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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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Annual Report

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) for the year ended June 30, 2013, comprising the balance sheet, profit and loss account, cash flow statement and statement of changes in equity, and the notes thereto, which together with the financial statements, constitute the financial statements of the company.

Management's responsibility for the financial statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the Companies Act, 1993 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs) issued by the Institute of Cost Accountants of Bangladesh (ICAB). Those standards require that we comply with the ethical requirements of ICAB and also that we plan and perform the audit to obtain sufficient appropriate evidence to be able to express an opinion on the financial statements.

**North-West Zone  
Power Distribution Company Limited**  
For the year ended June 30, 2013

We have audited the financial statements of North-West Zone Power Distribution Company Limited (the company) for the year ended June 30, 2013, comprising the balance sheet, profit and loss account, cash flow statement and statement of changes in equity, and the notes thereto, which together with the financial statements, constitute the financial statements of the company. Management is responsible for the preparation and presentation of these financial statements in accordance with the Companies Act, 1993 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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 (BSAs) issued by the Institute of Cost Accountants of Bangladesh (ICAB). Those standards require that we comply with the ethical requirements of ICAB and also that we plan and perform the audit to obtain sufficient appropriate evidence to be able to express an opinion on 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 statements of North-West Zone Power Distribution Company Limited for the year ended June 30, 2013, are presented fairly in all material aspects in accordance with the Companies Act, 1993 and other applicable laws and regulations.

Explanation of Matter

We draw attention to Note 1 to the financial statements which indicates that the company has not started its commercial operations till June 30, 2013 as most of the revenue accounts have been closed in accordance with the provisions of the Companies Act, 1993.

Other matter

1. We have audited the financial statements and supporting records in the form of our knowledge and understanding of the company for the purpose of our audit and have not conducted any other audit.
2. We have not audited the financial statements of the company for the year ended June 30, 2012, as the company has not started its commercial operations till June 30, 2013.
3. The financial statements of the company for the year ended June 30, 2013, are presented fairly in all material aspects in accordance with the Companies Act, 1993 and other applicable laws and regulations.
4. The financial statements of the company for the year ended June 30, 2013, are presented fairly in all material aspects in accordance with the Companies Act, 1993 and other applicable laws and regulations.

For the Board  
January 10, 2014

*Rahman Mostafa Alam*  
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, 2013 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, 2013 and its cash flows for the year then ended comply with the Companies Act, 1994 and other applicable laws and regulations.

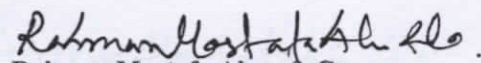
**Emphasis of Matter**

We draw attention to Note 3 to the financial statements which describes that the company has not started its commercial operation till June 30, 2013 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 10, 2013

  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants



**North-West Zone Power Distribution Company Limited**  
Statement of financial position  
As at June 30, 2013

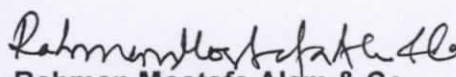
Particulars	Notes	Amount in Taka	
		30.06.13	30.06.12
<b>Assets</b>			
<b>Non Current Assets:</b>			
Property Plant & Equipments (Annexure-A)			
At cost		12,036,316	11,982,816
Less: Accumulated Depreciation		7,302,331	6,220,908
		4,733,985	5,761,908
Un-Allocated Revenue Expenditure	03	42,257,058	38,379,554
		<b>46,991,043</b>	<b>44,141,462</b>
<b>Current Assets:</b>			
Advance, Deposit & Prepayment	04	246,045	245,466
Cash and Bank Balance	05	5,436,864	1,257,778
		<b>5,682,909</b>	<b>1,503,244</b>
<b>Total Assets</b>		<b>52,673,953</b>	<b>45,644,706</b>
<b>Liabilities &amp; Sherholders Equity:</b>			
<b>Authorised capital:</b>			
25,000,000 no Ordinary Shares @ Tk 100 each		<b>2,500,000,000</b>	<b>2,500,000,000</b>
<b>Subscribed &amp; Paid up Capital:</b>			
9999 no Ordinary Shares @ Tk.100		999,900	999,900
		<b>999,900</b>	<b>999,900</b>
<b>Non Current Liabilities:</b>			
Loan from BPDB	06	50,110,383	43,271,606
		<b>50,110,383</b>	<b>43,271,606</b>
<b>Current Liabilities:</b>			
Accrual & Payable	07	1,563,670	1,373,200
		<b>1,563,670</b>	<b>1,373,200</b>
<b>Total Liabilities &amp; Sherholders Equity</b>		<b>52,673,953</b>	<b>45,644,706</b>

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

  
Director

  
Director

Dated, Dhaka  
October 10, 2013

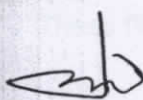
  
Rahman Mostafa Alam & Co.  
Chartered Accountants

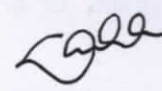


**North-West Zone Power Distribution Company Limited**  
Statement of Cash Flows  
For the year ended June 30, 2013

Particulars	Amount in Taka	
	30.06.13	30.06.12
<b>A. Cash Flow from Operating Activities</b>		
Interest on Bank	177,970	141,273
Telephone Security	-	-
Received from Temporary Advance	355,000	98,025
<b>Net cash generated from operating activities</b>	<b>532,970</b>	<b>239,298</b>
<b>B. Cash Flow from Investing Activities</b>		
Un-Allocated Revenue Expenditure	(3,192,661)	(4,849,565)
<b>Net cash used in investing activities</b>	<b>(3,192,661)</b>	<b>(4,849,565)</b>
<b>C. Cash Flow from Financing Activities</b>		
Long term borrowing (BPDB)	6,838,777	-
<b>Net cash generated in financing activities</b>	<b>6,838,777</b>	<b>-</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>4,179,086</b>	<b>(4,610,267)</b>
Add: Cash and Cash Equivalents at the beginning of the year	1,257,778	5,868,045
<b>Cash and Cash Equivalents at the end of the year</b>	<b>5,436,864</b>	<b>1,257,778</b>

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, 2013

### 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 30.06.2013 as such all the revenue expenses have been shown in unallocated revenue expenditure till 30.06.2013. 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, 2012 to June 30, 2013.

