

**Government of the People's Republic of  
Bangladesh**



**The Procedure to Regulate the Debt and Contingent  
Liabilities of State-Owned Enterprises and  
Autonomous Bodies**

**Monitoring Cell  
Finance Division, Ministry of Finance**

**Revised up to September 2023**

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## Acronyms and Expansions

<b>Acronym</b>	<b>Expansion</b>
ABs	Autonomous Bodies
AFS	Audited Financial Statements
AIT	Advance Income Tax
BDT	Bangladeshi Taka
CAFO	Chief Accounts and Finance Officer
CCLM	Cash and Contingent Liability Management
COGS	Cost of Goods Sold
CSR	Corporate Social Responsibility
DCA	Development Credit Agreement
DCL	Debt and Contingent Liability
DSL	Debt Service Liability
ERD	Economic Relation Division
FD	Finance Division
GO	Government Order
GoB	Government of Bangladesh
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
LA	Loan Agreement
MC	Monitoring Cell
PSOs	Public Service Obligations
SD	Supplementary Duty
SLA	Subsidiary Loan Agreement
SOEs	State-Owned Enterprises
SPFMS	Strengthening Public Financial Management Program to Enable Service Delivery
TDMW	Treasury and Debt Management Wing
TDS	Tax Deduction at Source
VAT	Value Added Tax
VDS	VAT Deduction at Source
WPPF	Workers Profit Participation Fund

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অর্থ মন্ত্রণালয়, অর্থ বিভাগ  
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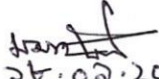
তারিখ: ৩ আশ্বিন ১৪৩০  
১৮ সেপ্টেম্বর ২০২৩

**বিষয়: রাষ্ট্রায়ত্ত্ব ও স্বায়ত্তশাসিত প্রতিষ্ঠানসমূহের জন্য প্রণীত “The Procedure to Regulate the debt and Contingent Liabilities of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs)” হালনাগাদকরণ।**

উপর্যুক্ত বিষয়ের প্রতি সদয় দৃষ্টি আকর্ষণপূর্বক জানানো যাচ্ছে যে, SPFMS কর্মসূচীর আওতায় Component 9: Strengthening of State-Owned Enterprises' Governance স্কিম এর অধীনে “The Procedure to Regulate the debt and Contingent Liabilities of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs)” প্রণয়ন করা হয়েছে, যা জানুয়ারি/২০২২ হতে কার্যকর রয়েছে।

২। রাষ্ট্রায়ত্ত্ব ও স্বায়ত্তশাসিত প্রতিষ্ঠানসমূহের কর্মদক্ষতা অধিকতর মূল্যায়নের লক্ষ্যে প্রণীত উক্ত Procedure-এর কতিপয় অংশ হালনাগাদপূর্বক নির্দেশক্রমে পুনঃপ্রকাশ করা হলো।

সংযুক্ত: বর্ণনামতে।

  
১৮.০৯.২০২৩  
পরিচালক (যুগ্মসচিব)  
মনিটরিং সেল, অর্থ বিভাগ  
ফোন ২২৩৩৫৬৩৫৮

**বিতরণ: কার্যার্থে ও জ্ঞাতার্থে (জ্যেষ্ঠতার ক্রমানুসারে নয়)**

০১. মন্ত্রিপরিষদ সচিব, মন্ত্রিপরিষদ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
০২. প্রধানমন্ত্রীর মুখ্য সচিব, প্রধানমন্ত্রীর কার্যালয়, তেজগাঁও, ঢাকা।
০৩. সিনিয়র সচিব/সচিব .....
০৪. চেয়ারম্যান /মহাপরিচালক/নির্বাহী পরিচালক/ব্যবস্থাপনা পরিচালক .....
০৫. অতিরিক্ত সচিব,.....(সকল), অর্থ বিভাগ।
০৬. অর্থ সচিবের একান্ত সচিব, অর্থ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
০৭. অফিস কপি

নং ০৭.০১.০০০০.০০০.১৪.০০৯.২১-১৪৮

তারিখ: ৩০ ডিসেম্বর ২০২১ খ্রি:  
১৫ পৌষ ১৪২৮ বঙ্গাব্দ

**বিষয়ঃ রাষ্ট্রায়ত্ত্ব ও স্বায়ত্তশাসিত প্রতিষ্ঠানসমূহের জন্য প্রণীত “The Procedure to Regulate the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs)” জারিকরণ।**

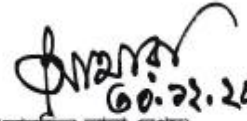
উপর্যুক্ত বিষয়ে জানানো যাচ্ছে যে, আর্থিক সংস্কার কার্যক্রমের আওতায় ২০১৮-২০২৩ মেয়াদে “Public Financial Management (PFM) Action Plan” বাস্তবায়নের লক্ষ্যে অর্থ বিভাগ হতে “Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)” কর্মসূচি গ্রহণ করা হয়েছে। উক্ত SPFMS কর্মসূচির আওতায় “Strengthening of State Owned Enterprises’ Governance” স্কিম এর অধীনে “The Procedure to Regulate the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs)” প্রণয়ন করা হয়েছে।

২। “The Procedure to Regulate the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs)” এর মূল লক্ষ্য হলো রাষ্ট্রায়ত্ত্ব ও স্বায়ত্তশাসিত প্রতিষ্ঠানসমূহের দায় ও প্রচ্ছন্ন দায় পরিবীক্ষণ এবং তা বিশ্লেষণের মাধ্যমে এ সংক্রান্ত প্রতিবেদন প্রণয়ন। এ Procedure -এর অন্তর্গত সংশ্লিষ্ট ফরমের মাধ্যমে রাষ্ট্রায়ত্ত্ব ও স্বায়ত্তশাসিত প্রতিষ্ঠানসমূহের দায়, প্রচ্ছন্ন দায় এবং অন্যান্য আর্থিক ও অ-আর্থিক কর্মকাণ্ডের তথ্য ও উপাত্ত সংরক্ষণের ব্যবস্থা নেওয়া হয়েছে। উক্ত তথ্য, উপাত্ত বিশ্লেষণপূর্বক রাষ্ট্রায়ত্ত্ব ও স্বায়ত্তশাসিত প্রতিষ্ঠানসমূহের দায় পরিশোধের সক্ষমতা মূল্যায়ন সহজ হবে। Procedureটি বাস্তবায়িত হলে সরকারের আর্থিক ব্যবস্থাপনা উন্নয়ন, আর্থিক শৃঙ্খলা নিশ্চিতকরণ এবং রাষ্ট্রায়ত্ত্ব ও স্বায়ত্তশাসিত প্রতিষ্ঠানসমূহের সামগ্রিক কর্মকাণ্ডের উন্নয়ন সম্ভব হবে।

৩। অর্থ বিভাগের অনুমোদনক্রমে রাষ্ট্রায়ত্ত্ব ও স্বায়ত্তশাসিত প্রতিষ্ঠানসমূহের দায় ও প্রচ্ছন্ন দায় পরিবীক্ষণের লক্ষ্যে প্রণীত “The Procedure to Regulate the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs)” জারি করা হলো।

৪। এ Procedure টি ০১ জানুয়ারি, ২০২২ হতে কার্যকর হবে।

সংযুক্তিঃ Procedure-এর কপি।

  
৩০.১২.২০২১

(আরফিন আরা বেগম)

মহাপরিচালক (অতিরিক্ত সচিব)

মনিটরিং সেল, অর্থ বিভাগ।

বিতরণঃ(জ্যেষ্ঠতার ক্রমানুসারে নয়)

