713,500	53,882,963
400/230/132 Kv GNDP	10,637,458	6,667,227
B-B 2nd 400 Kv TLP	7,573,282	7,890
DCMPGSP	2,613,996	2,685,612
Patuakhali-Payra 230 Kv TLP	15,669,616	1,607,898
ECGSTLP	14,490,411	9,591,123
Grid interconnection BD-India project	1,542,658	-
Transmission Efficiency Improvement Project	81,641,565	-
Bibiana-Cumilla(North) 230kv TLP	24,486,000	-
Matarbari Madhunaghat 400kv TLP	8,729	-
Adjustment of BPDB Loan	600,036,982	-
	1,534,142,932	893,060,954

20. Liabilities for expenses

Salaries	1,620,439	593,468
Gas charge	1,034,170	808,546
Audit fee	900,000	900,000
Sundry expenses	1,371,326,765	1,051,590,837
	1,374,881,374	1,053,892,851

21. Liabilities for other finance

Workers' profit participation fund (note 21.1)	239,484,515	210,805,505
Unclaimed dividend (note 21.2)	30,049,961	29,465,682
Dividend Payable (note 21.3)	503,628,000	-
Performance guarantee (note 21.4)	10,076,841	10,076,841
Account current with corporation and other offices (note 21.5)	(32,134,539)	(128,423,171)
Deposit for work RAJUK	2,644,363	2,644,363
Deposit work for Projects	7,699	7,699
Deposit Work of GC-Ctg (CDA)	282,382	41,411,748
Deposit Work of Metrorail (Mirpur-Tongi 132kv D/C O/H)	18,619,218	18,619,218
Deposit Work of Kodda 33KV SS for PBS	282,085,197	597,172,212
Deposit Work of Rup-pur	356,760,587	466,286,729
Deposit Work from DPDC-Aminbazar-Old Airport	19,801,815	19,801,815
Deposit Work-Meghna Industrial Economic Zone	33,558,888	33,558,888
Deposit Work-EGNDP(Norsingdi PBS-2)	4,521,023	2,157,491
Deposit Work-Tower Extention at Gopalgonj Railway,GMD-Faridpur	8,063,952	7,953,620
Deposit Work-DESCO 132/33 KV Underground Cable	47,950,256	56,378,200
Deposit Work-Rajendrapur 132/33 KV Substation and Kodda Line	925,157,177	1,093,930,625
Deposit Work-Tongi Maniknagar GS 132kv New Bay Construction Project	109,372,232	197,844,058
Deposit Work for Mawa and Pachchor Vanga For Padma Setu (Note 21.6)	142,625,329	252,963,168
Deposit Work of Dohazari to Cox Bazar TLP for Dual Gauge Railway	128,780,587	128,827,987
Deposit Work -132KV SUBSTATION-T.K.-PBS Patiya-1	10,184,332	18,006,529
Deposit Work -Rampur and Agrabad Substation for BPDB under NPTND Project	193,184,295	1,827,496
Deposit Work of Dohazari to Cox Bazar TLP for Dual Gauge Railway-Lot 1	707,006,000	707,006,000
Deposit Work of Dohazari to Cox Bazar TLP for Dual Gauge Railway-Lot 2	437,650,500	437,650,500
Deposit Work with Ishwardi-Dhalarchar 230kv Transmission Line extention work	51,248,753	69,230,416
Deposit Work with Faridpur-Madaripur 132kv Transmission Line extention work for Padma Setu	32,291,818	40,646,200
Deposit Work of GMD-Ctg Central elevator express way for CDA	148,920,130	-
Deposit Work For 230KV Hasnabad-Shampur TLP GMD-D(S)	107,170,100	-
Deposit Work For 132KV Sirajganj-Sahjadpur TLP GMD-Bogura	2,938,124	-
Deposit Work For 132KV TLP 100 Feet Khal Khanan and Unnoyan Project	17,485,953	-
Deposit Work For VALUKA-SRIPUR 132KV TLP	17,490,679	-
Deposit Work For Transformer and 33KV GIS Line(Bay) for Bhola PBS	94,314,920	-
Deposit Work For Height Extention of 132KV TL Rajshahi-Naogaon to Rajshahi-Natore Road	18,542,666	-



	Amounts in BDT	
	30.06.2020	30.06.2019
Deposit Work For Re-routing of 132kv Bashundhora-Tongi Ckt-1 TL (GMD-Dhaka North)	107,269,830	-
Deposit Work of GMD-Ctg (Central) Outer Ring Road for CDA	135,323,035	-
Advance rent receipt - UGC	88,000,000	96,000,000
Advance rent receipt - Teletalk	63,716,616	98,706,240
Revenue sharing payable BTRC	33,718,097	53,649,168
Advance receipt of PF contribution -lien	14,256	14,256
Fraction bonus share sales proceeds payable	403,252	403,252
Liabilities for unsettled audit objection	7,197,865	7,111,624
Employees provident fund	887,516	258,753
WPPF Trust A/c	36,548	36,548
Liabilities for unsettled liquidated damage	13,392,904	13,392,904
Contractors earnest/security/retention money (Note-27.2)	5,564,486,882	4,526,645,839
Tax/VAT withheld from contractor/suppliers	85,619,555	221,736,929
Tax withheld from employees	1,624,425	625,152
Revenue stamp	125,951	123,361
Prime Misinter relief fund	(1,736)	(144,244)
Insurance claim payable	5,159,269	2,748,500
Union subscription	584,820	780,650
	10,777,322,838	9,337,938,750

