

নিরীক্ষা প্রতিবেদন
AUDITORS' REPORT

OF

North West Zone
Power Distribution Company Limited
For the year ended June 30, 2012

রহমান মোস্তফা আলম এন্ড কোং
RAHMAN MOSTAFA ALAM & CO.
CHARTERED ACCOUNTANTS

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Accounting Report

The statement of work done by Rahman Mostafa Alam & Co. Chartered Accountants

We have examined the accounts of Rahman Mostafa Alam & Co. Chartered Accountants for the year ended June 30, 2012, and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.

Management's responsibility for the financial statements

Management is responsible for the preparation and presentation of the financial statements in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989, and for the truth and fairness of the financial statements.

Accounting responsibility

We have examined the accounts of Rahman Mostafa Alam & Co. Chartered Accountants for the year ended June 30, 2012, and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.

North-West Zone
Power Distribution Company Limited
For the year ended June 30, 2012

We have examined the accounts of North-West Zone Power Distribution Company Limited for the year ended June 30, 2012, and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.

We have examined the accounts of North-West Zone Power Distribution Company Limited for the year ended June 30, 2012, and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.

Opinion

In our opinion, the financial statements prepared by North-West Zone Power Distribution Company Limited for the year ended June 30, 2012, are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.

Statement of work

We have examined the accounts of North-West Zone Power Distribution Company Limited for the year ended June 30, 2012, and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.

Our report to you

- We have examined all the accounts and statements which are the basis of the financial statements and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.
- We have examined the financial statements prepared by North-West Zone Power Distribution Company Limited for the year ended June 30, 2012, and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.
- We have examined the financial statements prepared by North-West Zone Power Distribution Company Limited for the year ended June 30, 2012, and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.
- We have examined the financial statements prepared by North-West Zone Power Distribution Company Limited for the year ended June 30, 2012, and we have found that the accounts are in accordance with the provisions of the Companies Act, 1994 and the Companies (Accounts) Regulations, 1989.

Rahman Mostafa Alam & Co.
Chartered Accountants

Rahman Mostafa Alam & Co.
Chartered Accountants

**Auditors' Report
To**

The Shareholders of North-West Zone Power Distribution Company Limited

We have audited the accompanying financial statements of North-West Zone Power Distribution Company Limited. ("the company") which comprise the statement of financial position as at June 30, 2012 and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in note 1 to 7 and annexure -A.

Management's responsibility for the financial statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the Company Act, 1994 and other applicable laws and regulation 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.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statement, prepared in accordance with significant accounting policies in the notes to the financial statements give a true and fair view of the company's affairs as at June 30, 2012 and its cash flows for the year then ended comply with the Companies Act, 1994 and other applicable laws and regulations.

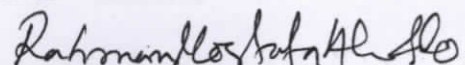
Emphasis of Matter

We draw attention to Note 3 to the financial statements which describes that the company has not started its commercial operation till June 30, 2012 as such all the revenue expenses have been shown in unallocated revenue expenditure. Our opinion is not qualified in respect of this matter.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of cash flows dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was to the purposes of the company's business.

Dated: Dhaka
October 09, 2012


Rahman Mostafa Alam & Co.
Chartered Accountants

North-West Zone Power Distribution Company Limited
Statement of Financial Position
As at June 30, 2012

Particulars	Notes	Amount in Taka	
		30.06.12	30.06.11
Assets			
Non Current Assets:			
Property Plant & Equipments (Annexure-A)			
At cost		11,982,816	11,982,816
Less: Accumulated Depreciation		6,220,908	4,886,415
		5,761,908	7,096,401
Un-Allocated Revenue Expenditure	03	38,379,554	32,454,623
		<u>44,141,462</u>	<u>39,551,024</u>
Current Assets:			
Advance, Deposit & Prepayment	04	245,466	179,364
Cash and Bank Balance	05	1,257,778	5,868,045
		<u>1,503,244</u>	<u>6,047,409</u>
Total Assets		<u>45,644,706</u>	<u>45,598,433</u>
Liabilities & Sherholders Equity:			
Authorised capital:			
25,000,000 no Ordinary Shares @ Tk 100 each		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Subscribed & Paid up Capital:			
9999 no Ordinary Shares @ Tk.100		999,900	999,900
		<u>999,900</u>	<u>999,900</u>
Non Current Liabilities:			
Loan from BPDB	06	43,271,606	43,271,606
		<u>43,271,606</u>	<u>43,271,606</u>
Current Liabilities:			
Accrual & Payable	07	1,373,200	1,326,927
		<u>1,373,200</u>	<u>1,326,927</u>
Total Liabilities & Sherholders Equity		<u>45,644,706</u>	<u>45,598,433</u>