- ১। মন্ত্রিপরিষদ সচিব, বাংলাদেশ সচিবালয়, ঢাকা।
- ২। মুখ্য সচিব, প্রধানমন্ত্রীর কার্যালয়, তেজগাঁও, ঢাকা।
- ৩। সিনিয়র সচিব/ সচিব.....
- ৪। চেয়ারম্যান/ মহাপরিচালক/ব্যবস্থাপনা পরিচালক/নির্বাহী পরিচালক.....
- ৫। অতিরিক্ত সচিব (প্রশাসন ও টিডিএম/ বাজেট ও ব্যয় ব্যবস্থাপনা/ প্রবারা), অর্থ বিভাগ।
- ৬। অতিরিক্ত সচিব/যুগ্মসচিব (রাষ্ট্রায়ত্ত্ব প্রতিষ্ঠান অনুবিভাগ/ ট্রেজারি ও ঋণ ব্যবস্থাপনা অনুবিভাগ/ বাজেট-১,২ অনুবিভাগ/ সামষ্টিক অর্থনীতি অনুবিভাগ/ অর্থনৈতিক উপদেষ্টা অনুবিভাগ), অর্থ বিভাগ।
- ৭। সিনিয়র সচিবের একান্ত সচিব, অর্থ বিভাগ।
- ৮। অফিস কপি।

## Introduction

- I. Debt and Contingent Liabilities may arise from financing and other activities of an entity. This may happen for State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs). Debt is the amount owed and hence payable by an entity. Contingent liabilities are either possible obligations or present obligations that arise from past events but are not recognized as liabilities because the outflow of resources required to settle the obligations is not probable or the amount of the obligations cannot be measured with sufficient reliability.
- II. SOEs/ABs may incur debt on account of borrowings from government and non-government entities. Contingent liabilities may arise to the SOEs/ABs because of their possible obligations or non-probable or non-measurable present obligations. On the other hand, any borrowing of SOEs/ABs from non-government entities that requires Sovereign Guarantee/Counter Guarantee results in contingent liability to the government. Such contingent liability may become a liability to the government if the SOEs/ABs fails to repay the debt for which the government has provided the Sovereign Guarantee. Contingent liabilities of SOEs/ABs, in turn, become their liabilities under certain circumstances such as if any possible obligation is confirmed upon the verdict of the court, or upon the settlement of the disputes etc. The debt and contingent liabilities of SOEs/ABs may become a fiscal burden to the government - the ultimate owner of the SOEs/ABs, if they fail to manage their debt and contingent liabilities properly.
- III. In Bangladesh, at present, Debt Service Liability (DSL) Branch and Cash and Contingent Liability Management (CCLM) Branch are working under the Treasury and Debt Management Wing (TDMW) of Finance Division (FD), Ministry of Finance. These branches are maintaining respectively the data relating to debt of SOEs/ABs on account of borrowings from government and the information of Sovereign Guarantee provided by the government against the borrowings of SOEs/ABs from non-government entities. Thus, there is no systematic regulatory framework currently in place to capture comprehensive data relating to the borrowings of the SOEs/ABs from non-government entities and the information of contingent liabilities of SOEs/ABs.
- IV. On this backdrop, this Procedure aims to provide a framework for the comprehensive, timely and accurate collation of data and consolidation of information on the debt and contingent liabilities of SOEs/ABs. Section 3(2)(b) of “The Public Money and Budget Management Act 2009” stipulates that the Contingent Liabilities of the Government on account of issuing Sovereign Guarantees shall be contained within a sustainable limit. This Procedure will help monitor and thereby will help limit the Contingent Liabilities of the Government. Therefore, the directive of preparing and implementing this Procedure is based on “The Public Money and Budget Management Act 2009”. The Procedure details the contents of the Debt and Contingent Liabilities statement of SOEs/ABs to be presented to the Finance Secretary/Finance Minister. The statement focuses on debt service performance and timely disclosure of debt and contingent liabilities of SOEs/ABs. Furthermore, the Procedure clarifies the roles of various stakeholders - Monitoring Cell, DSL Branch, CCLM Branch, Line Ministries/Divisions,

Chief Accounts and Finance Officer (CAFO), concerned SOEs/ABs - in collating and sharing the individual and aggregate data with regard to debt and contingent liabilities of SOEs/ABs. This Procedure in no way aims to infringe on the financing decision making authority and autonomy of the SOE/AB board. Based on the circumstances, the statements and provisions of this Procedure will be applicable to the SOEs or ABs.

## 1. Title and Commencement

- I. The title of this Procedure will be - The Procedure to Regulate the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs). It is issued with the approval of Senior Secretary, Finance Division on 28 December, 2021.
- II. This Procedure will be effective immediately and be applicable to all SOEs/ABs as per the list of Monitoring Cell (MC), which may be updated time to time.
- III. The directive to formulate this Procedure is embedded in the approved documents of Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS).

## 3. Definition of Keywords/Terms

- I. **Regulate** means collecting data and consolidating information on debt and contingent liabilities of SOEs/ABs with a view to monitoring and reporting on the position of debt and contingent liabilities as well as the capacity of SOEs/ABs to service their debt and contingent liabilities, and make timely disclosure but by no means aims to infringe on the financing decision making authority and autonomy of SOE/AB board.
- II. **State-Owned Enterprise (SOE)** is an entity established as Statutory Corporation, Company under the Companies Act, Board, Authority, Institution, Enterprise, Unit and created by any other legal form in which Government of Bangladesh has ownership of any degree with the objectives of earning revenue and/or discharging Public Service Obligations.
- III. **Autonomous Body (AB)** is also an SOE which is a wholly owned government body, distinct from public administration, created by law, with objectives of achieving specific policy goals or Public Service Obligations, with no significant income from regular operations; having autonomy and being accountable to the Government of Bangladesh.
- IV. **Debt** means the amounts owed and payable by an SOE/AB to the Government of Bangladesh, creditors, other SOEs/ABs or any other entities.
- V. **Contingent Liabilities** means possible obligations that may occur depending on the outcome of an uncertain future event or present obligations but non-probable or non-measurable with sufficient reliability. It is either possible obligations arising from past events but the existence of the obligations will be confirmed only by the occurrence or non-occurrence of some uncertain future events not wholly within the entity's control or



present obligations that arise from past events but are not recognized as liabilities because the outflow of resources embodying economic benefits required to settle the obligations is not probable or the amount of the obligations cannot be measured with sufficient reliability.

- VI. Monitoring Cell** means Monitoring Cell of Finance Division, Ministry of Finance.
- VII. Quasi Fiscal Activities** means any activities undertaken by SOEs, and sometimes by private sector companies at the direction of the government, where the prices charged are less than usual price or less than the market price.
- VIII. Financial Health Check** means financial analysis carried out to keep an SOE/AB financially sound.

Apart from the above definitions, all other accounting and financial terms mentioned in this Procedure will have the same meaning as defined in International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and described in the conceptual framework of IAS and IFRS.

## 4. Objectives

The objectives of this Procedure are:

- I.** To monitor the debt and contingent liabilities of SOEs/ABs;
- II.** To provide a framework for effective, timely, and comprehensive consolidated reporting and analysis of the debt and contingent liabilities of SOEs/ABs;
- III.** To strengthen fiscal discipline for better management of public money and preparedness for any associated fiscal risks.

## 5. Fiscal Risk

Government relies on SOEs and ABs along with other bodies to perform Public Service Obligations (PSOs). Such reliance may create fiscal risk to the government as for rendering public services, SOEs and ABs may place to the government funding requirements that fall outside the usual budget process. Extra budgetary funding requirement by the SOEs and ABs may arise if they do not perform well and consequently, become debt burdened. Such phenomenon is the source of fiscal risk to the government, particularly if the government does not have accurate information about debt position and debt repayment capacity of the SOEs and ABs.

If required, the government may guarantee/counter guarantee against the borrowings of SOEs and ABs. These guarantees/counter guarantees are contingent liabilities of the government and are a source of fiscal risk. SOEs may put financial burden on the government if they carry out quasi fiscal activities for which Government does not provide required funding. Thus, fiscal risk

may stem from the quasi-fiscal activities carried out by the SOEs. Moreover, all other types of debt and contingent liabilities of SOEs and ABs may give rise to fiscal risk to the government if the contingent liabilities of SOEs and ABs become their liabilities and the SOEs and ABs fail to pay off their debt and other liabilities.

