Power Grid Company of Bangladesh Limited

In compliance with the the Notification No. SEC/CMRRCD/2008-183/Admin/03-34 Dated September 27, 2009 of the Securities and Exchange Commission, we are pleased to publish the Half yearly Un-audited Financial Statements ended 31st December, 2018 of the Company as below:

Half yearly un-audited Financial Statements ended 31st December, 2018

Statement of Financial Position (Un-audited)
As at December 31, 2018

	Notes	As of Dec 31, 2018 Taka	As of June 30, 2018 Taka
Assets			
Property, plant and equipment	04	113,896,052,352	115,120,606,842
Capital work-in-progress	05	76,575,131,898	63,269,033,237
Total non-current assets		**190,471,184,250**	**178,389,640,079**
Investment in FDR	06	50,000,000	110,000,000
Inventories	07	1,226,994,775	1,011,360,681
Accounts and other receivables	08	4,961,192,412	3,240,307,900
Advances, deposits and prepayments		9,997,779,100	9,901,480,568
Cash and cash equivalents	09	9,463,262,424	7,481,236,802
Total current assets		**25,699,228,711**	**21,744,385,951**
Total assets		**216,170,412,961**	**200,134,026,030**
Equity			
Share capital	10	4,609,129,910	4,609,129,910
Deposit for shares	11	42,873,753,886	37,348,943,886
Retained earnings		9,707,187,797	7,875,722,492
Total equity attributable to equity holders		**57,190,071,593**	**49,833,796,288**
Liabilities			
Term loan - interest bearing	12	137,503,895,840	129,395,518,629
Grant from SIDA & KFW	13	1,071,998,732	1,048,053,605
Deferred liability - gratuity	14	3,000,071,118	2,791,709,375
Deferred tax liabilities	15	6,795,617,588	6,240,241,542
Total non-current liabilities		**148,371,583,278**	**139,475,523,151**
Term loan - interest bearing		405,701,762	840,005,104
Interest Payable	16	190,045,555	410,713,009
Liabilities for expenses		1,509,334,207	2,030,713,925
Liabilities for other finance		8,083,675,397	7,178,242,571
Provision for taxation	17	420,001,169	365,031,982
Total current liabilities		**10,608,758,090**	**10,824,706,591**
Total liabilities		**158,980,341,368**	**150,300,229,742**
Total equity and liabilities		**216,170,412,961**	**200,134,026,030**

The accounting explanatory notes (1 to 28) form an integral part of these Financial Statements.

28/01/2019
Company Secretary (A/C)

28.01.2019
Executive Director(F)

28.01.19
Managing Director

Director

Chairman

Power Grid Company of Bangladesh Limited

Statement of Comprehensive Income (Un-audited)

for the period ended on December' 31, 2018

	Notes	July to Dec'31, 2018 Taka	July to Dec'31, 2017 Taka	Oct to Dec'31, 2018 Taka	Oct to Dec'31, 2017 Taka
Revenue	18	8,871,359,305	7,856,597,406	3,889,724,455	3,590,190,861
Transmission expenses	19	(4,636,775,642)	(4,357,963,669)	(2,238,435,404)	(2,179,773,875)
Gross profit		**4,234,583,663**	**3,498,633,737**	**1,651,289,051**	**1,410,416,986**
Administrative expenses	20	(314,402,058)	(327,931,193)	(149,604,905)	(161,113,867)
Results from operating activities		**3,920,181,605**	**3,170,702,544**	**1,501,684,146**	**1,249,303,119**
Finance income	21	147,792,564	50,440,973	146,791,375	31,772,573
Other income	22	142,379,351	70,326,691	88,803,524	47,058,209
Finance expenses		(1,646,903,542)	(1,585,887,076)	(745,062,653)	(760,342,807)
Profit before contribution to WPPF		**2,563,449,978**	**1,705,583,132**	**992,216,392**	**567,791,094**
Contribution to WPPF		(122,069,047)	(81,218,244)	(47,248,400)	(27,037,671)
Profit before income tax		**2,441,380,931**	**1,624,364,888**	**944,967,993**	**540,753,423**
**Income tax expense	23	(610,345,233)	(406,091,222)	(236,241,998)	(101,688,355)
Profit after tax carried forward		**1,831,035,698**	**1,218,273,666**	**708,725,995**	**439,065,068**
Basic earnings per share (per value Tk 10)	24	**3.97**	**2.64**	**1.54**	**0.95**
Restated earnings per share (per value Tk 10)		**3.97**	**2.64**	**1.54**	**0.95**

The accounting explanatory notes (1 to 28) form an integral part of these Financial Statements.