21.1 Workers' profit participation fund

Balance as at 01 July	210,805,505	132,203,663
Provision made during the year	240,430,468	211,751,458
Transfer to WPPF trust A/c	(211,751,458)	(133,149,616)
Balance as at 30 June	239,484,515	210,805,505

21.2 Unclaimed dividend

Year ended 30 June 2006	566,292	566,292
Year ended 30 June 2007	2,878,790	2,878,790
Year ended 30 June 2008	5,321,114	5,321,114
Year ended 30 June 2009	6,856,688	6,856,688
Year ended 30 June 2010	3,981,072	3,981,072
Year ended 30 June 2011	4,907,550	4,907,550
Year ended 30 June 2012	431,613	431,613
Year ended 30 June 2013	1,237,021	1,237,021
Year ended 30 June 2014	661,283	661,924
Year ended 30 June 2015	846,024	846,024
Year ended 30 June 2016	443,593	443,593
Year ended 30 June 2017	548,997	575,400
Year ended 30 June 2018	607,737	758,601
Year ended 30 June 2019	762,187	-
	30,049,961	29,465,682

21.3 Dividend Payable

Year ended 30 June 2019	503,628,000	-
	503,628,000	-

21.4 Performance guarantee

CNEEC	76,841	76,841
BTTB	10,000,000	10,000,000
	10,076,841	10,076,841

21.5 Current account with corporation and other offices

BPDB	114,745,358	114,745,358
Project-1	(2,422,567)	(2,422,567)
IBSB Project-cash defalcation (note 21.5.1)	(637,536,768)	(637,536,768)
WPPF	(144,457,330)	(240,745,962)
	(669,671,307)	(765,959,939)
Provision for cash defalcation of IBSB project	637,536,768	637,536,768
	(32,134,539)	(128,423,171)

21.5.1 IBSB project-cash defalcation

The Ishwardi - Bagabari - Sirajgonj - Bogra 230 Kv Transmission Line Project was completed on June 30, 2010. As a result, a Project Completion Report (PCR) is to be prepared. Total expenditure booked so far in works-in-progress has been transferred to Fixed Assets in 2013-14. Two investigation committees were formed, one by the management and another by the Board of Directors. The management committee submitted the report and ascertained the defalcation amount of BDT 637,536,768. Provision was made for cash defalcation for the said amount in 2010-11.

21.5.2 During earlier years, some of the GMD received inventories items from the other GMD amounting to BDT 17,352,990. While transferring the inventories, the sender GMD recorded the same correctly, but the receiving GMD mistakenly did not record the same even though the receiving GMD used up the inventories received from other GMDs. During the year, the receiving GMD corrected the same. As the amount is not material, the Company did not restate the same.



Amounts in BDT	
30.06.2020	30.06.2019

21.6 During prior years', the Company expended BDT 88,270,271 against the repair and maintenance of the project. As per the agreement, such repair and maintenance should be charged against Deposit for Works instead of charging as 'Repair and maintenance' expense. As the amount is not material, the Company adjusted the same during the year.

21.7 During prior years', the Company expended BDT 529,749 against the repair and maintenance of the project. As per the agreement, such repair and maintenance should be charged against Retention Money instead of charging as 'Repair and maintenance' expense. As the amount is not material, the Company adjusted the same during the year.

22. Provision for taxation

Balance as at 01 July	475,983,155	365,031,982
Add: Addition during the year	961,111,188	110,951,173
	1,437,094,343	475,983,155
Less: Paid/Adjustment during the year	-	-
Balance as at 30 June	1,437,094,343	475,983,155

Amounts in BDT	
2019-20	2018-19

23. Revenue

Transmission/wheeling charge (Note- 23.1)	18,388,507,585	17,469,955,982
Optical fiber charge	352,114,681	312,825,731
	18,740,622,266	17,782,781,714

23.1 During prior years' the Company erroneously recorded excess 'Transmission/wheeling charge' amounting to BDT 4,110,084 (net). During the year, the Company adjusted the same with current year's 'Transmission/wheeling charge' with a consequential reduction in Account Receivable. As the amount is not material, the Company adjusted the same during the year.