The receipts from and payments to SOEs and ABs impact the fiscal accounts. Therefore, the lower amount of receipts from and higher amount of payments to SOEs and ABs from budgeted amounts may pose fiscal risk to the government. Fiscal risk is essentially the unexpected financial burden i.e., funding requirement on the government in future. SOEs and ABs may put high funding requirement on the government in future if they have high level of debt stock, high contingent liabilities, and low revenue generating capability/potentiality.

**Fiscal risks that may arise from the SOEs and ABs may be assessed as follows:**

**Net contribution of the SOEs and ABs to the budget:** This includes indirect taxes, corporate income tax, dividends, subsidies, net equity and debt payments, and calls on government guarantees/counter guarantees. Net contribution measures the SOE's and AB's direct impact on fiscal revenue and spending.

**Net debt:** This indicates total liabilities minus current assets of the SOEs and ABs. Rising net debt increases the exposure of the government to adverse shocks on the SOE's and AB's balance sheet and operations. It indicates higher fiscal risk as the government will have to provide higher financial support to the SOEs and ABs and the net contribution of SOEs and ABs to the government's budget may reduce in future.

**Off-balance-sheet liabilities:** An example of Off-balance-sheet liabilities is a guarantee/counter guarantee. Off-balance-sheet liabilities are contingent liabilities. An increase in off-balance-sheet liabilities has impact on the SOE's and AB's net worth similar to an increase in net debt.

Using the data collected on above items, financial health check/analysis may be carried out in terms of profitability, liquidity, and solvency ratios to measure the fiscal risks stemming from SOEs. Benchmarking/thresholds of these ratios may be set against which SOEs and ABs may be ranked from low risk to high risk.

It thus suggests that debt and contingent liabilities of SOEs and ABs are sources of fiscal risks to the government. Therefore, in order to properly manage and strengthen the preparedness for fiscal risk, the debt and contingent liabilities of SOEs and ABs need to be monitored closely.

## 6. Managing Fiscal Risk

Monitoring and managing the fiscal burden and potential fiscal risk arising from SOEs and ABs is important for achieving financial and fiscal discipline. This can be done by following the principles of competitive neutrality that reduce preferential access of the SOEs and ABs to financing and provide the government a framework for strengthening the financial and fiscal discipline. Preferential access to financing may result in excessive indebtedness and generate severe inefficiencies in the SOEs and ABs. Therefore, in order to manage fiscal risk, along with monitoring the debt and contingent liabilities of SOEs and ABs by maintaining a strong database, preferential access of the SOEs and ABs to financing needs to be curtailed. Also, while searching for sources of financing, SOEs and ABs shall emphasize more on competitiveness selecting the alternative among the competitive sources of financing that will render the highest benefit. To this effect, in order to fulfill the needs of financing, SOEs and ABs shall prioritize the receipt of concessional loan through Economic Relations Division (ERD). In the event of unavailability of concessional loan, SOEs and ABs may resort to commercial loan at a competitive market interest rate and other conditions complying with relevant rules and regulations in force. In this regard, prudence and due diligence need to be pursued; particularly, external situation, debt service capability, and revenue to debt ratio need to be considered.

## 7. Institutional Arrangement

### 7.1 Finance Division (FD)

Finance Division (FD) has overall responsibility for financial administration and expenditure management of SOEs/ABs and therefore, has the responsibility to ensure that SOEs/ABs operate efficiently, accountably, and transparently. The responsibility of FD includes maintaining debt sustainability and fiscal health as well as holding the SOEs/ABs accountable for their activities. In respect of this Procedure, the functions of FD will be:

- I. To execute Subsidiary Loan Agreement (SLA)/Loan Agreement (LA), as the case may be, with SOEs/ABs properly;
- II. To ensure that the provisions of Sovereign Guarantee/Counter Guarantee Guideline of FD are duly complied prior to issuing such guarantee;
- III. To maintain the data on the borrowings of SOEs/ABs from government and the record of sovereign guarantee/counter guarantee provided by the government against the borrowings of SOEs/ABs from sources other than the government appropriately and share with Monitoring Cell (MC);
- IV. To approve the statements on debt and contingent liabilities of SOEs/ABs and the report on the position of debt and contingent liabilities and the capacity of SOEs/ABs to service their debt;
- V. To approve the amendments of this Procedure recommended by MC as and when necessary.

## **7.2 Monitoring Cell (MC)**

The Monitoring Cell will be the entity with the authority of implementing this Procedure. The functions of the Monitoring Cell in this regard will be:

- I. To provide advisory and centralized support to SOEs/ABs to ensure their strict compliance with the provisions of this Procedure;
- II. To maintain an updated list of SOEs and ABs;
- III. To establish a web-based system for capturing data on debt and contingent liabilities including other financial and non-financial data of SOEs/ABs;
- IV. To generate a statement on debt and contingent liabilities of SOEs/ABs;
- V. To prepare a report on the position of debt and contingent liabilities and the capacity of SOEs/ABs to service their debt and submit the report to Finance Secretary/Finance Minister for approval;
- VI. To visit SOEs and ABs for monitoring the debt and contingent liabilities, if required;
- VII. To engage consultants (if required) to explore the incorporation of any modification or improvement of the Procedure;
- VIII. To make amendments, as and when necessary, of this Procedure with the approval of FD.

## **7.3 Line Ministries/Divisions**

Line ministries/divisions will carry out the regulatory functions for SOEs/ABs. The portfolio ministries/divisions and in special cases the Cabinet Division and Finance Division, shall have the responsibility for policy direction of SOEs/ABs. The functions of Line Ministries/Divisions regarding this Procedure will be:

- I. To comply with the relevant provisions of Sovereign Guarantee/Counter Guarantee Guideline of FD;
- II. To ensure/monitor that the SOEs/ABs repay the installments of their borrowings as per amortization schedule;
- III. To ensure/monitor that the SOEs/ABs comply the provisions of this Procedure.

## **7.4 State Owned Enterprises (SOEs)/Autonomous Bodies (ABs)**

The role of the SOE/AB Board of Directors is to formulate the strategies and oversee the activities of the entity. The functions of the SOE/AB Board of Directors in relation to this Procedure will be:

- I. To ensure/monitor that the SOE/AB complies the relevant provisions of Sovereign Guarantee/Counter Guarantee Guideline of FD;
- II. To ensure/monitor that the SOE/AB repays the installments of borrowings as per amortization schedule;
- III. To ensure/monitor that the SOE/AB complies the provisions of this Procedure;
- IV. To ensure that the SOE/AB follows International Accounting Standards and International Financial Reporting Standards.

## 8. Debt Composition of SOEs/ABs

The activities of SOEs/ABs may be debt financed by the government, domestic or international entities. The debt composition of SOEs/ABs may be as follows:

### 8.1 Borrowing from Government

SOEs/ABs may borrow from the government through (i) Subsidiary Loan Agreement (SLA) or (ii) Loan Agreement (LA).

#### 8.1.1 Subsidiary Loan Agreement (SLA)

When Development Partners agree to finance any SOE/AB, they enter into Development Credit Agreement (DCA) with the Economic Relation Division (ERD), Ministry of Finance. The financing may include any type of credits such as loan, suppliers' credit, buyers' credit etc. Following the DCA, FD executes a Subsidiary Loan Agreement (SLA) with the concerned SOE/AB. Subsequent to the execution of SLA, a Government Order (GO) is issued for the release of funds to the concerned SOE/AB. Based on the SLA and GO, CAFO makes payment to the SOE/AB and, as a consequence, concerned SOE/AB incurs debt to the government.

#### 8.1.2 Loan Agreement (LA)

The GoB may agree to provide a loan to SOEs/ABs from its own resources. FD, Ministry of Finance, enters into a Loan Agreement (LA) with the concerned SOE/AB. Thereafter, a GO for the release of funds is issued and on the basis of the LA and GO, CAFO makes payment to the concerned SOE/AB. Consequently, the SOE/AB recognizes its debt to the government.