28.01.2019
Company Secretary

18-01-19
Executive Director(F)

18-01-19
Managing Director

Director

Chairman

** Income tax expense consists Current tax TK. 54,969,187.32 & Deferred tax expense TK. 555,376,045.53

Note: The details of the published half yearly financial statements is available in the website of the company. The address of the web-site is www.pgcb.org.bd

AMARSTOCK

Power Grid Company of Bangladesh Limited

Statement of Changes in Equity (Un- audited)

for the period ended on December 31' 2018

Particulars	Share Capital	Deposit for Shares	Accumulated Profit	Proposed Dividend	Total
Balance as at 01 July, 2018	**4,609,129,910**	**37,348,943,886**	**7,875,722,492**	**-**	**49,833,796,288**
Prior year adjustment			429,606		429,606
Net investment received during the period	-	5,524,810,000	-	-	5,524,810,000
Net profit for the period	-	-	1,831,035,698	-	1,831,035,698
Proposed Dividend	-	-			-
Balance at 31 December,2018	**4,609,129,910**	**42,873,753,886**	**9,707,187,797**	**-**	**57,190,071,593**

Statement of Changes in Equity

Statement of Changes in Equity (Un- audited)

for the period ended on December 31' 2017

Particulars	Share Capital	Deposit for Shares	Accumulated Profit	Proposed Dividend	Total
Balance as at 01 July, 2017	**4,609,129,910**	**30,394,658,990**	**6,380,288,420**	**-**	**41,384,077,320**
Prior year adjustment			637,014		637,014
Net investment received during the period	-	3,223,521,000	-	-	3,223,521,000
Net profit for the period	-	-	1,218,273,666	-	1,218,273,666
Proposed Dividend	-	-			-
Balance at 31 December,2017	**4,609,129,910**	**33,618,179,990**	**7,599,199,100**	**-**	**45,826,509,000**

28.01.2019

Company Secretary

28-01-2019

Executive Director(F)

28.01.19

Managing Director

Director

Chairman

Power Grid Company of Bangladesh Limited

Statement of Cash Flow (Un-audited)

For the period ended December 31, 2018

	July to Dec'31, 2018 Taka	July to Dec'31, 2017 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES:		
RECEIPTS:		
Cash Receipts from Customers	7,150,524,793	6,293,911,454
Others	-	-
	7,150,524,793	6,293,911,454
PAYMENTS:		
Cash paid to Suppliers ,Contractors, employees & etc.	(2,071,831,056)	(1,862,280,875)
Interest paid	(650,170,911)	(470,490,243)
	(2,722,001,967)	(2,332,771,118)
Net Cash Provided by Operating Activities (Note 25) :	**4,428,522,826**	**3,961,140,336**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Addition to fixed assets and capital work in progress (re-arranged)	(14,802,477,635)	(16,776,462,243)
Investment in FDR	60,000,000	880,000,000
Cash receipts from sale of transmission line & scraps (re-arranged)	142,379,351	70,326,691
Interest received	147,742,564	72,227,806
Net Cash (Used in) Investing Activities:	**(14,452,355,720)**	**(15,753,907,746)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share capital and Deposit for share	5,549,184,733	3,870,426,937
Long term loan	6,456,673,783	9,053,926,387
Net Cash Provided by Financing Activities	**12,005,858,516**	**12,924,353,324**
(Decrease) / Increase in Cash (A+B+C)	1,982,025,622	1,131,585,914
Cash & Cash Equivalent, beginning of financial year	7,481,236,802	5,434,654,620
Cash & Cash Equivalent, End of the period	**9,463,262,424**	**6,566,240,534**

