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নিরীক্ষা প্রতিবেদন
AUDITORS' REPORT

OF
30.06.2016

North-West Zone Power Distribution Company Limited
For the year ended June 30, 2016

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

Paramount Heights (7th Floor-D2)
65/2/1, Purana Paltan, Dhaka-1000
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Phone : 9553449, 9551128

Taher Chamber (2nd Floor)
10, Agrabad Commercial Area
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Phone : 031-725314

North-West Zone Power Distribution Company Limited

For the year ended June 30, 2016

**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, 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 10 and annexure-A.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSS) 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 (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company, as well as evaluating the overall presentation of the financial statements of the company.

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

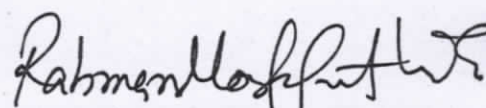
Opinion

In our opinion, the financial statements present fairly, in all materials respects, the financial position of **North-West Zone Power Distribution Company Limited** as at June 30, 2016 and of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSS) of these financial statements give a true and fair view of its financial performance and its cash flows for the year then ended and comply with the applicable sections of the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- 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 the law have been kept by the company so far as it appeared from our examination of these books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Dated : Dhaka
January 07, 2018


Rahman Mostafa Alam & Co.
Chartered Accountants



North-West Zone Power Distribution Company Limited
Statement of Financial Position
As at June 30, 2016

Particulars	Notes	Amount in Tk.	
		June 30, 2016	June 30, 2015
			Restated*
Assets:			
Non current assets		3,025,552	3,181,568
Property, plant & equipment	3.00	3,025,552	3,181,568
Current assets		352,771	11,297,383
Advance, deposits and prepayments *	4.00	226,794	226,794
Cash and cash equivalents	5.00	125,977	11,070,589
Total assets		3,378,323	14,478,951
Equity and Liabilities			
Shareholders equity		(67,559,629)	(55,569,666)
Share capital	6.00	999,900	999,900
Retained Earnings/(Loss)		(68,559,529)	(56,569,566)
Non current liabilities		64,981,134	64,981,134
Loan from BPDB	7.00	64,981,134	64,981,134
Current liabilities		5,956,817	5,067,483
Liability for expenses *	8.00	5,956,817	5,067,483
Total equity and liabilities		3,378,322	14,478,951

*Previous year figures have been restated details disclosed in note 2.8
The annexed notes 1 to 10 and annexure -'A' form an integral part of these financial statements.

Deputy General Manager (F & A)

Executive Director (Finance)

Managing Director

Signed in terms of our separate report of even date.

Dated : Dhaka
January 7, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants





North-West Zone Power Distribution Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2016

Particulars	Notes	Amount in Tk.	
		2015-2016	2014-2015
			Restated*
Operating income		-	-
Less: Operating expenses		-	-
Gross Profit		-	-
Administrative expenses	9.00	12,141,081	5,666,557
Operating income/(loss) before Interest expenses		(12,141,081)	(5,666,557)
Interest expenses *		-	446,123
Operating income/(loss) before Interest expenses		(12,141,081)	(6,112,680)
Add: Other Income		216,336	176,444
Bank Interest		186,336	176,444
Insurance Claim		30,000	-
Net profit/(loss) before provision & tax		(11,924,745)	(5,936,236)
Less: Income Tax *		65,218	61,755
Net profit/(loss) after tax		(11,989,963)	(5,997,991)

*Previous year figures have been restated details disclosed in note 2.8

The annexed notes 1 to 10 and annexure -'A' form an integral part of these financial statements.

Deputy General Manager (F & A)

Executive Director (Finance)

Managing Director

Signed in terms of our separate report of even date annexed.

Dated : Dhaka
January 7, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants





North-West Zone Power Distribution Company Limited
Statement of Cash Flows
For the year ended June 30, 2016

Particulars	Amount in Tk.	
	2015-2016	2014-2015
Cashflows from operating activities		
Net profit/(loss) after tax	(11,989,963)	(5,997,991)
Adjustment to net profit/(loss):		
Depreciation	680,726	712,713
Increase liability for expenses	889,334	(764,081)
A. Net cash used in operating activities	(10,419,903)	(6,049,359)
Cashflows from investing activities		
Acquisition of fixed assets	(524,710)	(33,600)
B. Net cash used in investing activities	(524,710)	(33,600)
Cashflows from financing activities		
Loan from BPDB	-	14,870,751
C. Net cash generated in financing activities	-	14,870,751
Increase/(Decrease) in cash and cash equivalent(A+B+C)	(10,944,613)	8,787,792
Cash and cash equivalent at beginning of the year	11,070,589	2,282,797
Cash and cash equivalent at end of the year	125,976	11,070,589