24. Transmission expenses

Salary and other benefits to employees	2,377,922,211	2,285,107,634
Travelling and conveyance	61,650,396	60,565,191
Functions, games and entertainment	690,337	1,771,887
Rent, rates and taxes	10,116,397	26,443,605
Postage, telephone and fax	5,782,813	6,150,994
Recruitment and training	53,492,801	24,142,419
CPF contribution	95,442,264	89,792,080
Gratuity	(77,038,975)	268,073,812
Electricity and power	268,429,126	233,885,901
Office expenses	7,618,141	8,168,102
Fuel and lubricant	23,539,136	25,351,235
Security expenses	258,967,507	237,013,932
Insurance	1,260,209	1,547,896
Bank charges and commission	2,399,827	2,440,274
Consultancy	2,513,032	5,130,878
Repair and maintenance (note 24.1)	676,283,406	613,420,799
C & F, carrying and handling	1,404,402	1,558,721
Miscellaneous expenses	-	648
Depreciation (note 4)	6,297,680,017	6,151,177,808
	10,068,153,047	10,041,743,816

24.1 During prior years', the Company erroneously recorded BDT 86,020,579 excess 'Repair and maintenance' expense in some GMD and BDT 34,268,564 lower 'Repair and maintenance' expenses in some GMD. As the amount was not material, the Company adjusted the same during the year.



25. Administrative expenses

	Amounts in BDT	
	2019-20	2018-19
Salary and other benefits to employees	293,900,498	282,429,033
Travelling and conveyance	2,435,255	2,392,388
Functions, games and entertainment	7,272,025	18,665,102
Rent, rates and taxes	12,429,618	32,490,214
Postage, telephone and fax	2,764,058	2,940,040
Recruitment and training	59,361,210	26,790,954
CPF contribution	8,175,437	7,691,451
Gratuity	(15,779,067)	54,906,684
Electricity and power	4,531,140	3,948,043
Office expenses	13,829,327	14,827,682
Fuel and lubricant	7,380,523	7,948,693
Security expenses	3,517,296	3,219,123
Insurance	4,566,002	5,608,348
Bank charges and commission	46,480	47,263
Consultancy	11,541,957	23,565,307
Repair and maintenance (Note 25.2)	21,851,627	19,820,451
C & F, carrying and handling	58,364	64,778
Miscellaneous expenses	-	147
Depreciation (note 4)	24,022,469	23,463,637
Advertisement and publicity	22,120,074	18,738,008
Auditors' Remuneration	1,653,255	1,195,000
Legal expenses	6,668,552	777,150
Fees and renewals	5,052,867	120,287,668
Directors' honorarium and support service allowance	6,918,550	4,507,640
Other honorarium	7,677,560	6,556,817
AGM expenses	1,913,476	1,907,510
Donation & subscription	21,973,576	5,525,000
Research & development	33,868,042	63,565,780
	569,750,170	753,879,913

25.1 Salary and other benefits to managing director and 5 (five) full time directors

Basic pay	8,229,414	8,563,447
Accommodation allowance	4,128,208	4,281,724
Bonus	1,591,560	1,523,490
Contribution to CPF	418,772	91,677
	14,367,954	14,460,338

25.2 During prior years', the Company erroneously recorded BDT 2,779,441 excess 'Repair and maintenance' expense in some GMD and BDT 1,107,263 lower 'Repair and maintenance' expenses in some GMD. As the amount was not material, the Company adjusted the same during the year.

26. Finance income

Interest income	518,031,921	332,112,266
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27. Other income

Rental income	22,772,491	9,983,110
Miscellaneous sales(note-27.1)	194,512,506	286,331,261
Grant income	46,294,988	4,913,227
Miscellaneous incomen(note-27.2)	160,459,840	75,740,580
	424,039,825	376,968,178

27.1 Miscellaneous sales include the sale of scraps, tender schedules, trees, newspapers, and other disposables.

27.2 During the year, the Company identified Inventories amounting to BDT 9,480,692 was received from BPDB but not recognized in earlier years. During the year, the Company recognized the same as inventories against 'Miscellaneous income' as the Company already settled the liabilities with BPDB. On the other hand, the Company also adjusts BDT 70,543 with the 'Contractors earnest/security/retention money' as a penalty. As the amount was not material, the Company adjusted the same during the year.



