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নিরীক্ষা প্রতিবেদন  
AUDITORS' REPORT

OF

North-West Zone  
Power Distribution Company Limited  
For the year ended 30.06.2011

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

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Auditors' Report

The Shareholders of North-West Zone Power Distribution Company Limited

Information

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, 2011 and statement of profit/loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the financial statements.

Our responsibility is to express an opinion on these financial statements in accordance with the Companies Act, 1994 and audit regulations there and regulations and the best auditing practice. As independent auditors, we exercise the responsibility of financial statements that are free from material misstatement, whether due to fraud or error.

Material Misstatement

Our responsibility is to express an opinion on these financial statements based on the audit. We conducted our audit in accordance with the auditing standards in Bangladesh. These standards require that we plan and perform the audit with professional skepticism and that we exercise professional judgment throughout the audit process.

**North-West Zone  
Power Distribution Company Limited**  
For the year ended June 30, 2011

We have audited the financial statements of North-West Zone Power Distribution Company Limited ("the company") which comprise the statement of financial position as at June 30, 2011 and statement of profit/loss for the year then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the financial statements. Our responsibility is to express an opinion on these financial statements in accordance with the Companies Act, 1994 and audit regulations there and regulations and the best auditing practice. As independent auditors, we exercise the responsibility of financial statements that are free from material misstatement, whether due to fraud or error.

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 the company are free from material misstatement, whether due to fraud or error, and the company's financial position as at June 30, 2011 and its performance 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 1 to the financial statements which discloses that, for the year ended June 30, 2011, the company has incurred a net loss of Tk. 1,000,000. This loss is due to the company's operations and is not due to any other factors. This loss is not due to any other factors.

Other information

We have reviewed the other information of the company and find that it is consistent with the financial statements and does not contain any material misstatement.

We have also reviewed the other information of the company and find that it is consistent with the financial statements and does not contain any material misstatement.

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For Rahman Mostafa Alam & Co.  
January 15, 2012

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

**Auditors' Report  
To**

**The Shareholders of North-West Zone Power Distribution Company Limited**

**Introduction**

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, 2011 and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**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, 2011 and its cash flows for the year then ended comply with the Companies Act, 1994 and other applicable laws and regulations.

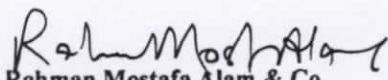
**Emphasis of Matter**

We draw attention to Note 3 to the financial statements which describes that the company has not started its commercial operation till June 30, 2011 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**  
January 10, 2012

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



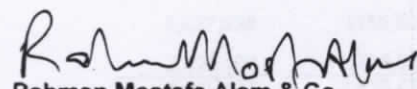
**North-West Zone Power Distribution Company Limited**  
Statement of financial position  
As at June 30, 2011

Particulars	Notes	Amount in Taka	
		30.06.2011	30.06.2010
<b>Assets</b>			
<b>Non Current Assets:</b>			
Property Plant & Equipments (Annexure-A)			
At cost		11,982,816	11,981,016
Less: Accumulated Depreciation		4,886,415	3,230,075
		7,096,401	8,750,941
Un-Allocated Revenue Expenditure	03	32,454,623	25,040,222
		<u>39,551,024</u>	<u>33,791,163</u>
<b>Current Assets:</b>			
Advance, Deposit & Prepayment	04	179,364	292,198
Cash and Bank Balance	05	5,868,045	2,430,407
		<u>6,047,409</u>	<u>2,722,605</u>
<b>Total Assets</b>		<u>45,598,433</u>	<u>36,513,768</u>
<b>Liabilities &amp; Sherholders Equity:</b>			
<b>Authorised capital:</b>			
25,000,000 no Ordinary Shares @ Tk 100 each		<u>2,500,000,000</u>	<u>2,500,000,000</u>
<b>Subscribed &amp; Paid up Capital:</b>			
9999 no Ordinary Shares @ Tk.100		999,900	999,900
		<u>999,900</u>	<u>999,900</u>
<b>Non Current Liabilities:</b>			
Loan from BPDB	06	43,271,606	34,338,300
		<u>43,271,606</u>	<u>34,338,300</u>
<b>Current Liabilities:</b>			
Other Liabilities	07	1,326,927	1,175,568
		<u>1,326,927</u>	<u>1,175,568</u>
<b>Total Liabilities &amp; Sherholders Equity</b>		<u>45,598,433</u>	<u>36,513,768</u>

  
Director

Director

Dated, Dhaka  
January 10, 2012


  
Rahman Mostafa Alam & Co.  
Chartered Accountants



**North-West Zone Power Distribution Company Limited**  
Statement of Cash Flows (Receipts & Payments)  
For the year ended June 30, 2011