### 8.2 Borrowing from Financial Institutions

As per board decision, SOEs/ABs may borrow from domestic or international financial institutions. Borrowing from state-owned banks or other financial institutions of the country may be categorized as the borrowing from domestic financial institutions. SOEs/ABs incur debt as the loan is disbursed and interest accrues on the loan. The state-owned banks/other financial institutions may require the FD to issue a sovereign guarantee/counter guarantee. For the issuance of such sovereign guarantee/counter guarantee, concerned SOEs/ABs, Line ministries, and FD have to comply with the conditions mentioned in Sovereign Guarantee/Counter Guarantee Guideline of FD, Ministry of Finance. As per this guideline, concerned SOEs/ABs are required to maintain a **Debt Repayment Fund** for the debt against which Government has provided Sovereign Guarantee/Counter Guarantee. Such sovereign guarantees/counter guarantees are essentially the contingent liabilities of Government.

### 8.3 Deferred Payment Liabilities

Deferred payment liabilities are long term liabilities that arise on account of the purchase of goods and/or services under long term contracts for which the payments are deferred to a longer period in future i.e. at least more than one year. SOEs/ABs will maintain the particulars of deferred payment liabilities, if any, for each contract separately.

## 8.4 Debt to Related Party

International Accounting Standard 24 (IAS 24) states that an entity is a related party to a reporting entity if it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a related party. IAS 24 requires a reporting entity to disclose all the related party transactions occurred during the reporting period and a related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged or not. Therefore, an SOE's/AB's debt to related party includes outstanding borrowings from related party and interest accrued on the borrowings but not paid, and all other liabilities arisen from the transactions with the related party.

## 8.5 Other Debts

Other debts of SOEs/ABs may include outstanding borrowings from and interest accrued on the borrowings but not paid and any other liabilities to any SOE/AB (not related party), liabilities to any other entities, any other liabilities other than the outstanding borrowings and interests to the government such as Income Tax payable, Value Added Tax (VAT) payable, Supplementary Duty (SD) payable, Duties and Taxes payable on Import, Income Tax and VAT Deducted at Source but not deposited to the government treasury, dividend payable, and any other payable originated from the ordinary course of business.

## 9. Contingent Liabilities of SOEs/ABs

For the purpose of this Procedure contingent liabilities of SOEs/ABs focus on the debt that has been explicitly or implicitly guaranteed by an SOE/AB. Debt that the GoB has guaranteed on behalf of the SOEs/ABs are considered to be a contractual obligation that the GoB may have to honor in future if the entity fails to adhere to the repayment schedule or unable to repay the said debt at all and as such contingent liabilities for the GoB. These contingent liabilities of the GoB are monitored and reported by the TDMW. Below are the SOE guarantees that may become contingent liabilities for an SOE.

### 9.1 Loan Guarantee

The lender of the subsidiary SOE may require guarantee from the parent SOE for the borrowings of its subsidiary. Hence, a loan guarantee is a legally binding commitment given by the parent SOE to pay or fulfill the debt or obligation of its subsidiary in the event that the subsidiary defaults. A loan guarantee is thus a contingent liability of the parent SOE and it will turn into liability of the parent SOE, if the borrower i.e. subsidiary SOE defaults. The original loan terms and amount, payment schedule and current status will be reported by the subsidiary to the parent SOE.

## 9.2 Letter of Comfort

A letter of comfort is an ethical or moral commitment given by the parent SOE to the lender in order to support the obligations of its subsidiary. Though commitment given in the letter of comfort is not legally binding, it is essentially in the nature of implicit contingent liability.

## 9.3 Statutory Obligations

SOEs/ABs may have statutory obligations on account of terminal benefits to be paid to the employees for retrenchment or termination of employment or contracts. SOEs/ABs will make an estimation of the contingent liability for the retrenchment or termination of employment or contracts of employees. Statutory obligations also include the payment of fees, penalties, duties, taxes, surcharges, and others that may arise on account of the settlement of disputes in future with the government agencies, such as income tax, VAT, Custom authorities, etc.

## 9.4 Pending Litigations

Contingent liabilities include the possible obligations that may arise from the verdict of the cases pending before any court of law. SOEs/ABs will follow up the cases, if any, pending before the court and maintain as well as update their contingent liabilities in this regard. The estimates of contingent liabilities for pending litigations are required to be reported in the annual financial statements as per IAS 37.

## 9.5 Credit Disputes

Disputes relating to purchases of goods/services on credit will be regarded as contingent liabilities since the disputes may result in liabilities if the future event of the settlement of the disputes imposes any obligations. SOEs/ABs will maintain updated data relating to credit disputes.

## 9.6 Quasi-Fiscal Activities

Contingent liabilities arise to the Government on account of Quasi-Fiscal Activities because the Government has to disburse subsidies to the SOEs for carrying out Quasi-Fiscal Activities. Likewise, a parent SOE shoulders contingent liabilities, if it directs subsidiaries to implement Quasi-Fiscal Activities. Therefore, the parent SOE shall disclose contingent liabilities in the event that the subsidiaries perform Quasi-Fiscal Activities at the behest of their parent.

## 9.7 Other Contingent Liabilities

SOEs/ABs may have other contingent liabilities apart from the above-mentioned items. For example, contract dispute, liabilities that may arise from act of God such as natural calamities, pandemic etc. SOEs/ABs will maintain as well as update the data relating to all other contingent liabilities, if any.

## 10. Recognition of Provisions and Disclosure of Contingent Liabilities

As per IAS 37, Provisions shall be recognized and Contingent Liabilities shall be disclosed. IAS 37 requires that items be included among liabilities as provisions if for any present obligation the probability of the event will be occurred is higher than 50 percent and the outflow of resources embodying economic benefit can be reliably measured but disclosed in a note to the financial statements as a contingent liability if for any present obligation the probability of the event will be occurred is less than 50 percent and is not very low or the outflow of resources embodying economic benefit cannot be reliably measured. Also, a contingent liability shall be disclosed in a note to the financial statements if for any possible obligation the probability of the event will be occurred is not very low. The guaranteed amount for loan guarantee and the amount disputed for all other possible obligations shall be disclosed as contingent liabilities in the financial statements.

## 11. Collection of Data

In order to prepare the statement of debt and contingent liabilities, Monitoring Cell - the implementing authority of this Procedure will collect data mainly from the concerned SOEs/ABs. Currently, under the TDMW of FD, DSL Branch maintains the data on the borrowings of SOEs/ABs from government and CCLM Branch maintains the record of Sovereign Guarantee/Counter Guarantee provided by the government against the borrowings of SOEs/ABs from sources other than the government. DSL Branch collects data from the concerned SOEs/ABs in the prescribed format and validates the data through meetings with the SOEs/ABs, supporting documents from the Budget Wing of FD and statements from the CAFO. DSL Branch will continue to collect and validate the data of the borrowings of SOEs/ABs from government as it is currently doing and will share the data with Monitoring Cell. If the data on DSL collected by MC from any SOE/AB as per Form 1 of this Procedure do not match with that of DSL Branch, MC, DSL Branch, and the concerned SOE/AB will sit together and rectify the discrepancies. CCLM Branch of FD will share with Monitoring Cell the data of Sovereign Guarantee/Counter Guarantee provided by the Government against the borrowings of SOEs/ABs from the sources other than the Government.