28. Finance expenses

	Amounts in BDT	
	2019-20	2018-19
Rampura sub-station (ADB Loan No. 1505)	2,284,288	2,284,288
Hasnabad-Aminbazar-Tongi Line Project (ADB Loan: 1731)	1,454,138	1,454,138
Sub-station Extension Mirpur (ADB Loan No. 1505)	1,591,316	1,591,316
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
Substation –Aminbazar – Savar (ADB Loan : 1731)	6,014,851	9,377,338
Substation Extension –Tonqi –Hasnabad-& Kallyanpur (ADB Loan : 1731)	28,723,711	28,723,711
Khulna-Ishwardi-Boqra-Boropukuria 230 Kv TL (ADB Loan: 1885) TATA Power	57,942,714	62,443,128
Ashuqanj-Sirajqanj 230 Kv TL (LG & Sejona) (ADB Loan: 1885)	73,279,062	73,279,062
Rampura Gulshan Underground Cable Line -ADB Loan 1731	7,539,010	7,539,010
NLDC Project ADB Loan 2039	94,767,357	102,344,277
Switchyard at Sirajqanj & Ext. of 230 Kv Substation (ABB India) (ADB Loan : 1885)	10,242,771	10,242,771
Upgradation of 230/132KV Rampura -Haripur-Aminbazar S/S(ADB Loan 1731)	37,523,776	37,523,776
Gulshan 132 KV GIS S/S Line -ADB Loan 1731	20,115,698	20,115,698
Ishurdi Baqhabari Sirajqanj Boqra Project (ADB-1885)	42,857,555	42,857,555
Meghnaqhat Aminbazar 400 KV Transmission Line(ADB 2332)	152,371,136	152,371,136
ADB Loan no.1885/8-BAN Gallamari TLF(SiemensGIS SS)	26,278,409	-
Shunt Compensation Project ADB Loan 1885	10,784,158	12,110,160
Aminbazar Bazar-Old Airport 230 kv Transmission Line Project	253,153,720	253,153,720
Three Transmission Line Project (CCC)	51,726,050	51,726,050
Three Transmission Line Project (HGPT)	37,681,745	37,681,745
BD-India Grid Interconnection (GOB & ADB 2661)	358,945,683	442,274,922
ADB Loan No.2966 (132KV GNDCP in Eastern Region)	256,112,927	-
ADB Loan no.3298(HVDC 2nd Block)	111,010,837	-
ADB Loan no.3299(HVDC 2nd Block)	278,350,251	-
Siddirqanj-Maniknaqar (IDA 4508)	84,892,552	84,892,552
On loan, 1st phase assets transferred from DESA	143,966,893	143,966,893
Boropukuria Substation (ABB Power) SIDA Loan	9,630,343	11,324,271
Boqra 230/132 Kv Substation (ABB GmBh) (Loan : Kfw)	57,971,389	62,654,250
Ishurdi Baqhabari Sirajqanj Boqra Project (KFW)	157,989,913	157,989,913
Transmission Efficiency Improvement(GOB & KFW)	94,490,342	103,559,419
Joydebpur-Kabirpur-Tanqail (Danida Loan)	30,525,454	34,940,600
Khulna South 230/132 Kv Substation (NDF Loan)	24,378,752	27,904,850
JBIC Loan BD-52 KEC (TLF)	27,760,015	-
JBIC Loan BD-52 Hysong (TLF)	27,128,943	-
JBIC Loan BD-52 CCC (TLF)	38,947,890	-
JBIC Loan BD-52 ABB (TLF)	39,993,502	-
Bibiana-Kalikoir & Fenchuqanj-Bibiyana (GOB & EDFC)	275,293,815	355,719,446
Haripur 360MW Combined Cycle (GOB & JICA BD P 55)	72,795,704	81,161,929
JBIC Loan BD-52 CCC-Comilla North (TLF)	5,824,366	-
Meghnaqhat-Comilla Line, NLDC (Govt. Loan)	4,313,500	4,313,500
NLDC Project GoB Loan	17,661,935	18,666,916
Kabirpur Tanqail Sirajqanj Project (Local Loan: GoB)	1,189,853	1,640,146
Hasnabad-Aminbazar-Tonqi Line Project (Govt. Loan)	2,791,608	4,045,930
Ishurdi Baqhabari Sirajqanj Boqra Project (GOB)	30,640,241	30,640,241
Khulna-Ishwardi-Boqra-Boropukuria TL (Local : GoB)	18,033,753	26,101,221
Ashuqanj-Banqa Bandu Bridge -Sirajqanj (Inter Connector) (Local : GoB)	8,005,732	9,577,803
Transmission Line Facilities (GOB, JICA 52 & ADB 1885)	47,489,134	213,422,259
Meghnaqhat Aminbazar 400 KV Transmission Line (GoB)	35,194,357	35,194,357
Siddirqanj-Maniknaqar(GoB)	6,246,165	6,246,165
Three Transmission Line Project (GoB)	26,262,373	26,262,373
Aminbazar Bazar-Old Airport 230 kv Transmission Line Project(GoB)	46,220,943	46,220,943
Shunt Compensation Project GoB Loan	2,844,597	3,016,854
Horipur Combined Cycle Plant (GOB Loan)	8,366,225	-
Transmission Efficiency Improvement Project (TEI)	4,671,473	-
BD-India Grid Interconnection Project	83,329,239	-
Bibiana Comilla (North) (GoB)	27,187,311	46,200,000
Bibiyana-K.Koir 400 & F.Goni-BBiana 230kv TLP	90,607,941	-
132 KV Grid Network Dev Project In Eastern Region	20,188,769	-
Ashuqanj-Bhulta 400kv TLP	71,652,359	-
TCGI (GOB)	18,743,400	18,743,400
HVDC-2nd Phase	64,576,391	-
Feasibility Study to Connect Nuclear Power Plant with National Grid(GOB)	1,064,235	1,064,235
DPBS-1 Loan - Aminbazar-Savar T/L & Sevar S/S	2,382,787	-
Bhola-Barishal-Borhanuddin project (HSBC)	8,524,634	33,442,588
Exchange Rate Fluctuation Loss (note 28.1)	294,188,179	263,421,486
Total interest expenses	3,995,750,986	3,249,457,807