28.01.2019
Company Secretary (A/C)

28-01-2019
Executive Director(F)

Managing Director
28.01.19

Director

Chairman

AMARSTOCK

1. Reporting entity

1.1 Company profile

Power Grid Company of Bangladesh Ltd. (the Company) is a listed public limited Company. The Company was incorporated on 21 November 1996 having registration no. C-31820 (941)/96 under the Companies Act, 1994 as a private limited company by share which was subsequently converted to a public limited company on 05 March 2000. The Company is listed with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

1.2 Nature and scope of business

The Company's principal activities are planning, promoting, developing, operating and maintaining of an integrated and efficient power transmission system/network throughout Bangladesh. As the sole power transmission Company in Bangladesh, the Company is responsible in all aspects, regarding transmission lines, sub-stations, load dispatch centres, 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 organisations.

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.

1.4 Corporate head office

Corporate head office of the Company is located at Institution of Engineers, Bangladesh (IEB) Bhaban (New), 4th, 11th, 12th and 13th floors, Ramna, Dhaka-1000.

2. Basis of preparation

2.1 Statement of compliance

Except as detailed below, the financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable laws and regulations.

Foreign currency exchange difference of BDT 2,027,402,595.36 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. The difference arising from capitalisation of foreign exchange loss/(gain) has been recognised in accordance with the requirements of the Companies Act, 1994.

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 Act, 1991
The Value Added Tax Rules, 1991
The Customs Act, 1969

2.2 Presentation of financial statements

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

2.3 Basis of measurement

These financial statements have been measured under historical cost convention.

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.

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 recognised in the financial statements is included in the following notes:

	Note Ref.
Depreciation and amortisation	4
Deferred liability for gratuity	14
Deferred tax liabilities	15
Foreign currency denominated loans and borrowings Included in Loans	12

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

2.8 Applicable accounting standards

The following BASs are applicable for the financial statements for the year under review:

BAS - 1	Presentation of Financial Statements
BAS - 2	Inventories
BAS - 7	Statements of Cash Flows
BAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10	Events after the Reporting Period
BAS - 12	Income Taxes
BAS - 16	Property, Plant and Equipment
BAS - 18	Revenue
BAS - 19	Employee Benefits
BAS - 20	Accounting for Government Grants and Disclosure of Government Assistance
BAS - 21	The Effects of Changes in Foreign Exchange Rates
BAS - 23	Borrowing Costs
BAS - 24	Related Party Disclosures
BAS - 32	Financial Instruments: Presentation
BAS - 33	Earnings per Share
BAS - 34	Interim Financial Reporting
BAS - 36	Impairment of Assets
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets
BAS - 39	Financial Instruments: Recognition and Measurement
BFRS -7	Financial Instruments Disclosures
BFRS -13	Fair Value Measurement

2.9 Reporting period

The financial statements of the Company cover half year from 01 July 2018 to 31 December 2018 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

Bangladesh 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 balance sheet date. While recognising 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 BAS 16: Property, Plant and Equipment. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non refundable 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 the intended manner. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3.2.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised 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. For addition to property, plant and equipment, depreciation is charged from the month of capitalisation 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 non refundable 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 PGCBL.

3.2.5 Retirement and disposal

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

3.3 Inventories

Inventories consisting of spare parts at Grid Maintenance Divisions (GMD) offices are valued at lower of cost and net realisable value in accordance with provisions of BAS 2: Inventories. 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

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

3.4.1 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.

3.4.2 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.

3.5 Share capital

Paid up capital represents 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.

3.6 Provisions

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

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 BAS 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% . 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

Revenue comprises transmission/wheeling charge and rental income which is recognised in the statement of profit or loss and other comprehensive income after meeting the recognition criteria in accordance with the requirements of BAS 18: Revenue. Revenues are measured at fair value of the consideration received or receivable, net off sale related taxes (VAT).