### 11.1 Collection of Data on Debt

Monitoring Cell will collect data on the debt of SOEs/ABs by using the format attached to this Procedure as Form 1. SOEs/ABs will:

- I. Enter data in the format (Form 1) from their audited financial statements or records/books of accounts based on which financial statements will be prepared and presented to the auditors;
- II. Submit, for the purpose of better understanding and clarification of the information provided by the SOEs/ABs, the Treasury Chalcans through which principal and interest of the borrowings from government under SLA and/or LA have been deposited in specific codes;



- III. Submit, for the purpose of better understanding and clarification of the information provided by the SOEs/ABs, GOs relating to the release of funds under SLA and/or LA;
- IV. Submit, for the purpose of better understanding and clarification of the information provided by the SOEs/ABs, the statements of loan in respect of the borrowings from financial institutions;
- V. Submit SOEs'/ABs' Income Statement (Form 3), Statement of Changes in Equity (Form 4), Balance Sheet/Statement of Financial Position (Form 5) and Statement of Cash Flow (Form 6) of the Financial Year;
- VI. Submit Form 1, Amortization Schedules of loans, Templates for the collection of non-financial data (Form 7) and all other forms and documents mentioned above to Monitoring Cell according to the timeline stated in Table 2 of Paragraph 14.

## **11.2 Collection of Data on Contingent Liabilities**

Monitoring Cell will collect data on the contingent liabilities of SOEs/ABs in the format attached to this procedure as Form 2. SOEs/ABs will:

- I. Ensure that data entered in Form 2 reflect in the audited financial statements or draft financial statements prepared for annual audit;
- II. Submit Form 2 to Monitoring Cell according to the timeline stated in Table 2 of Paragraph 14.

## **12. Generating Statement of Debt and Contingent Liabilities**

Monitoring Cell will establish a web based automated system that will capture the data as explained in section 9 of this Procedure, generate statement of debt and contingent liabilities for each entity separately (Annexure 1) and consolidate for all the entities as a whole (Annexure 2). However, until the system is established, Monitoring Cell may prepare the statement of debt and contingent liabilities for each entity separately (Annexure 1) and consolidated for all the entities as a whole (Annexure 2) in MS EXCEL based on the data collected as explained in section 9. Monitoring Cell will:

- I. Verify the treasury chalans on-line, if needed;
- II. Verify the data entered in Form 1, wherever applicable, with the submitted bank statements, amortization schedules of loans, and GOs;
- III. Verify that relevant data of Form 1 i.e., opening and ending balances match with that of balance sheet/Statement of financial position (Form 5);
- IV. Verify that total of debt/liabilities as per Form 1 equal the total of debt/liabilities shown in the balance sheet/Statement of financial position (Form 5);
- V. Hold meeting with the concerned SOEs/ABs along with Line Ministries/Divisions/Other Concerned and resolve the issues arisen out of the verifications as mentioned above or any other inconsistencies or discrepancies;
- VI. Complete preparing the statements of debt and contingent liabilities according to the timeline stated in Table 2 of Paragraph 14.

## 13. Reporting

Monitoring Cell will prepare an analytical report on the position of debt and contingent liabilities as well as the capacity of each SOE/AB to service its debt based on the data collected and the statement of debt and contingent liabilities. The report shall contain adequate disclosure of contingent liabilities. However, during the course of preparing the report, if it is found that the auditor has qualified the financial statements and made specific qualification for any debt or contingent liabilities relating to which the report is being prepared, relevant disclosure will be made in the footnote for the decision makers. Monitoring Cell will prepare the report, including recommendations and submit to Finance Secretary for approval according to the timeline stated in Table 2 of Paragraph 14.

The report will include the following sections:

- I. Introduction
- II. An overview of the financial performance of all SOEs/ABs
- III. An analysis of the financial performance focusing the position of debt and contingent liabilities and the ability to repay the debt of each SOE/AB. It may include a trend analysis of the following financial indicators:

**Table 1: Financial Indicators**

Financial indicator	Formula/Description to be applied
Revenue (Sales)	Receipt from regular operation
Gross Profit	Subtract the cost of sales from revenue (sales).
Total expenditure	This is the total expenditure arising from the ordinary operating activities of the entity as per the Income Statement.
Profit before other comprehensive income	Operating income/profit as per the Income Statement.
Current Assets	Assets that are expected to be converted into cash within one year in the normal course of business
Non-current Assets	Long term investments that cannot be converted to cash easily
Total Assets	This is the total of non-current and current assets
Current Liabilities	These are defined as liabilities that are to be settled within the financial year
Non-current Liabilities	These are defined as liabilities that are to be settled in a period greater than one year. The section should provide details of the loans outstanding
Total Liabilities	This is the total of non-current and current liabilities
Dividends paid	Total dividends paid to the GoB
Corporate taxes paid	Total Corporate taxes paid to the GoB
Total transfers from the State	The total non-loan amounts received from the GoB or loan amounts converted to equity. Total subsidies/grants/transfers /equity injection received from the GoB
Total debt outstanding to GoB	This may be obtained either from the TDMW or can be computed from Form 1

Total non-government debt outstanding to domestic or international sources	This is the amounts owing to all sources other than the GoB. It includes amounts owing to State Owned Banks
Total non-government debt outstanding to domestic or international sources against which GoB provided Sovereign Guarantee	This may be obtained either from the TDMW or can be computed from Form 1
Balance of Debt Repayment Fund maintained for non-government debt against which GoB provided Sovereign Guarantee	This may be obtained either from the TDMW or can be computed from Form 1
Debt incurred because of losses arising for fixed pricing (Prices fixed by the government)	This may be obtained from Form 1
Total contingent liabilities	A possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable, or the amount cannot be measured reliably
Current ratios	Current assets/current liabilities
Return on total equity	Operating profit after tax/Average total equity
Debt service coverage	Profit after tax/Total debt service or Cash flow from operating activities/Total debt service*
Debt to equity ratio	Total liabilities/equity
Debt to operating assets	Debt/Average operating assets
Advances/current liabilities	Deposits and advances from customers and employees/current liabilities
Contingent liabilities on equity	Contingent liabilities/net worth or equity
Contingent liabilities on total assets	Contingent liabilities/total assets

\* Debt service is the amount of cash or profit after tax that is required to cover the repayment of interest and principal on a debt for a particular period

#### IV. Conclusion and Recommendations

## 14. Timeline for DCL Statement

- i. Monitoring Cell will prepare DCL Report for enlisted SOEs/ABs according to the following timeline:

**Table 2: Timeline for DCL Statement Preparation**

January-March	April-June	July-September	October	November - December
<p><b><u>Activity:</u></b></p> <ul style="list-style-type: none"> <li>• Listing of SoEs and ABs in order to collect DCL and other related non-financial data by MC</li> <li>• Collection of data by MC</li> </ul> <p><b><u>Procedure:</u></b></p> <ul style="list-style-type: none"> <li>• Listing of SoEs and ABs</li> <li>• Issue letter to the enlisted SoEs and ABs to send data</li> <li>• Training of the SoEs and ABs on DCL Report and DCL Database</li> <li>• Data Collection by MC</li> </ul>	<p><b><u>Activity:</u></b></p> <ul style="list-style-type: none"> <li>• Continuation of collection of data by MC</li> <li>• Preparation of DCL data</li> <li>• Entry in the DCL Database</li> </ul> <p><b><u>Procedure:</u></b></p> <ul style="list-style-type: none"> <li>• Listing of SoEs and ABs continued (if necessary)</li> <li>• Data Collection by MC continued</li> <li>• Training (both practical and theoretical) of the SoEs and ABs on DCL Report and DCL Database</li> <li>• Data entry in the DCL Database</li> </ul>	<p><b><u>Activity:</u></b></p> <ul style="list-style-type: none"> <li>• Draft report on DCL by MC</li> <li>• Stakeholders feedback on the draft DCL Report</li> <li>• Preparation of AFS by SOEs and ABs</li> </ul> <p><b><u>Procedure:</u></b></p> <ul style="list-style-type: none"> <li>• Preparation of separate DCL Report of each organization</li> <li>• Consolidation of all separate DCL Reports in one aggregated draft report by MC</li> <li>• Conducting workshop for stakeholders' feedback</li> <li>• Finalization of DCL Reports</li> <li>• Issue letter by MC to the SoEs and ABs to prepare AFS</li> <li>• Appointing auditors by SOEs and ABs to prepare AFS</li> <li>• Preparation of AFS by SOEs and ABs</li> </ul>	<p><b><u>Activity:</u></b></p> <ul style="list-style-type: none"> <li>• Publication of DCL Reports</li> <li>• Preparation of AFS by SOEs and ABs continued</li> <li>• Finalization of AFS by SoEs and ABs</li> </ul>	<p><b><u>Activity:</u></b></p> <ul style="list-style-type: none"> <li>• Finalization of AFS by SoEs and ABs continued</li> </ul>

- ii. The timeline stated in Table-2, can only be exempted in case of any unavoidable circumstances. However, the publication of the Final Report of DCL of SoEs/ABs should be completed within December each year.