### 03.00 Un- Allocated Revenue Expenditure

Amount in Taka		
	30.06.13	30.06.12
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	5,924,931
Year 2012-2013	3,877,504	-
3.01	<u>42,257,058</u>	<u>38,379,554</u>



Amount in Taka	
30.06.13	30.06.12

### 03.01 Un- Allocated Revenue Expenditure

Basic Salary (Officer)	420,000	868,387
Basic Salary (Staff)	418,550	524,034
House Rent Allowances	180,000	330,000
Medical Allowances	101,485	167,263
Dearness Allowances	42,000	72,000
Festival Bonus (Officer)	70,000	170,000
Festival Bonus (staff)	40,500	21,570
Electricity Bill	15,261	23,677
Electricity Bill Rebate	22,140	11,551
Wages for Hired Labour	-	48,290
Leave Encashment	30,333	-
Washings	6,726	430
Entertainment	29,200	43,365
Stationary & Printing	147,082	219,613
Licence & Fees	200,856	194,474
Office Rent	131,750	172,115
Postage & Telegram	91,396	107,471
Telephone	-	28,677
Advertisement & Promotion	-	484,409
Legal Expenses	8,000	3,426
Books & Periodicals	3,280	4,988
Fuel & Lubricants	283,773	400,750
Store consumption	-	3,333
Insurance on Vehicles	176,219	188,511
Misce. Expenses	2,090	-
Bank Charge & Commission	21,693	16,680
Audit Fee	37,500	187,500
Director Fee	85,000	153,000
Repairs of Building	1,738	32,412
Repairs of Vehicles	204,270	96,707
Repairs of Furniture	20,519	13,165
Tiffin & Conveyance Allowance	4,720	2,640
Depreciation	1,081,423	1,334,493
	<b>3,877,504</b>	<b>5,924,931</b>

### 04.00 Advance, Deposit & Prepayment

Advance Tax (At Source)	04.01	142,920	125,141
Temporary Advance	04.02	34,775	51,975
Telephone Security		18,350	18,350
Advance House Rent		50,000	50,000
		<b>246,045</b>	<b>245,466</b>





Amount in Taka	
30.06.13	30.06.12

#### 04.01 Advance Tax (At source)

Opening Balance	125,141	111,014
Add: Addition Made during the period	17,779	14,127
	<u>142,920</u>	<u>125,141</u>

#### 04.02 Temporary Advance

Opening Balance	51,975	-
Add: Addition made during the period	337,800	150,000
	<u>389,775</u>	<u>150,000</u>
Less: Adjustment made during the period	355,000	98,025
	<u>34,775</u>	<u>51,975</u>

#### 05.00 Cash and Bank Balance

Janata Bank ( Hatam Khan Branch, A/c No. STD-513)	33,841	31,026
AB Bank ( Rajshahi Branch, A/c no. 760879-430) 05.01	5,403,023	1,226,752
	<u>5,436,864</u>	<u>1,257,778</u>

#### 05.01 Reconciliation Statement of Bank Balance

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

Balance as per Bank book	5,545,943	1,351,893
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	14,127
Advance income tax (At source), 2012-2013	17,779	-
	<u>5,403,023</u>	<u>1,226,752</u>





Amount in Taka	
30.06.13	30.06.12

**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
AB Bank	6,838,777	-
	<u>51,110,283</u>	<u>44,271,506</u>
Less: Accounts Receivables	999,900	999,900
	<u><b>50,110,383</b></u>	<u><b>43,271,606</b></u>

**07.00 Accrual & Payable**

Interest suspense	07.01	1,496,170	1,318,200
Audit Fee		37,500	25,000
With-holding tax		30,000	30,000
		<u><b>1,563,670</b></u>	<u><b>1,373,200</b></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	141,273
Year 2012-2013	177,970	-
	<u><b>1,496,170</b></u>	<u><b>1,318,200</b></u>

The Company could not start its commercial operation till 30.06.2013 as such interest on STD shown as interest suspense accounts.



North-West Zone Power Distribution Company Limited  
Fixed Assets Schedule  
As at June 30, 2013

Annexure-A

Particulars	Cost		Rate	Depreciation			W.D.V as on 30.06.13
	Balance as on 01.07.12	Addition made during the year		Balance as on 01.07.12	Charged during the Year	Balance as on 30.06.13	
Vehicles	10,857,000	-	20%	5,858,180	999,764	6,857,944	3,999,056
Office Furniture	1,125,816	53,500	10%	362,728	81,659	444,387	734,929
<b>Total</b>	<b>11,982,816</b>	<b>53,500</b>		<b>6,220,908</b>	<b>1,081,423</b>	<b>7,302,331</b>	<b>4,733,985</b>

Note # Depreciation charged during the year and shown in unallocated revenue expenditure.