Transmission charge is recognised 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). Amount of invoices is determined by survey of meter reading at cut-off time.

Rental income from Optical Fibber Cable Network is recognised 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	11	100
Travelling and conveyance	96.2	3.8	100
Functions, games and entertainment	8.67	91.33	100
Rent, rates and taxes	44.9	55.1	100
Postage, telephone and fax	67.66	32.34	100
Recruitment and training	47.4	52.6	100
CPF contribution	92.11	7.89	100
Gratuity	83	17	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	2	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. No particular policy is followed for the allocation of cost.

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. 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 BAS 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 (BAS 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 (BAS 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 BAS 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 BAS 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 BAS 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 BAS 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 BAS 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 BAS 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.

3.18 Comparative information

Relevant comparative information has been presented in the financial statements. Previous period's figures have been rearranged/reclassified and restated wherever possible and considered necessary to conform to current period's presentation.

4 Property, plant and equipment

Figures in Taka

Particulars	Cost						Depreciation							Written down value	
	Balance as at 01 July 2018	Prior Years Adjustment	Restated Balance as at 01 July 2018	Addition during the period	(Disposal) / Adjustment during the period	Balance as at 31 Dec. 2018	Rate %	Balance as at 01 July 2018	Prior Year Adjustment	Restated Balance as at 01 July 2018	Disposal During the period	Charged During the Period	Balance as at 31 Dec. 2018	As at 31 Dec. 2018	As at 30 June 2018
Land and land development	5,852,906,878	-	5,852,906,878	297,892,868	-	6,150,799,746	-	-	-	-	-	-	-	6,150,799,746	5,852,906,878
Building	609,832,954	-	609,832,954	49,437,998	-	659,270,952	5	92,446,426	-	92,446,426	-	16,481,774	108,928,200	550,342,752	517,386,528
Plant and machinery (substation and transmission line)	175,545,061,424	-	175,545,061,424	1,106,946,080	-	176,652,007,504	3.5	67,511,150,625	-	67,511,150,625	-	2,608,031,828	70,119,182,453	106,532,825,051	108,033,910,799
Motor vehicle	1,143,726,911	-	1,143,726,911	23,245,930	-	1,166,972,841	20	741,459,481	-	741,459,481		71,818,382	813,277,863	353,694,978	402,267,430
Office equipment	393,706,322	-	393,706,322	10,752,963	-	404,459,285	10	157,714,266	-	157,714,266	-	17,985,550	175,699,816	228,759,469	235,992,056
Computer & Accessories	65,328,826		65,328,826	4,214,859		69,543,685	10	29,336,973		29,336,973		3,221,769	32,558,742	36,984,943	35,991,853
Signboard	56,411,853	-	56,411,853	-	-	56,411,853	25	56,411,853	-	56,411,853	-		56,411,853	-	-
Furniture and fixture	85,240,362	-	85,240,362	3,888,278	-	89,128,640	10	43,089,064	-	43,089,064	-	3,394,162	46,483,226	42,645,414	42,151,298
Total	**183,752,215,530**	-	**183,752,215,530**	**1,496,378,976**	-	**185,248,594,506**		**68,631,608,688**	-	**68,631,608,688**	-	**2,720,933,466**	**71,352,542,153**	**113,896,052,352**	**115,120,606,842**

Depreciation allocated to:	July to Dec' 2018	July to Dec' 2017
Transmission expenses (Note19)	2,710,593,918	2,546,213,146
Administrative expenses (Note 20)	10,339,547	9,712,518
	2,720,933,466	2,555,925,663