28.1 Exchange rate fluctuation loss/(gain) represents gain due to exchange rate fluctuation in respect of ADB, JICA, KFW, SIDA, NDF, DANIDA, IDA & EDFC loan utilized by the company as well as the loss/(gain) for assigned loan transferred from BPDB & DESA.



29. Income tax expense/(income)

Current tax (Note 29.1)
Deferred tax (income)/expenses related to the origination and reversal of temporary differences (Note 29.2)

Amounts in BDT	
2019-20	2018-19
961,111,188	110,951,173
673,365,324	284,086,279
1,634,476,512	395,037,452

29.1 Calculation of current tax

Calculation of Current Tax Payable

Total taxable income during the year

AIT on wheeling charge u/s-82C (2)b

Minimum tax on gross receipt

Minimum tax { U/S-82C(5) }

Tax on income from business (U/S - 30B) for 2019-2020

Tax on income from business (U/S - 30B) for 2018-2019

Current Tax

Income (Tk.) (i)	Rate (ii)	Tax (iii) = (i X ii)
-	25%	-
18,388,507,585	5%	918,864,962
19,657,206,510	0.60%	117,943,239
	Higher of the above	918,864,962
		22,232,735
		20,013,491
		961,111,188

Understatement of prior year income tax expenses BDT 20,013,491 adjusted with current year expenses for section 30B of ITO-1984 which was introduced in the income year 2018-2019 (assessment year 2019-2020).

As per the Paragraph 81(c) of IAS 12, The company is required to disclose numerical reconciliation between tax expense (income) and accounting profit. However, as the company providing minimum tax following sec 82 (c) of ITO-1984, the company did not disclose the reconciliation.

For Interest income the company is following cash basis accounting for determining taxable profit. However, previously the company was following accrual basis for the same.

29.2 Calculation of Deferred Tax Expense/(Income)

Closing balance of dererred tax liability

Opening balance of dererred tax liability

Deferred Tax Expenses/(Income) related to the origination and reversal of temporary differences

7,197,693,144	6,524,327,821
(6,524,327,821)	(6,240,241,541)
673,365,324	284,086,279

30. Earnings per share (Basic)

Net profit after tax

Weighted-average number of ordinary shares outstanding during the period (Note 30.1)

Earnings per share (EPS) - Basic (last year's EPS restated) (Note 30.2)

Diluted EPS (Note-30.3)

3,174,132,829	3,839,991,712
712,726,991	712,726,991
4.45	5.39
4.45	5.39

EPS of previous year has been restated due to increase in the number of shares by virtue of issue of new share from share money deposit and consideration of Weighted average number of shares outstanding as per the requirement of Paragraph 64 of IAS 33. The EPS of previous year before restatement was BDT 8.33.

30.1 Number of ordinary shares beginning of the year
Number of ordinary shares issued during the year (Note-30.2)

460,912,991	460,912,991
251,814,000	251,814,000
712,726,991	712,726,991

30.2 * 251,814,000 shares were allotted to BPDB on 30 November 2020 as per 5th & 6th vendor agreements. The shares were subsequently credited to CDBL on 12 December 2019. And following para-21(f) of IAS-33, such shares have also been included in the prior year. As a result, EPS of 2018-19 reduced to BDT 5.39 from BDT 8.33.

30.3 There was no issue during the year that may dilute the EPS other than the 'Deposit for Shares'. 'Deposit for Shares' comes under the purview of diluted EPS due to the gazette # ১৪৬/এফআরসি/প্রশাঃ/প্রজ্ঞাপন/ ২০২০/০১ of Financial Reporting Council dated 02 March 2020. The Company has already written to FRC for the exemption of the circular mentioned above. However, FRC advised the Company to discuss the matter with the relevant ministry officers and take necessary action.