**Note:**

If MC prepares a report on October/December 2023, the report may be based on the AFS of FY 2021-22.

**Template for the Collection of Data on Debt**

Name of the SOE/AB: .....

Financial Year: .....

Amount in BDT Lakh

Sl.	Particular	Opening balance	Added/ charged during the period	Paid during the period	Waived/ written off during the period	Converted into equity during the period	Ending balance	Current liabilities (Amount due within following FY)	Amount due for the previous years
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3+4) - (5+6+7)	(9)	(10)
1	<b>Borrowing from GoB under SLA</b>								
2	Principal								
3	Interest								
4	Others								
5	Sub-Total A								
6	<b>Borrowing from GoB under LA</b>								
7	Principal								
8	Interest								
9	Others								
10	Sub-Total B								
11	<b>Borrowing from GoB</b>								
12	(A + B)								
13	<b>Borrowing from Financial Institutions Outside Bangladesh</b>								
14	Principal								
15	Interest								
16	Others								
17	Sub-Total C								
18	<b>Borrowing from State Owned Financial Institutions</b>								
19	Principal								
20	Interest								
21	Others								
22	Sub-Total D								
23	<b>Borrowing from Domestic Other Financial Institutions</b>								
24	Principal								
25	Interest								
26	Others								
27	Sub-Total E								
28	<b>Borrowing from Financial Institutions</b>								
29	(C + D + E)								

30	<b>Deferred Liabilities</b>								
31	Principal								
32	Interest								
33	Others								
34	Sub-Total F								
35	<b>Borrowing from Related Parties</b>								
36	Principal								
37	Interest								
38	Others								
39	Sub-Total G								
40	<b>Other Liabilities to Related Parties</b>								
41	Description 1								
42	Description 2								
43	Description 3 and so on								
44	Sub-Total H								
45	<b>Debt to Related Parties</b>								
46	(G + H)								
47	<b>Borrowing from Other SOEs/ABs (Not Related Parties)</b>								
48	Principal								
49	Interest								
50	Others								
51	Sub-Total I								
52	<b>Borrowing from Any Other Entities Not Mentioned above</b>								
53	Principal								
54	Interest								
55	Others								
56	Sub-Total J								
57	<b>Other Liabilities to GoB</b>								
58	Income Tax Payable								
59	VAT Payable								
60	TDS but not deposited								
61	VDS but not deposited								
62	Dividend Payable								
63	Others								
64	Sub-Total K								

65	<b>Any Other Liabilities to Any Other Entities</b>								
66	Accounts Payable								
67	Other Current liabilities								
68	Others								
69	Sub-Total L								
70	<b>Other Debt</b>								
71	(I+J+K+L)								
72	<b>Total Debt</b>								
73	(A+B++L)								
74	<b>Debt Incurred Because of Losses Arising for Fixed pricing (Prices fixed by Govt.)</b>								
75	Principal								
76	Interest								
77	Others								
78	Sub-Total M								
79	<b>Debt against Which GoB Has Provided Sovereign Guarantee/Counter Guarantee</b>								
80	Principal								
81	Interest								
82	Others								
83	Sub-Total N								
84	<b>Debt Repayment Fund Maintained for the Debt against Which GoB Has Provided Sovereign Guarantee/Counter Guarantee</b>								
85	Opening balance	Added during the period	Paid during the period	Ending balance					
86	(1)	(2)	(3)	(4)					
87									
88	<b>Debt Service Liabilities (DSL)</b>								
89	DSL Previous Year	DSL Paid in Previous Year	DSL Current Year	DSL Paid in Current Year					
90	(1)	(2)	(3)	(4)					
91									

Signature, Name, and Designation of the Authorized Person  
Phone Number:  
E-mail:

Note: The difference between ending balance and current liabilities is non-current liabilities and the difference between current liabilities and amount due for the previous years is the amount due for the current year.



**Template for the Collection of Data on Contingent Liabilities**

Name of the SOE/AB: .....

Financial Year: .....

Amount in BDT Lakh

Sl.	Particular	Detail Issue	Amount at the beginning of the financial year	Amount at the end of the financial year	Reason for the change in amount. In particular, specify if any amount converted in to liability
(1)	(2)	(3)	(4)	(5)	(6)
1	Loan Guarantee for subsidiaries				
2	Letter of Comfort				
3	Statutory Obligation				
4	Pending Litigation				
5	Credit Dispute				
6	Other				
7	Total				

Signature, Name, and Designation of the Authorized Person

Phone Number:

E-mail:

## Income Statement

For the Financial Year ended .....

Name of the SOE/AB: .....

SL	Particulars	Notes	Amount in BDT Lakh	
			20xx Current year	20xx Previous year
1.	Revenue (Sales) including Value Added Tax (VAT)			
2.	Less: Value Added Tax (VAT) on Sales/Receipts			
3.	Add: Selling Price Subsidy/Trade Gap			
4.	<b>Net Sales Revenue/Receipts (1-2+3)</b>			
5.	Less: Cost of Sales			
6.	<b>Gross Profit/ (Loss) (4-5)</b>			
7.	Less: Operating Expenses			
	i) Administrative Expenses			
	ii) Marketing/Selling & Distribution Expenses			
8.	<b>Total Operating Expenses (i+ ii)</b>			
9.	Profit/(Loss) from Operation or Receipts above/(below) Operating Expenses (6 – 8)			
10.	Add: Non-Operating Income (Interest, Dividend, Gain from Sale of Assets etc.)			
11.	Less: Financial Expenses			
12.	Other Non-Operating Expenses			
13.	<b>Net Profit/ (Loss) or Income above/(below) Expenditure before Tax &amp; WPPF (9+10 – 11 – 12)</b>			
14.	Less: Workers Profit Participation Fund			
15.	Add: Subsidies other than the Selling Price Subsidy			
16.	Cash Incentives			
17.	Grants			
18.	Other Transfers			
19.	Share of Profit/(Loss) of Subsidiaries/Associates			
20.	<b>Net Profit/(Loss) or Income above/(below) Expenditure Before Tax (13-14+15 +16+17+18+19)</b>			
21.	Less: Provision for Income Tax			
22.	<b>Net Profit/(Loss) or Income above/(below) Expenditure after Tax (20-21)</b>			

Signature, Name, and Designation of the Authorized Person

Phone Number:

E-mail:

## Statement of Changes in Equity

For the Financial Year Ended: .....

Name of the SOE/AB: .....

Amount in BDT Lakh

SL	Particulars	Preference Share Capital		Ordinary Share Capital		Share Premium		Revaluation Reserve	General Reserve/ Other Fund	Retained Earnings	Total
		GoB	Others	GoB	Others	GoB	Others				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Balance at start of the year	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
2	Share issued against the injection of Equity by government	XX		XX		XX					XX
3	Share issued against the conversion of Debt into Equity	XX	XX	XX	XX	XX	XX				XX
4	Share issued other than the above	XX	XX	XX	XX	XX	XX				XX
5	Transfer of shares between GoB and Others	XX/ (XX)	(XX)/ XX	XX/ (XX)	(XX)/ XX						00
6	Profit/(Loss) or Income above/(below) Expenditure for the year									XX/ (XX)	XX/ (XX)
7	Revaluation							XX			XX
8	Transfer to Reserve								XX	(XX)	00
9	Provision Preference Dividend									(XX)	(XX)
10	Provision Ordinary Dividend /Profit Contribution									(XX)	(XX)
11	Balance at end of the year	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

Signature, Name, and Designation of the Authorized Person

Phone Number:

E-mail:

## Statement of Financial Position (Balance Sheet)

As at .....