AMAR STOCK

5 Capital work-in-progress	31.12.2018 BDT	30.06.2018 BDT
Balance as at 1 July	63,269,033,237	25,353,438,671
Add: Cost incurred during the year	13,306,098,661	37,915,594,566
Less: Adjustment/transfer to assets	-	-
Balance	**76,575,131,898**	**63,269,033,237**
Project-wise break-up:		
400/230/132 Kv Chocoria Matharbari TLP	234,562	234,562
Ashuganj Bhulta 400 KV Transmission Line Project	6,298,787,762	5,717,948,413
Aminbazar Mawa Mongla 400 KV TLP & Aminbazar S/S Project	139,548,683	119,388,896
132 KV Amnura Substation & Associated TLP	568,069,090	566,059,942
Bakerganj-Barguna 132kv and Barguna S/s construction Project	23,606,206	18,637,616
B.Baria-Nabinagar-Narshingdi 132 KV Transmission Line Project	200,000	200,000
Baharampur-BD-Baharampur-India 2nd 400kv TLP	88,308,750	2,568,048
Bangladesh power system reliability and efficiency improvement Project	10,380,322	4,270,636
ESPNER Project - Eastern Region	644,126	-
Enhancement of capacity of Grid S/S & TL for Rural Electrification Project	7,676,259,218	6,556,104,709
Power Grid Network Strengthening Project (G to G)	118,525,668	85,745,025
Ghorasal 230kv UG cable project	131,915,747	112,589,974
400/230/132 KV Grid Network Development Project	6,107,915,937	4,474,910,145
Grid Development Project in Eastern Region	8,804,240,342	8,649,497,151
Head Office Building	1,566,780,561	1,439,286,501
HVDC 400kv back to back substation project	297,361	297,361
HVDC 2nd Block	15,726,587,711	14,299,198,099
Kodda 132/33 KV S/S Project	83,919,469.10	24,818,094.64
Kodda-Rajendrapur 132kv double circuit TLP	57,826,714.75	1,900.00
Matarbari-Anowara-Madunaghat 400 KV TL Project	500,000	-
Matarbari-Madunaghat 400 KV TL Project	34,583,299	23,799,291
DTIMEZRPS Mirsharail project	29,592,756	2,222,799
Dhaka-Chittagong MPGS Project (MMM)	415,320,737	396,356,036
Mongla Khulna (South) 230 KV TLP	989,850,686	824,985,928
Management Training Centre Building, Agargaon	142,112,172	140,703,739
Mymensingh Tangail Bhaluka and Jamalpur Sherpur	198,502	198,502
National Power Transmission Network Development	13,387,205,405	11,088,649,969
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	62,578,805	108,000
Meghnaghat – Aminbazar 400 Kv RPP, Associated T/L extension Transmission	487,551,473	487,681,960
Patuakhali (Payra) Gopalganj 400 KV TLP & Gopalganj 400 KV S/S	7,344,644,954	3,302,321,790
Patuakhali-Payra 230kv TL Project	352,051,563	91,585,248
Rajendrapur 132kv GIS S/S project	105,339,628	5,570,306
RE Component of MUSCCFP	487,581,378	487,581,378
Reconductoring of 132kv TLP	1,374,748,751	1,121,845,732
Rural Trans. Network Development and Renovation Project (Energy Efficiency	147,235,219	66,086,654
Western Grid Network Development Project	1,607,685,873	935,782,571
Exchange Rate Fluctuation loss/(Gain)	1,370,949,566	1,370,949,566
Inventory In Transit	636,023,832	655,517,623
Balance	**76,575,131,898**	**63,269,033,237**