31. Reconciliation of cash flow from operating activities using indirect method with cash flow from operating activities using direct method:

Particular	2019-20 BDT
Cash flows from operating activities	
Net Profit After Tax (as reported)	3,174,132,829
Finance income (Non Operating Income)	(518,031,921)
Depreciation	6,321,702,484
Amortization of Grant	(4,913,227)
Operating profit before working capital changes	8,972,890,166
Changes in working capital:	
Adjustments for (increase)/decrease in operating assets:	
Accounts receivable	(683,863,694)
Advances, deposits and prepayments	(196,955,651)
Inventory	(932,540,951)
Adjustments for increase/(decrease) in liabilities:	
Liability for expenses	320,988,523
Liability for other finance	1,439,384,088
Interest payable	669,586,171
Deferred liability-gratuity	(203,227,062)
Provision for Tax	961,111,188
Deferred tax liability	673,365,323
Adjustments for increase/decrease in liabilities and assets which are not related to net cash flows for operating activities	
Adjusted to inventory that was erroneously recorded into plant & Increase/ (decrease) in Interest receivable (Note 8.2)	236,877,287
(Increase)/ decrease in Unclaimed Dividend (Note 21.2)	20,513,520
(Increase)/ decrease in Dividend Payable (Note 21.3)	(584,280)
	(503,628,000)
Adjustments for the long term portion of interest:	
Interest expense included long term portion (During construction period) Note 31.2	1,792,021,882
	1,545,200,409
Net cash flow from operating activities	12,565,938,511
Net operating cash flow per share Current Year	17.63
Net operating cash flow per share Last Year	9.98

31.1 The reason for deviation of net operating cash flow per share (NOCFPS) from Tk. 9.98 to Tk. 17.63, net increase by Tk. 7.65, due to increase in collection from customers Tk. 2,606,435,630; total collection from customers increase from Tk. 15,470,836,462 to Tk. 18,077,272,092 (Note 31.1.1), and decrease in payment to suppliers, contractors and employees Tk. 3,453,437,035; payment to suppliers, contractors and employees decrease from Tk. 7,849,754,280 to Tk. 4,396,317,245 (Note 31.1.2).

NOCFPS of previous year has been restated due to increase in the number of shares by virtue of issue of new share from share money deposit and consideration of Weighted average number of shares outstanding as per the requirement of IAS 33. The NOCFPS of previous year before restatement was BDT 14.60.

31.1.1 Cash receipts from customers:	2019-20 BDT
Opening balance of Accounts Receivable	5,542,246,347
Sales revenue (as reported)	18,740,622,266
Adjustments:	
Decreased for prior year's understated wheeling bill (Note 13.3)	-
Increased for prior year's overstated wheeling bill (Note 13.4)	-
	24,282,868,613
Closing balance of Accounts Receivable	(6,205,596,521)
Cash received from customer during the year	18,077,272,092



	2019-20	
		BDT
31.1.2 Cash paid to suppliers, contractors and employees:		
Opening balance of Current Liabilities/(Current Assets):		
Liability for expenses	1,053,892,851	
Liability for other finance	9,337,938,750	
Deferred liability-gratuity	<u>3,000,998,610</u>	13,392,830,211
Advances, deposits and prepayments	(14,188,602,127)	
Inventory	<u>(1,137,052,392)</u>	
Expenses incurred during the year:		(15,325,654,519)
Transmission Expenses	10,068,153,047	
Administrative expenses	569,750,170	
Contribution to WPPF	<u>240,430,468</u>	
		10,878,333,685
Closing balance of (Current Liabilities)/Current Assets:		
Liability for expenses	(1,374,881,374)	
Liability for other finance	(10,777,322,838)	
Deferred liability-gratuity	<u>(2,797,771,548)</u>	(14,949,975,760)
Advances, deposits and prepayments	14,385,557,778	
Inventory	<u>2,069,593,343</u>	
		16,455,151,121
Other Adjustment to reconcile cash payment for operating expenses:		
Depreciation expenses	(6,321,702,486)	
Adjusted to inventory that was erroneously recorded into plant & machineries in previous years.	(236,877,287)	
Liabilities increased for unpaid dividend during the year	<u>504,212,280</u>	
		(6,054,367,493)
Cash paid to suppliers, contractors and employees during the year		<u>4,396,317,245</u>

31.1.3 In prior years cash receipts from other income was shown along with cash receipts from sale of transmission line and scraps under cash flows from investing activities. In current year, cash receipt from other income has been shown under cash flows from operating activities. So, the balance of 2018-19 has been rearranged accordingly. Besides, in 2018-19, the amortization of Grant from SIDA has been netted off with 'Grant from SIDA' under the head of 'Cash flows from financing activities' and also included in cash receipt from other income which was shown along with cash receipts from sale of transmission line and scraps under cash flows from investing activities. As the amortization is non-cash in nature, it has been deducted from cash receipt from other income and also, total receipt from 'Grant from SIDA' has been shown under 'Cash flows from financing activities'. As a result, net operating cash flows per share (NOCFPS) of 2018-19 has been increased to BDT 15.43 from BDT 14.60. However, Due to the adjustment of the number of shares as mentioned in Note-31.1, NOCFPS was reduced to BDT 9.98 from BDT 14.60.