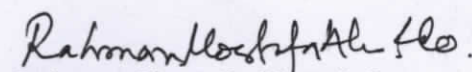
The annexed notes from 1 to 7 & annexure - "A" form an integral part of these financial statements


Director


Director

Dated, Dhaka
October 09, 2012




Rahman Mostafa Alam & Co.
Chartered Accountants

North-West Zone Power Distribution Company Limited
Statement of Cash Flows
For the year ended June 30, 2012

Particulars	Amount in Taka	
	30.06.12	30.06.11
A. Cash Flow from Operating Activities		
Interest on Bank	141,273	301,360
Telephone Security	-	4,970
Received from Temporary Advance	98,025	50,000
Net cash generated from operating activities	239,298	356,330
B. Cash Flow from Investing Activities		
Un-Allocated Revenue Expenditure	(4,849,565)	(5,851,998)
Net cash used in investing activities	(4,849,565)	(5,851,998)
C. Cash Flow from Financing Activities		
Long term borrowing (BPDB)	-	8,933,306
Net cash generated in financing activities	-	8,933,306
D. Net increase in cash and cash equivalents (A+B+C)	(4,610,267)	3,437,638
Add: Cash and Cash Equivalents at the beginning of the year	5,868,045	2,430,407
Cash and Cash Equivalents at the end of the year	1,257,778	5,868,045

The annexed notes from 1 to 7 & annexure - "A" form an integral part of these financial statements.


Director


Director



North-West Zone Power Distribution Company Limited

Notes to the accounts

As on June 30, 2012

01.00 Corporate Information and Nature of Business Activities

01.01 Corporate Information

North-west Zone Power Distribution Company Limited (the "Company") was incorporated in Bangladesh on 03.08.2005 vide no C-58433 (439)/ 05 as a Public Limited Company.

01.02 Nature of Business Activities

The main activities of North-West Zone Power Distribution Company Limited is to generate, harness, develop; accumulate, distribute and supply electricity by setting up power plants by use of solid, liquid and gaseous fuels for the purposes of light, heat motive power and for all other purpose for which electric energy can be employed and to distribute and supply such power either directly or through transmission lines and facilities and other utilities to consumers of electricity of the area under Rajshahi Division excluding areas of Rural Electrification Board (REB) / Palli Bidyut Samities.

02.00 Significant Accounting Policies and basis of preparation of the financial statements

02.01 Preparation of Accounts

The Company has not start its commercial operation till 30.06.2012 as such all the revenue expenses have been shown in unallocated revenue expenditure till 30.06.2012. The financial statements of the company have been prepared assuming going concern basis based on the accrual basis of accounting following under the historical cost convention.

02.02 Reporting Period

These financial statements cover the accounting year from July 01, 2011 to June 30, 2012.

Amount in Taka	
30.06.12	30.06.11

03.00 Un-Allocated Revenue Expenditure

Year 2007-2008	4,540,015	4,540,015
Year 2008-2009	10,019,771	10,019,771
Year 2009-2010	10,480,435	10,480,435
Year 2010-2011	7,414,402	7,414,402
Year 2011-2012	5,924,931	-
03.01	<u>38,379,554</u>	<u>32,454,623</u>