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		31.12.2018 BDT	30.06.2018 BDT
6	**Investment in FDR**		
	These represent the investment in Fixed Deposit in various scheduled banks.	**50,000,000**	**110,000,000**
7	**Inventories**	**1,226,994,775**	**1,011,360,681**
	These represent the closing inventory of electrical goods as at 31 December 2017. The electrical goods included spare parts which were received from Bangladesh Power Development Board (BPDB) along with the substations and transmission lines.		
8	**Accounts and other receivables (re-arranged)**		
	Receivable from transmission/wheeling and optical fiber charge (note 8.1)	4,951,135,608	3,230,301,095
	Other receivables (note 8.2)	10,056,804	10,006,804
		4,961,192,412	**3,240,307,900**
8.1	**Accounts receivables**		
	Receivable from transmission/wheeling and optical fiber charge	4,956,574,608	3,235,740,095
	Provision for bad debt (RPCL)	(5,439,000)	(5,439,000)
	Net receivable from transmission/wheeling and optical fiber charge	**4,951,135,608**	**3,230,301,095**
8.2	**Other receivables**		
	T/L sales (Tangail PBS)	9,700,555	9,700,555
	Interest receivable	356,249	306,249
		10,056,804	**10,006,804**
9	**Cash and Cash Equivalents**		
	Cash in hand	793,539	711,389
	Balances with banks as:		
	Current deposit accounts	1,817,772,232	933,017,262
	Short term deposit accounts	7,644,696,654	6,547,508,151
		9,462,468,885	7,480,525,413
	Balance	**9,463,262,424**	**7,481,236,802**
10	**Share capital**		
	Authorized share capital		
	1,000,000,000 ordinary shares of Tk. 10 each	**10,000,000,000**	**10,000,000,000**
	Paid up share capital		
	460,912,991 ordinary shares of Tk. 10 each	**4,609,129,910**	**4,609,129,910**

AMAR STOCK

		31.12.2018 BDT	30.06.2018 BDT
11	**Deposit for shares**		

This represents the amount of investment received from the Government of the People's Republic of Bangladesh as part of GoB equity against the development projects & BPDB's Investment received through 5th & 6th Vendors Agreement.

Balance as at 1 July	37,348,943,886	30,394,658,990
Add: Received during the period from the GoB as part of equity in respect of development projects	5,524,810,000	7,035,011,571
	42,873,753,886	37,429,670,561
Less: Refunded to GoB the surplus fund released by GoB	-	80,726,675
Balance	**42,873,753,886**	**37,348,943,886**

Note:	31.12.2018	30.06.2018
Investment of Govt.	40,355,613,886	34,830,803,886
Investment of BPDB	2,518,140,000	2,518,140,000
Total Investment	42,873,753,886	37,348,943,886

The amount related to Deposit for shares will be settled as per the statutory regulation and decision of the Govt.

12	**Term loan- interest bearing**		

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

ADB loan	50,468,485,104	48,974,530,674
GoB loan	24,516,995,935	21,105,049,433
Assigned loan	4,394,319,983	4,394,319,983
SIDA loan	233,122,186	273,987,868
KFW loan	3,413,922,801	3,379,242,577
Danida loan	751,992,488	846,286,898
DPBS-1 loan	432,842,500	467,042,500
NDF loan	557,553,484	603,194,084
JBIC loan BD 52 , 55 & 70	14,974,935,884	13,962,811,964
IDA loan (No 4508 & 53810)	8,162,357,804	7,388,582,777
EDCF loan	7,081,806,954	7,081,806,954
HSBC loan	38,636,525	191,661,790
IDB loan BD 0172	1,353,145,880	1,254,926,242
DPBS-3 loan	38,476,823	38,476,823
	116,418,594,351	109,961,920,567
Less: Transferred to Term loan-interest bearing i.e. Current portion of long term loan	(405,701,762)	(840,005,104)
Total long term loan	**116,012,892,589**	**109,121,915,463**
Add: Long term interest	21,491,003,252	20,273,603,166
Balance	**137,503,895,840**	**129,395,518,629**

13	**Grant from SIDA & KFW**		
	Grant from KFW (note 13.1)	980,753,077	956,807,950
	Grant from SIDA (note 13.2)	91,245,655	91,245,655
		1,071,998,732	**1,048,053,605**
13.1	**Grant from KFW**		
	Balance as at 1 July	956,807,950	80,154,780
	Received During the period	23,945,127	876,653,170
	Balance	**980,753,077**	**956,807,950**
13.2	**Grant from SIDA**		
	Balance as at 1 July	91,245,655	96,158,882
	Less: Current period amotization	-	(4,913,227)
	Balance	**91,245,655**	**91,245,655**