	2019-20
	BDT
31.2 Opening Balance of long-term portion of interest payable (Note 19)	(24,588,093,149)
Add: Charged during the year (IDC) (Note 19.1)	(1,899,338,256)
Less: Closing balance of long-term portion of interest payable (Note 19)	<u>28,279,453,287</u>
	<u>1,792,021,882</u>



32. Related party transactions

The Company in the normal course of business has entered into transactions with other entities that fall within the definition of the related party contained in IAS 24: Related Party Disclosures. 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	Opening Balance	Transactions during the year		Receivable/ (payable) as at 30 June 2020
				Dr.	Cr.	
Banqladesh Power Development Board	Majority shareholder	Transmission charge	BDT 1,910,533,381	BDT 3,499,128,843	BDT 2,758,773,666	BDT 2,650,888,558

Transactions with related party are priced on arm's length basis which are made in the ordinary course of business.

Related party key management personnel compensation

	2019-20
Basic pay	8,229,414
Accommodation allowance	4,128,208
Bonus	1,591,560
Contribution to CPF	418,772
	14,367,954

Salary and other benefits to managing director and 5 (five) full time directors

Statement of Salary & Other Benefits to Managing Director & Full Time Directors for FY 2019-2020

SI No	Designation of Employees	Name of Employees	Basic Pay	Accommodation Allowance	Bonus	CPF Contribution	Total
1	MD (Up to 30 September 2019)	Masum-Al-Beruni	638,790	319,395	212,930	-	1,171,115
2	MD	Golam Kibria	1,450,806	725,403	175,000	145,081	2,496,290
3	ED (O & M) (Up to 22 December 2019)	Pranab Kumar Roy	825,558	426,280	290,000	82,556	1,624,394
4	ED (O & M)	Md. Masoom Alam Bokshi	145,000	72,500	-	14,048	231,548
5	ED (HRM) (Up to 10 December 2019)	Mohammad Shafayet Hossain	372,000	186,000	74,400	-	632,400
6	ED (HRM)	Shiekh Reaz Ahmed	618,930	309,465	68,770	-	997,165
7	ED (Finance) (Up to 09 September 2019)	Khandker Md. Abdul Hye	137,540	68,770	68,770	-	275,080
8	ED (Finance)	Md. Nizam Uddin	275,080	137,540	68,770	-	481,390
9	ED (P & D)	Md. Yeakub Elahi Chowdhury	1,770,871	885,435	295,800	177,087	3,129,193
10	Director (OPGW)	Md. Ashraf Hossain	1,994,839	997,420	337,120	-	3,329,379
	Total		8,229,414	4,128,208	1,591,560	418,772	14,367,954

33 Number of employees

The number of employees as at 30 June 2020 is 2748 and which was 2,635 as at 30 June 2019. All the employees are paid over BDT 36,000 per annum.

34 Approval of the Financial Statements

The financial statements were approved by the Board of Directors on 04 November 2020.

35 Event after the reporting period

The Board of Directors in its meeting held on 07 November 2020 recommended cash dividend @ 20% per share amounting BDT 1,425,453,982 for the year 2019-20. The dividend is subject to approval by the Shareholders at the forthcoming Annual General Meeting (AGM) of the Company dated 16 January 2021. Dividend payable for the year 2019-2020 will be recognized after the dividend being approved by the shareholders in the AGM.



36. Financial risk management

International Financial Reporting Standard (IFRS) 7: Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized 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 analyze 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 Company's activities. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

36.1 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, aging 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:

	Notes	Amounts in BDT	
		30.06.2020	30.06.2019
Accounts and other receivables			
Receivable from transmission and optical fibre charge	8.1	6,205,596,521	5,542,246,347
Interest receivable	8.2	20,553,102	39,582
Advance, deposit and prepayments		14,385,557,778	14,188,602,127
FDR	6	910,000,000	10,000,000
Cash and bank balances	10	14,361,932,660	11,938,407,665
		35,883,640,062	31,679,295,722

b) Ageing of receivables

Dues within 6 months	8.3	3,509,141,118	3,881,955,783
Dues over 6 months	8.3	2,696,455,403	1,660,290,564
		6,205,596,521	5,542,246,347

c) Credit exposure by credit rating

As on 30 June 2020			
Credit rating	Amount (BDT)	(%)	
Accounts and other receivables	NR	6,226,149,623	17.35%
Advance, deposit and prepayments	NR	14,385,557,778	40.09%
Cash and bank balances			
Cash in hand		905,321	0.01%
Cash at bank		14,361,027,339	94.04%
AB Bank Ltd.	A+	1,476,984,043	9.67%
Agrani Bank Ltd.	A(AAA)	-	0.00%
Al-Arafah Islami Bank Ltd.	AA	-	0.00%
All GMD- Banks	N/A	2,724,251,431	17.84%
Custom Deposit Ctg.	N/A	1,215,190,149	7.96%
Custom Deposit Benapole	N/A	518,071,372	3.39%
Custom Deposit Dhaka.	N/A	165,181,000	1.08%
Custom Deposit Khulna	N/A	486,980,575	3.19%
Hong Kong Shanghai Banking Corp.	AAA	1,415,966,890	9.27%
Janata Bank Ltd.	A(AAA)	249,579	0.00%
Mercantile Bank Ltd.	AA	2,282,032,151	14.94%
Sonali Bank Ltd.	A(AAA)	4,067,487,654	26.63%
Standard Chartered	AAA	2,120,656	0.01%
Rupali Bank Ltd.	A-(AAA)	6,511,838	0.04%