Amount in Taka	
30.06.12	30.06.11

03.01 Un- Allocated Revenue Expenditure

Basic Salary (Officer)	868,387	1,274,517
Basic Salary (Staff)	524,034	497,222
House Rent Allowances	330,000	607,259
Medical Allowances	167,263	308,577
Dearness Allowances	72,000	127,450
Festival Bonus (Officer)	170,000	220,000
Festival Bonus (staff)	21,570	-
Electricity Bill	23,677	78,047
Electricity Bill Rebate	11,551	-
Wages for Hired Labour	48,290	40,000
Washings	430	820
Traveling	-	58,152
Leave Encash	-	55,500
Entertainment	43,365	66,539
Stationary & Printing	219,613	402,055
Licence & Fees	194,474	85,386
Office Rent	172,115	276,000
Postage & Telegram	107,471	106,222
Telephone	28,677	40,762
Advertisement & Promotion	484,409	312,207
Legal Expenses	3,426	25,500
Books & Periodicals	4,988	10,190
Fuel & Lubricants	400,750	624,433
Store consumption	3,333	-
Insurance on Vehicles	188,511	213,148
Bank Charge & Commission	16,680	36,171
Audit Fee	187,500	-
Director Fee	153,000	135,000
Repairs of Building	32,412	6,070
Repairs of Vehicles	96,707	149,835
Repairs of Furniture	13,165	1,000
Tiffin & Conveyance Allowance	2,640	-
Depreciation	1,334,493	1,656,340
	5,924,931	7,414,402

04.00 Advance, Deposit & Prepayment

Advance Tax (At Source)	04.01	125,141	111,014
Temporary Advance	04.02	51,975	-
Telephone Security		18,350	18,350
Advance House Rent		50,000	50,000
		245,466	179,364



Amount in Taka	
30.06.12	30.06.11

04.01 Advance Tax (At source)

Opening Balance	111,014	80,878
Add: Addition Made during the year	14,127	30,136
	<u>125,141</u>	<u>111,014</u>

04.02 Temporary Advance

Opening Balance	-	50,000
Add: Addition made during the year	150,000	-
	<u>150,000</u>	<u>50,000</u>
Less: Adjustment made during the year	98,025	50,000
	<u>51,975</u>	<u>-</u>

05.00 Cash and Bank Balance

Janata Bank (Hatam Khan Branch, A/c No. STD-513)	31,026	28,714
AB Bank (Rajshahi Branch, A/c no. 760879- 05.01 430)	1,226,752	5,839,331
	<u>1,257,778</u>	<u>5,868,045</u>

05.01 Reconciliation Statement of Bank Balance

AB Bank (Rajshahi Branch, A/c no. 760879-430) :

Balance as per Bank book	1,351,893	5,950,345
Less: Advance income Tax (At source), 2008-2009	25,617	25,617
Advance income Tax (At source), 2009-2010	55,261	55,261
Advance income Tax (At source), 2010-2011	30,136	30,136
Advance income tax (At source) 2011-2012	14,127	-
	<u>1,226,752</u>	<u>5,839,331</u>



Amount in Taka	
30.06.12	30.06.11

06.00 Loan from BPDB

Janata Bank (Abdul Gani Road Branch)	10,470,250	10,470,250
Agrani Bank (WAPDA Branch)	8,743,250	8,743,250
Agrani Bank (WAPDA Branch)	16,124,700	16,124,700
Pubali Bank Ltd.	8,933,306	8,933,306
	<u>44,271,506</u>	<u>44,271,506</u>
Less: Accounts Receivables	999,900	999,900
	<u>43,271,606</u>	<u>43,271,606</u>

07.00 Accrual & Payable

Interest suspense	07.01	1,318,200	1,176,927
Audit Fee		25,000	-
With-holding tax		30,000	150,000
		<u>1,373,200</u>	<u>1,326,927</u>

07.01 Interest suspense

Year 2007-2008	66,774	66,774
Year 2008- 2009	256,177	256,177
Year 2009-2010	552,616	552,616
Year 2010- 2011	301,360	301,360
Year 2011-2012	141,273	-
	<u>1,318,200</u>	<u>1,176,927</u>

The Company could not start its commercial operation till 30.06.2012 as such interest on STD shown as interest suspense accounts.