Name of SOE/AB: .....

Amount in BDT Lakh

Sl. No.	Particulars	Notes	20xx Current year	20xx Previous year
	<b>Assets:</b>			
<b>A</b>	<b>Non-Current Assets:</b>			
1	Property, Plant & Equipment			
2	Less: Accumulated Depreciation			
<b>3</b>	<b>Net Property, Plant &amp; Equipment (1-2)</b>			
4	Intangible Assets (Good Will, Patents, Copy Rights, Software etc.)			
5	Investment in Subsidiaries/Associates			
6	Financial Assets (Shares, Debentures, Saving Certificates, other Bonds etc.)			
7	Deferred tax Asset			
8	Long term Lending and Advances			
9	Other Non-Current Assets			
10	Total Non-Current Assets (3+.....+9)			
<b>B</b>	<b>Current Assets:</b>			
11	Inventories			
12	Trade & other Receivables			
13	Short term lending			
14	Advance, Deposits and Prepayments			
15	Cash & Cash Equivalent			
16	Advance Income Tax			
17	Advance VAT			
18	Debt Repayment Fund			
19	Other Current Assets			
<b>20</b>	<b>Total Current Asset (11+.....+19)</b>			
<b>21</b>	<b>Total Assets (A+B)</b>			
	<b>Equity and Liabilities</b>			
<b>C</b>	<b>Equity:</b>			
22	Authorized Capital:			
23	Ordinary Share Capital (i+ ii)			
	i) Government (%)			
	ii) Others (%)			

24	Preference Share Capital (Irredeemable) (i + ii)			
	i) Government			
	ii) Others			
25	Share Premium Account ( i+ ii)			
	i) Government			
	ii) Others			
26	Reserve/Other Fund			
27	Assets Revaluation /Appraisal Surplus			
28	Retained earnings			
<b>29</b>	<b>Total Equity (22+.....+ 28)</b>			
<b>D</b>	<b>Non-Current Liabilities:</b>			
30	Preference Share Capital (Redeemable)			
31	Borrowing from GoB			
32	Borrowing from Financial Institutions Outside Bangladesh			
33	Borrowing from State Owned Financial Institutions			
34	Borrowing from Domestic Other Financial Institutions			
35	Deferred Payment Liabilities			
36	Debt to Related Parties			
37	Borrowing from Other SOEs/ABs (Not Related Parties)			
38	Other Non-Current Liabilities			
<b>39</b>	<b>Total Non-Current Liabilities (30+ -----+38)</b>			
<b>E</b>	<b>Current Liabilities:</b>			
40	Trade & Other Payables			
41	Short Term Borrowing			
42	Provision for Income Tax			
43	Provision for Dividend			
44	Liabilities of indisposed Entities Classified as held for sale			
45	Liabilities for Expenses			
46	Advance Received from Customer/ Unearned Revenue			
47	Other Current Liabilities			
48	Total Current Liabilities (40+.....+47)			
<b>49</b>	<b>Total Liabilities (D+E)</b>			
<b>50</b>	<b>Total Equity and Liabilities (C+D+E)</b>			

Signature, Name, and Designation of the Authorized Person

Phone Number:

E-mail:

## Statement of Cash Flow

For the Financial Year ended .....

Name of SOE/AB: .....

Amount in BDT Lakh

Sl. No.	Particulars	20xx Current year	20xx Previous year
<b>A</b>	<b>Cash flows from Operating Activities</b>		
	<b>Receipts:</b>		
1	Cash receipt from Sale of Goods/Rendering Services		
2	Cash receipt for selling Price Subsidy		
3	Cash receipt from other Operating Sources (please specify)		
4	Cash receipt from customers as Value Added Tax (VAT)		
5	Total Receipts (1+4)		
	<b>Payments:</b>		
6	Cash payment for the purchase of raw materials net off TDS and VDS		
7	Cash payment for the purchase of finished goods net off TDS and VDS		
8	Cash payment for Direct Labor		
9	Cash payment for factory overhead net off TDS and VDS		
10	Cash payment for administrative overhead net off TDS and VDS		
11	Cash payment for selling & distribution overhead net off TDS and VDS		
12	Cash payment for other Operating purposes net off TDS and VDS (please specify)		
13	Cash payment for TDS		
14	Cash payment for VDS		
15	Cash payment for Income Tax including AIT		
16	Cash payment for VAT including Advance VAT		
17	Cash payment for Financial Expenses		
18	Cash payment for WPPF		
19	Total Payments (6+18)		
20	Net Cash inflow/(outflow) from Operating Activities (5-19)		
<b>B</b>	<b>Cash flows from Investing Activities:</b>		
	<b>Receipts:</b>		
21	Cash receipt for Interest		
22	Cash receipt for Dividend		
23	Cash receipt from sale of Property		
24	Cash receipt from sale of Plant and Equipment		
25	Cash receipt from sale of Intangible Assets		
26	Cash receipt from Transfer/Encashment of Financial Assets		
27	Cash receipt from Refund/Repayment of Lending and Advances		
28	Cash receipt from other Investment (please specify)		
29	Total Receipts (21+ -----+ 28)		
	<b>Payments:</b>		
30	Cash payment to Acquire Property		
31	Cash payment to purchase Plant & Equipment		

32	Cash payment to acquire Intangible Assets		
33	Cash payment to acquire Financial Assets		
34	Cash payment for Preliminary Expenses		
35	Cash payment for Lending and Advances		
36	Cash payment for investment in Subsidiaries/Associates		
37	Cash payment for other Investing purposes (please specify)		
38	Total Payments (30+ -----+ 37)		
39	Net cash inflow/(outflow) from Investing Activities (29 - 38)		
<b>C</b>	<b>Cash flows from Financing Activities:</b>		
<b>Receipts:</b>			
40	Cash proceeds from the issuance of Ordinary Shares		
41	Cash proceeds from the issuance of Preference Shares		
42	Cash receipt for share Premium		
43	Cash receipt for borrowing from GoB		
44	Cash receipt for borrowing from Financial Institutions Outside Bangladesh		
45	Cash receipt for borrowing from State Owned Financial Institutions		
46	Cash receipt for borrowing from Domestic Other Financial Institutions		
47	Cash receipt for borrowing from Related Parties		
48	Cash receipt for borrowing from Other SOEs/ABs (Not Related Parties)		
49	Cash receipt for subsidies other than the Selling Price Subsidy		
50	Receipt of cash Incentives		
51	Receipt of Grants		
52	Receipt of Other Transfers		
53	Cash receipt from Debt Repayment Fund		
54	Cash receipt from other Financing Activities (please specify)		
55	Total Receipts (40+ -----+ 54)		
<b>Payments:</b>			
56	Repayment of borrowing from GoB		
57	Repayment of borrowing from Financial Institutions Outside Bangladesh		
58	Repayment of borrowing from State Owned Financial Institutions		
59	Repayment of borrowing from Domestic Other Financial Institutions		
60	Repayment of borrowing from Related Parties		
61	Repayment of borrowing from Other SOEs/ABs (Not Related Parties)		
62	Cash Payment for Dividend		
63	Cash payment to Debt Repayment Fund		
64	Cash payment for other Financing Activities (please specify)		
65	Total Payments (56+ -----+ 64)		
66	Net cash inflow/(outflow) from financing activities (55 - 65)		
67	<b>Net increase/(decrease) in Cash &amp; Cash equivalent (A+B+C)</b>		
68	<b>Add: Opening Cash &amp; Cash equivalent</b>		
69	<b>Closing Cash &amp; Cash equivalent (67 + 68)</b>		

Signature, Name, and Designation of the Authorized Person

Phone Number:

E-mail:

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## Template for the Collection of Non-Financial Data