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		31.12.2018 BDT	30.06.2018 BDT
14	**Deferred Liability- gratuity**		
	Balance as at 1 July	2,791,709,375	1,963,994,600
	Add: Provision made during the period	250,000,000	909,116,456
		3,041,709,375	2,873,111,056
	Less: Paid /adjustment during the period	41,638,257	81,401,681
	Balance	**3,000,071,118**	**2,791,709,375**
15	**Deferred tax liabilities**		
	Deferred tax liabilities recognized in accordance with the provisions of BAS 12: Income taxes, is arrived as follows:		
	Balance as at 1 July	6,240,241,542	5,853,283,410
	Prior Year Adjustment	-	-
	Addition/(Reversal) during the period	555,376,046	386,958,132
	Balance	**6,795,617,588**	**6,240,241,542**
16	**Interest Payable**		
	This represents the interest payable for the period.		
	The movement of the above amount is given below:		
	Balance as at 1 July	20,684,316,175	17,003,529,321
	Add: Interest charged during the period	1,646,903,542	4,293,439,176
		22,331,219,718	21,296,968,497
	Payment/Adjustment made during the period	(650,170,911)	(612,652,322)
	Balance	**21,681,048,807**	**20,684,316,175**
	The Company expects to pay Interest Payable during FY: 2018-19	**190,045,555**	**410,713,009**
	Interest Payable -Long Term Portion	**21,491,003,252**	**20,273,603,166**
	Total	**21,681,048,807**	**20,684,316,175**
17	**Provision for taxation**		
	Balance as at 01 July	365,031,982	269,262,084
	Add: Addition during the period	54,969,187	95,769,898
		420,001,169	365,031,982
	Prior Year adjustment	-	-
	Less: Paid/Adjusment during the period	-	-
	Balance	**420,001,169**	**365,031,982**

		July to Dec. 31, 2018 Taka	July to Dec. 31, 2017 Taka
18	**Revenue**		
	Transmission/wheeling charge	8,728,422,215	7,743,813,450
	Optical Fiber charge	142,937,090	112,783,956
		8,871,359,305	**7,856,597,406**
19	**Transmission expenses**		
	Salary and other employee benefits	1,143,260,199	1,152,595,936
	Travelling and conveyance	27,063,601	25,269,793
	Functions, games and entertainment	1,279,260	253,991
	Rent, rates and taxes	16,749,578	14,604,312
	Postage, telephone and fax	2,958,072	2,023,597
	Recruitment and training	6,383,372	12,209,445
	CPF contribution	44,289,765	42,649,629
	Gratuity	207,500,000	249,000,000
	Electricity and power	110,700,904	99,157,817
	Office Expenses	4,275,101	3,034,446
	Fuel and lubricant	11,576,486	11,288,562
	Security expense	109,796,492	108,984,183
	Insurance	748,584	918,208
	Bank charges and commission	1,391,932	1,754,289
	Consultancy	1,490,594	6,032,230
	Repair and maintenance	236,514,195	81,715,703
	C & F, carrying and handling	202,941	231,927
	Miscellaneous expenses	648	26,456
	Depreciation (Note: 4)	2,710,593,918	2,546,213,146
		4,636,775,642	**4,357,963,669**

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		July to Dec.31, 2018 Taka	July to Dec.31, 2017 Taka
20	**Administrative expenses**		
	Salary and other employee benefits	141,301,822	142,455,677
	Travelling and conveyance	1,069,040	998,183
	Functions, games and entertainment	13,475,757	2,675,553
	Rent, rates and taxes	20,579,547	17,943,742
	Postage, telephone and fax	1,413,894	967,235
	Recruitment and training	7,083,657	13,548,878
	CPF contribution	3,793,793	3,653,301
	Gratuity	42,500,000	51,000,000
	Electricity and power	1,868,655	1,673,805
	Office Expenses	7,760,655	5,508,475
	Fuel and lubricant	3,629,722	3,539,445
	Security expense	1,491,256	1,480,223
	Insurance	2,712,274	3,326,860
	Bank charges and commission	26,959	33,977
	Consultancy	6,846,059	27,705,075
	Repair and maintenance	7,642,092	2,640,344
	C & F, carrying and handling	8,434	9,638
	Miscellaneous expenses	147	5,986
	Depreciation (Note: 4)	10,339,547	9,712,518
	Advertisement and publicity	7,762,349	6,886,128
	Audit fee		191,060
	Legal expenses	368,750	72,887
	Fees and renewals	5,282,087	5,032,121
	Directors' honorarium and support service allowance	2,241,510	2,254,190
	Other honorarium	2,201,400	1,504,800
	AGM Expenses	30,000	30,000
	Donation & Subscription	300,000	12,500,000
	Research & Development	22,672,652	10,581,092
		314,402,058	**327,931,193**
21	**Finance income**		
	Interest Income	147,792,564	50,440,973
		147,792,564	**50,440,973**
22	**Other income**		
	Rental income	6,273,189	3,496,812
	Miscellaneous sales	104,833,143	41,541,174
	Grant Income	-	-
	Miscellaneous income	31,273,019	25,288,705
		142,379,351	**70,326,691**