Deputy General Manager (F & A)

Executive Director (Finance)

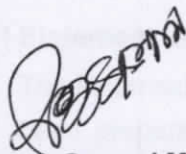
Managing Director

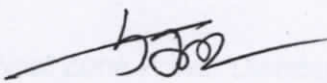




North-West Zone Power Distribution Company Limited
Statement of Changes in Equity
For the year ended June 30, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as on July 01, 2014	999,900	(50,571,575)	(49,571,675)
Profit/(loss) during the year	-	(5,997,991)	(5,997,991)
Balance as on June 30, 2015	999,900	(56,569,566)	(55,569,666)
Balance as on July 01, 2015	999,900	(56,569,566)	(55,569,666)
Profit/(loss) during the year	-	(11,989,963)	(11,989,963)
Balance as on June 30, 2016	999,900	(68,559,529)	(67,559,629)


Deputy General Manager (F & A)


Executive Director (Finance)


Managing Director

North-West Zone Power Distribution Company Limited

Notes to the Financial Statements

For the year ended June 30, 2016

Corporate information and nature of business:

1.1 Legal Form of the Enterprise

North-West Zone Power Distribution Company Limited was incorporated in Bangladesh on 03 August, 2005 vide registration no. C-584333 (439)/05 as a Public Limited Company.

1.2 Nature of Business Activities:

The principal activities of the organization 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 purpose of light, heat motive power and for all other purpose for which electric energy can be employed and to distribution and supply such power either directly or through transmission lines and facilities and other utilities to consumers of electricity of the area under restated Division excluding areas of Rural Electrification Board (REB)/Palli Bidyut Samities.

The company has not started its commercial operation till 30.06.2016.

Significant Accounting Policies and Basis for preparation of Financial Statements:

2.1 Statement of Compliance

The Financial Statements of North-West Zone Power Distribution Company Limited have been prepared in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, and other applicable Laws and Regulations.

2.2 Measurement bases used in preparing the Financial Statements

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

2.3 Functional and Presentational Currency

The financial statements are prepared in Bangladesh Taka (Tk.), which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

2.4 Reporting period

The financial statements cover one accounting year from July 01, 2015 to June 30, 2016.



2.5 Components of Financial Statements:

According to International Accounting Standard (IAS)-1, as adopted by ICAB as BAS-1 "presentation of financial statements" the complete set of financial statements includes the following components:

- (i) Statement of Financial Position
- (ii) Statement of Comprehensive Income
- (iii) Statement of Changes in Equity and
- (iv) Statement of Cash Flows
- (v) Notes to the Financial Statements.

2.6 Cash and Cash Equivalents:

Cash comprises of cash at banks. BAS-1 "presentation of financial statement provides that cash and cash equivalents are not restricted in use. Cash in hand and bank balances have been considered as cash and cash equivalents.

2.7 Cash flow statement

The net cash flow from operating activities is determined by adjusting profit/ (loss) for the year under indirect method as per BAS 7.

2.8 Restatement

Interest on loan amounting to Tk.446,123 and provision on income tax on other income has not been shown in last year (2014-2015) account. This has been restated in this said year.

2.9 General

- (i) Figures shown in the accounts have been rounded off to the nearest taka.
- (ii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.



3.00 Property, plant & equipments - net

Cost at the beginning

Add: Addition during the year

Less: Accumulated depreciation

Written down value

Details shown in annexure-'A'

Amount in Tk.	
June 30, 2016	June 30, 2015

12,069,916 12,036,316

524,710 33,600

12,594,626 12,069,916

9,569,074 8,888,348

3,025,552 3,181,568**4.00 Advance, deposit & prepayments**

Tax deducted at source

Telephone security

Advance house rent

4.01 158,444 158,444

18,350 18,350

50,000 50,000

226,794 226,794**4.01 Tax deducted at source**

Opening balance

Add: Addition made during the year

Less: Adjustment made during the year

158,444 158,444

41,251 32,604

199,695 191,048

41,251 32,604

158,444 158,444**5.00 Cash & cash equivalents**

Janata bank (hetam khan branch, A/C. STD-513

AB Bank (Rajshahi branch, A/C No. 760879-430)

36,383 35,470

89,594 11,035,119

125,977 11,070,589**6.00 Share capital****Authorized share capital :**

25,000,000 Ordinary shares @ Tk. 100 each

2,500,000,000 2,500,000,000**Subscribed & paid-up capital :**

9999 Ordinary shares @ Tk. 100 each

999,900 999,900**7.00 Loan from BPDB**

Janata bank (Abdul gani road branch)

Agrini bank (WAPDA branch)

Agrini bank (WAPDA branch)

Pubali bank ltd.