Particulars	Amount in Taka	
	30.06.2011	30.06.2010
<b>A. Cash Flow from Operating Activities</b>		
Interest on Bank	301,360	552,616
Other income	-	1,500
Telephone Security	4,970	-
Received from Temporary Advance	50,000	-
<b>Net cash generated from operating activities</b>	<b>356,330</b>	<b>554,116</b>
<b>B. Cash Flow from Investing Activities</b>		
Basic salary( Officer)	(990,267)	(1,970,000)
Basic salary( Staff)	(497,222)	-
House Rent Allowances	(607,259)	(1,140,000)
Medical Allowances	(308,577)	(564,871)
Dearness Allowances	(127,450)	(234,000)
Festival Bonus (Officer)	(220,000)	(390,000)
Electricity Bill	(78,047)	(179,981)
Wages for Hired Labour	(40,000)	(249,825)
Travelling	(58,152)	(205,816)
Tiffin & Conveyance Allowance	-	(2,760)
Leave Encash	(55,500)	(126,499)
Washings	(820)	(315)
Entertainment	(66,539)	(75,873)
Stationary & Printing	(402,055)	(495,271)
Licence & Fees	(85,386)	(664,528)
Office Rent	(184,000)	(55,100)
Postage & Telegram	(106,222)	(127,174)
Telephone	(40,762)	(95,821)
Advertisement & Promotion	(312,207)	(26,520)
Legal Expenses	(25,500)	(2,500)
Books & Periodicals	(10,190)	(8,885)
Fule & Lubricants	(624,433)	(640,720)
Insurance on Vehicals	(213,148)	(283,794)
Employee Income Tax	(434,250)	(195,000)
Traning & Education	-	(7,633)
Bank Charge & Commission	(36,171)	(62,010)
Director Fee	(135,000)	(192,000)
Repairs of Building	(6,070)	(76,632)
Repairs of Vehicles	(149,835)	(175,017)
Repairs of Furniture	(1,000)	(1,250)
Security Contractor	-	(10,785)
Temporary Advance	-	(50,000)
Vehicals	-	(7,819,000)
Office Furniture	(1,800)	(706,888)
Telephone Security	-	(4,000)
Advance House Rent	(4,000)	(138,000)
Advance Tax (At source)	(30,136)	(55,261)
<b>Net cash used in investing activities</b>	<b>(5,851,998)</b>	<b>(17,033,729)</b>
<b>C. Cash Flow from Financing Activities</b>		
Long term browing (BPDB)	8,933,306	16,124,700
Short term browing ( Contractor)	-	4,410
<b>Net cash used in financing activities</b>	<b>8,933,306</b>	<b>16,129,110</b>
<b>D. Net Increase in cash and cash equivalents (A+B+C)</b>	<b>3,437,638</b>	<b>(350,503)</b>
Add: Cash and Cash Equivalents at the beginning of the year	2,430,407	2,780,910
<b>Cash and Cash Equivalents at the end of the year</b>	<b>5,868,045</b>	<b>2,430,407</b>

Director

  
Director





**North-West Zone Power Distribution Company Limited**

Notes to the accounts

As on June 30, 2011

**01. Corporate Information and Nature of Business Activities**

**1.1 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 Company Limited .

**1.2 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. Significant Accounting Policies and basis of preparation of the financial statements**

**2.1 Preparation of Accounts**

The Company has not start its commercial operation till 30.06.2011 as such all the revenue expenses have been shown in unallocated revenue expenditure till 30.06.2011. 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.

**2.2 Reporting Period**

These financial statements cover one accounting year from July 01, 2010 to June 30, 2011.

**03. Un- allocated Revenue Expenditure**

		Amount in Taka	
		30.06.2011	30.06.2010
Year 2008		4,540,015	4,540,015
Year 2009		10,019,771	10,019,771
Year 2010		10,480,435	10,480,435
Year 2011	03.01	7,414,402	-
		<u>32,454,623</u>	<u>25,040,222</u>



Amount in Taka

30.06.2011

30.06.2010

03.01. Un- allocated Revenue Expenditure

Basic Salary (Officer)	1,274,517	2,340,000
Basic Salary (Staff)	497,222	
House Rent Allowances	607,259	1,140,000
Medical Allowances	308,577	564,871
Dearness Allowances	127,450	234,000
Festival Bonus (Officer)	220,000	390,000
Electricity Bill	78,047	179,981
Wages for Hired Labour	40,000	249,825
Traveling	58,152	205,816
Leave Encash	55,500	126,499
Tiffin & Conveyance Allowance	-	2,760
Washings	820	315
Entertainment	66,539	75,874
Stationary & Printing	402,055	493,772
Licence & Fees	85,386	664,528
Office Rent	276,000	55,100
Postage & Telegram	106,222	127,174
Telephone	40,762	95,821
Advertisement & Promotion	312,207	26,520
Legal Expenses	25,500	2,500
Books & Periodicals	10,190	8,884
Fuel & Lubricants	624,433	640,720
Training & Education	-	7,633
Insurance on Vehicles	213,148	283,794
Bank Charge & Commission	36,171	62,010
Director Fee	135,000	192,000
Repairs of Building	6,070	76,632
Repairs of Vehicles	149,835	175,016
Repairs of Furniture	1,000	1,250
Depreciation	1,656,340	2,057,140
	<b>7,414,402</b>	<b>10,480,435</b>