	July to Dec.31, 2018 Taka	July to Dec.31, 2017 Taka
23 Income tax expense/(Income)		
Current tax	54,969,187	47,864,190
Deferred tax	**555,376,046**	**358,227,032**
Deferred Tax (Income)/Expenses related to the origination and reversal of temporary differences	555,376,046	358,227,032
Adjustment to opening deferred tax liabilitty resulting from increase/(reduction) in tax rate	-	-
	610,345,233	**406,091,222**
24 Earning per share (EPS)- basic		
Net profit after tax	1,831,035,698	1,218,273,666
Number of Ordinary shares outstanding during the year	460,912,991	460,912,991
EPS - basic	**3.97**	**2.64**

24.1 EPS for the period has increased by BDT 1.33 in compare to previous period. The total income of the Company has increased by BDT 1,184,166,150 and the total expenses of the Company has increased by BDT 571,404,118. The expenses do not incur in line with the Company's income. Hence EPS has increased significantly.

25 Cash Flow

Net Cash inflow from Operating Activities for the period has increased due to increase of collection from customers than that of previous period.

26 Event After the reporting period

26 17% cash dividend approved by the shareholders for the FY: 2017-18 in the 22nd AGM held on 19 January, 2019.

26 10,000,000,000 ordinary shares of Tk. 10 each i,e BDT 100,000,000,000 for Authorized share capital approved by shareholders in the 22nd AGM held on January 19 2019.

27 Related party transactions

The Company in normal course of business has entered into transactions with other entities that fall within the definition of related party contined in BAS 24. The Company believes that the terms of related party transactions are not significantly different from those that could have been obtained from parties. the significant related party transactions during the period are as follows:

Name of the party	Nature of relationship	Nature of transaction	Transactions during the period	Receivables/(payable) as at 31 December 2018
			BDT	BDT
Bangladesh Power Development Board (BPDB)	Majority shareholder	Transmission charge	1,303,377,003	1,769,427,022

28 Key management personnel compensation

The Company has no related party key management personnel.

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Net Operating Cash Flow Per Share(NOCFPS)

$$\text{Net Operating Cash Flow Per Share} = \frac{\text{Net operating cash flow}}{\text{Number of shares}}$$

Half Yearly 2018-19	$\frac{4,428,522,826}{460,912,991}$	=	9.61
Half Yearly 2017-18	$\frac{3,961,140,336}{460,912,991}$	=	8.59

Earning Per Share (EPS)

$$\text{Earning Per Share} = \frac{\text{Net Income After Tax}}{\text{Number of shares}}$$

Half Yearly 2018-19	$\frac{1,831,035,698}{460,912,991}$	=	3.97
Half Yearly 2017-18	$\frac{1,218,273,666}{460,912,991}$	=	2.64

Net Asset Value Per Share (NAVPS)

$$\text{Net Asset Value Per Share} = \frac{\text{Net Asset Value}}{\text{Number of shares}}$$

Half Yearly 2018-19	$\frac{57,190,071,593}{460,912,991}$	=	124.08
Half Yearly 2017-18	$\frac{45,826,509,000}{460,912,991}$	=	99.43

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