AB bank

10,470,250 10,470,250

8,743,250 8,743,250

16,124,700 16,124,700

23,804,057 23,804,057

6,838,777 6,838,777

65,981,034 65,981,034

Less: Accounts receivable

999,900 999,900

64,981,134 64,981,134

Amount in Tk.	
June 30, 2016	June 30, 2015

8.00 Liability for expenses

Interest Suspense	1,942,293	1,942,293
Provision for Tax	53,118	29,151
Salaries	786,840	-
Electricity bill	2,493	3,582
Leave encashment	723,594	600,320
Gratuity	1,739,100	1,771,400
Contribution to PF	78,684	484,559
Petrol, Oil & Lubricants	66,147	-
Veh. Repair & Maint	24,010	-
Telephone bill	4,278	-
Internet bill	2,000	-
Office rent	-	23,387
Miscellaneous	11,252	24,408
Audit fee	34,500	28,750
Withholding tax	414,116	155,882
VAT Payable	74,391	3,750
	5,956,817	5,067,483

8.01 Provision for tax

Opening balance	29,151	-
Add: Income tax expenses during the year	65,218	61,755
	94,369	61,755
Less: Adjustment with AIT	41,251	32,604
	53,118	29,151

9.00 Administrative expenses

Basic salary	2,855,942	904,838
House rent allowances	1,082,530	497,661
Medical allowances	389,681	82,791
Dearness allowances	66,387	72,000
Festival allowances	629,240	193,500
Electricity-office	35,540	15,702
Electricity	39,591	28,493
Salaried for hired employees	1,555,550	802,600
Leave encashment	166,207	49,400
Stationary & printing	119,629	35,034
Office rent	219,500	283,237
Garrage rent	82,500	-
Postage & telegram	1,630	910
Telephone	85,248	41,563
Books & periodicals	12,944	4,130
Fuel & lubricants	616,756	371,966
Fitness & insurance of Vehicle	182,318	185,539
Miscellaneous	40,402	26,547
Bank charge & commission	11,353	3,424



Audit fee	34,500	28,750
Director remuneration	415,000	215,000
Repairs of building	12,980	6,870
Repairs of vehicles	544,915	272,580
Repairs of furniture	45,590	23,200
Conveyance	30,816	7,040
Charge allowance	125,100	180,967
Education allowance	11,532	6,000
Board meeting expense	50,480	33,690
Contribution to providend fund	285,594	91,667
Gratuity	779,100	153,000
Water	468	18,000
Tour	126,410	33,617
Advertishment	-	187,128
Utilities	75,248	97,000
Training fee	12,000	-
Legal fee	57,500	-
Rent A Car	523,956	-
Internet bill	79,153	-
Photocopy	42,280	-
Electric materials	4,235	-
Crockeries	10,550	-
Depreciation	680,726	712,713
	<u>12,141,081</u>	<u>5,666,557</u>

10.0 Approval of Financial Statements

The financial statement were approved by the Board of Dirccctors in its 61 th metting held on 7 January 2018.



Fixed Assets Schedule

As at June 30, 2016

Annexure-A

Particulars	Cost			Rate (%)	Depreciation			W.D.V as on 30.06.16
	Balance as on 01.07.15	Addition during the year	Balance as on 30.06.16		Balance as on 01.07.15	Charged during the year	Balance as on 30.06.16	
Vehicles	10,857,000	-	10,857,000	20%	8,297,604	511,879	8,809,483	2,047,517
Office Furniture	1,179,316	10,000	1,189,316	10%	584,024	60,529	644,553	544,763
Mobile	-	78,900	78,900	20%	-	15,780	15,780	63,120
Computer & Equipment	33,600	435,810	469,410	20%	6,720	92,538	99,258	370,152
Total	12,069,916	524,710	12,594,626		8,888,348	680,726	9,569,074	3,025,552