04. Advance, Deposit & Prepayment

Advance Tax (At Source)	04.01	111,014	80,878
Telephone Security	04.02	18,350	23,320
Advance House Rent	04.03	50,000	138,000
Temporary Advance	04.04	-	50,000
		<b>179,364</b>	<b>292,198</b>





		Amount in Taka	
		30.06.2011	30.06.2010
<b>04.01 Advance Tax (At source)</b>			
Opening Balance	80,878	25,617	
Add: Addition Made during the year	30,136	55,261	
	<b>111,014</b>	<b>80,878</b>	
<b>04.02 Telephone Security</b>			
Opening balance	23,320	19,320	
Add: Addition Made during the year	-	4,000	
	23,320	23,320	
Less: Adjustment made during the year	4,970	-	
	<b>18,350</b>	<b>23,320</b>	
<b>04.03 Advance House Rent</b>			
Opening Blance	138,000	-	
Add. Addition made during the year	4,000	138,000	
	142,000	138,000	
Less: Adjustment made during the year	92,000	-	
	<b>50,000</b>	<b>138,000</b>	
<b>04.04 Temporary Advance</b>			
Opening Blance	50,000	-	
Add. Addition made during the year	-	50,000	
	50,000	50,000	
Less: Adjustment made during the year	50,000	-	
	-	<b>50,000</b>	
<b>05. Cash and Bank Balance</b>			
Janata Bank ( Hatam Khan Branch, A/c No. STD-	28,714	45,058	
AB Bank ( Rajshahi Branch, A/c no. 760879-430) 03.01	5,839,331	2,385,349	
	<b>5,868,045</b>	<b>2,430,407</b>	
<b>05.01 Reconciliation Statement of Bank Blance</b>			
AB Bank ( Rajshahi Branch, A/c no. 760879-430) :			
Balance as per Bank book	5,950,345	2,466,227	
Less: Advance income Tax (At source),2009	25,617	25,617	
Advance income Tax (At source),2010	55,261	55,261	
Advance income Tax (At source),2011	30,136	-	
	<b>5,839,331</b>	<b>2,385,349</b>	





		Amount in Taka	
		30.06.2011	30.06.2010
<b>06. Loan from BPDB</b>			
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	-
		<u>44,271,506</u>	<u>35,338,200</u>
Less: Accounts Receivables		999,900	999,900
		<u><b>43,271,606</b></u>	<u><b>34,338,300</b></u>
<b>07. Other Liabilities</b>			
Interest suspense	07.01	1,176,927	875,568
Employee Income Tax	07.02	150,000	300,000
		<u><b>1,326,927</b></u>	<u><b>1,175,568</b></u>
<b>07.01 Interest suspense</b>			
Year 2008		66,774	66,774
Year 2009		256,177	256,177
Year 2010		552,616	552,616
Year 2011		301,360	-
		<u><b>1,176,927</b></u>	<u><b>875,568</b></u>
The Company could not start its commercial operation till 30.06.2011 as such interest on STD shown as interest suspense accounts.			
<b>07.02 Employee Income Tax</b>			
Opening balance		300,000	125,000
Add: Addition made during the year		284,250	370,000
		<u>584,250</u>	<u>495,000</u>
Less: Payment during the year		434,250	195,000
		<u><b>150,000</b></u>	<u><b>300,000</b></u>



**North-West Zone Power Distribution Company Limited**  
**Fixed Assets Schedule**  
As at June 30, 2011

## Annexure-A

Particulars	Cost		Rate	Depreciation			W.D.V as on 30.06.11
	Balance as on 01.07.10	Addition made during the year		Balance as on 01.07.10	Charged during the year	Balance as on 30.06.11	
Vehicles	10,857,000	-	20%	3,046,344	1,562,131	4,608,475	6,248,525
Office Furniture	1,124,016	1,800	10%	183,731	94,209	277,940	847,877
<b>Total</b>	<b>11,981,016</b>	<b>1,800</b>		<b>3,230,075</b>	<b>1,656,340</b>	<b>4,886,415</b>	<b>7,096,401</b>

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