FDR

BRAC Bank Ltd.-Banasree Br.
 BRAC Bank Ltd. Head Office Branch
 Mercantile Bank Limited EIB Branch
 IFIC Bank, Fedaration Br. Motijheel
 First Security Islami Bank Ltd.-Motijheel Br.
 IFIC Bank Ltd.-Principal Br.
 South Bangla Agriculture and Commerce Bank LTD Principal Br.
 South Bangla Agriculture and Commerce Bank LTD Pragati Sarani Br.

NCC Bank LTD Bijoy Nagar Br
 Brac Bank LTD Motijheel Br
 Brac Bank LTD Elephant Road Br
 Eastern Bank LTD Jashimuddin Road Br
 United Commercial Bank LTD Dhanmondi Br
 Markentile Bank LTD Aftabnagar Br
 Southaast Bank LTD Gulshan North Avenue Br
 Southaast Bank LTD Gulshan Br
 Premier Bank LTD Gulshan Circle-2 Br
 Premier Bank LTD Dhanmondi Br
 First Security Islami Bank LTD Khilgaon Br

As on 30 June 2020		
Credit rating	Amount (BDT)	(%)
	910,000,000	5.96%
AA1	-	0.00%
N/A	50,000,000	0.33%
AA	50,000,000	0.33%
AA2	50,000,000	0.33%
A+	40,000,000	0.26%
AA2	50,000,000	0.33%
A3	50,000,000	0.33%
A3	100,000,000	0.65%
AA	50,000,000	0.33%
AA1	50,000,000	0.33%
AA1	50,000,000	0.33%
AA+	50,000,000	0.33%
AA	50,000,000	0.33%
AA	50,000,000	0.33%
AA	40,000,000	0.26%
AA	40,000,000	0.26%
AA+	50,000,000	0.33%
AA+	50,000,000	0.33%
A+	40,000,000	0.26%



36.2 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 approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through the preparation of the cash flow forecast, based on the timeline of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates.

In extremely stressed conditions, the Company may get support from the Government of Bangladesh and its sponsor shareholder BPDB in the form of loan and equity.

The following are the contractual maturities of financial liabilities:

Category of liabilities	Carrying amount	Maturity period	Nominal interest	Contractual cash flows	Within 6 months or less	Within 6-12 months
	BDT			BDT	BDT	BDT
Current portion of long term loan	2,001,575,654	June 2020	4%~12%	2,001,575,654	-	2,001,575,654
Interest Payable	1,001,575,778	June 2020	4%~12%	1,001,575,778	-	1,001,575,778
Contribution to WPPF	240,430,468	June 2020	N/A	240,430,468	-	240,430,468
Liabilities for expenses	1,374,881,374	June 2020	N/A	1,374,881,374	-	1,374,881,374

36.3 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) Restated

Asian Development Bank
Economic Development Co-operation Fund
International Development Association
Islamic Development Bank

30.06.2020	30.06.2019
(USD)	(USD)
646,481,644	581,258,887
81,111,908	81,447,874
110,041,805	103,541,560
41,683,472	20,749,459
879,318,829	786,997,781

Kreditanstalt für Wiederaufbau, Germany
Danish International Development Agency
Nordic Development Fund

30.06.2020	30.06.2019
(EURO)	(EURO)
74,993,348	46,311,231
5,930,137	6,542,090
4,305,478	4,749,776
85,228,962	57,603,097

Swedish International Development Co-operation Agency

30.06.2020	30.06.2019
(SEK)	(SEK)
17,970,241	19,759,228

Japan International Co-operation Agency

30.06.2020	30.06.2019
(JPY)	(JPY)
35,016,509,681	25,726,136,027

Net exposure

The following significant exchange rates are applied during the year:

Exchange rate of USD	84.85	84.5
Exchange rate of SEK	9.10	9.10
Exchange rate of EURO	95.41	96.09
Exchange rate of JPY	0.79	0.78



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 to the reporting date.

i) Profile

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

	30.06.2020
Fixed rate instrument	BDT
Financial asset	910,000,000
Finnancial liability	187,433,268,357
Variable rate instrument	
Financial asset	Nil
Financial liability	Nil

(ii) Cash flow sensitivity analysis for variable rate instruments:

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

37 Contingencies

The Company is currently involved in a number of legal proceeding which may have a significant effect on the financial position or profitability of the Company but for which any provision has not been recognized in these financial statements.