Sl.	Particulars	
<b>A</b>	<b>Enterprise Information and Legal Framework</b>	
2	Sector	
3	Name of Entity	
4	Number of Subsidiaries	
5	Number of Branches	
6	Website	
7	Email Address	
8	Year of Incorporation	
9	Governing Law	
10	Other relevant Governing Laws & Regulations	
11	Incorporation Structure	
12	Listed in the Stock Exchange	
<b>B</b>	<b>Ownership and Shareholder Protection</b>	
14	Administrative Ministry	
15	Structure of Organization	
<b>C</b>	<b>Strategy and Governance Information</b>	
17	Board of Directors (Number disaggregated by gender and profile)	
18	Qualification of Board Members	
19	Number of Independent Director	
20	Chairman to be Independent of Board	
21	Board Committees	
22	Number of Board Meetings held	
23	Board Sitting Fees	
24	Executive Management	
25	Selection process of Board Members	
26	Strategic Plan/Public Policy Goal (copy required)	
27	Innovative work (Description)	
28	Project Completion Rate: Actual Achievement /Target	
<b>D</b>	<b>Ownership Structure</b>	
30	Govt. Shareholding	
31	Private Shareholding	
32	Others	
<b>E</b>	<b>Fiscal and Financial Discipline</b>	
34	Who are the Primary Lenders to the Enterprise	



<b>F</b>	<b>Controls, Transparency and Disclosure</b>	
36	Latest Audited Financial Statement	
37	Audited by	
38	Risk Assessment Report	
39	Internal Control	
40	Timely public disclosure of financial statements	
41	Measures for safe working Environment/Process (Description)	
<b>G</b>	<b>Human Resources</b>	
43	Number of employees	
44	Number of New Job Creation (Regular, Internship, etc.)	
<b>H</b>	<b>Employee and Social Welfare</b>	
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	

Signature, Name, and Designation of the Authorized Person

Phone Number:

E-mail:

A few specimen system generated outputs- statements of debt and contingent liabilities - are presented below. However, many other statements may be generated based on the input data captured by the system

Annexure 1

## Statement of Debt and Contingent Liabilities

Table 1: Statement of Debt

Name of the SOE/AB: .....

Financial Year: .....

Amount in BDT Lakh

Sl.	Particulars of Debt	Opening balance	Ending balance	Amount Due for the previous years
(1)	(2)	(3)	(4)	(5)
1	Borrowing from GoB under SLA			
2	Borrowing from GoB under LA			
3	<b>Borrowing from GoB (1+2)</b>			
4	Borrowing from Financial Institutions Outside Bangladesh			
5	Borrowing from State Owned Financial Institutions			
6	Borrowing from Domestic Other Financial Institutions			
7	<b>Borrowing from Financial Institutions (4+5+6)</b>			
8	<b>Deferred Payment Liabilities</b>			
9	Borrowing from Related Parties			
10	Other Liabilities to Related Parties			
11	<b>Debt to Related Parties (9+10)</b>			
12	Borrowing from Other SOEs/Abs (Not Related Parties)			
13	Borrowing from Any Other Entities Not Mentioned above			
14	Other Liabilities to GoB			
15	Any Other Liabilities to Any Other Entities			
16	<b>Other Debt (12+13+14+15)</b>			
17	<b>Total Debt (3+7+8+11+16)</b>			
18	Debt to GoB (3+14)			
19	Debt to Entities other than GoB (17 –18)			
20	Debt Incurred Because of Losses Arising for Quasi Fiscal Activities			
21	Debt against Which GoB Has Provided Sovereign Guarantee/Counter Guarantee			
22	Debt Repayment Fund Maintained for the Debt against Which GoB Has Provided Sovereign Guarantee/Counter Guarantee			

## Table 2: Statement of Contingent liabilities

Name of the SOE/AB: .....

Financial Year: .....

Amount in BDT Lakh

Sl.	Particulars of Contingent liabilities	Probable amount at the beginning of the period	Probable amount at the end of the period
(1)	(2)	(3)	(4)
1	Loan Guarantee of SOEs'/ABs' Subsidiaries		
2	Letter of Comfort		
3	Statutory Obligation		
4	Pending Litigation		
5	Supplier Credit Dispute		
6	Other		
7	Total		

## Consolidated Statement of Debt and Contingent Liabilities

### Table 1: Consolidated Statement of Debt According to Debt composition

Financial Year: .....

Amount in BDT Lakh

Sl.	Particulars of Debt	Opening balance	Ending balance	Amount Due for the previous years
(1)	(2)	(3)	(4)	(5)
1	Borrowing from GoB under SLA			
2	Borrowing from GoB under LA			
3	<b>Borrowing from GoB (1+2)</b>			
4	Borrowing from Financial Institutions Outside Bangladesh			
5	Borrowing from State Owned Financial Institutions			
6	Borrowing from Domestic Other Financial Institutions			
7	<b>Borrowing from Financial Institutions (4+5+6)</b>			
8	<b>Deferred Payment Liabilities</b>			
9	Borrowing from Related Parties			
10	Other Liabilities to Related Parties			
11	<b>Debt to Related Parties (9+10)</b>			
12	Borrowing from Other SOEs/ABs (Not Related Parties)			
13	Borrowing from Any Other Entities Not Mentioned above			
14	Other Liabilities to GoB			
15	Any Other Liabilities to Any Other Entities			
16	<b>Other Debt (12+13+14+15)</b>			
17	<b>Total Debt (3+7+8+11+16)</b>			
18	Debt to GoB (3+14)			
19	Debt to Entities other than GoB (17 – 18)			
20	Debt Incurred Because of Losses Arising for Quasi Fiscal Activities			
21	Debt against Which GoB Has Provided Sovereign Guarantee/Counter Guarantee			
22	Debt Repayment Fund Maintained for the Debt against Which GoB Has Provided Sovereign Guarantee/Counter Guarantee			

**Table 2: Consolidated Statement of Debt According to SOEs/ABs**

Financial Year: .....

Amount in BDT Lakh

Sl.	Name of SOE/AB	Opening balance of Debt			Ending balance of Debt		
		To GoB	To Other than GoB	Total	To GoB	To Other than GoB	Total
(1)	(2)	(3)	(4)	(5) = (3) + (4)	(6)	(7)	(8) = (6+7)
1							
2							
3							
4							
5							
6							
.							
.							
Total							

**Table 3: Consolidated Statement of Contingent Liabilities According to Composition**

Financial Year: .....

Amount in BDT Lakh

Sl.	Particulars of Contingent liabilities	Probable amount at the beginning of the period	Probable amount at the end of the period
(1)	(2)	(3)	(4)
1	Loan Guarantee of SOEs'/ABs' Subsidiaries		
2	Letter of Comfort		
3	Statutory Obligation		
4	Pending Litigation		
5	Supplier Credit Dispute		
6	Other		
	Total		

**Table 4: Consolidated Statement of Contingent Liabilities According to SOEs/ABs**

Financial Year: .....

Amount in BDT Lakh

Sl.	Name of SOE/AB	Probable amount at the beginning of the period	Probable amount at the end of the period
(1)	(2)	(3)	(4)
1			
2			
3			
4			
5			
6			
7			
.			
.			
Total			

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার  
অর্থ মন্ত্রণালয়, অর্থ বিভাগ  
বাজেট অনুবিভাগ-১, অধিশাখা-৩  
www.mof.gov.bd

নং-০৭.০০.০০০০.১০৩.১৮.০০১.১৭-৪৮৬

তারিখঃ ৬ অগ্রহায়ণ ১৪২৫  
২০ নভেম্বর ২০১৮

প্রেরকঃ মোহাম্মদ সাইদুল ইসলাম  
উপসচিব, অর্থ বিভাগ

প্রাপকঃ প্রধান হিসাব রক্ষণ কর্মকর্তা  
অর্থ বিভাগ, অর্থ মন্ত্রণালয়  
সেগুন বাগিচা, ঢাকা

বিষয়ঃ অর্থ বিভাগ কর্তৃক বাস্তবায়নের জন্য গৃহীত 'Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)' শীর্ষক কর্মসূচির প্রশাসনিক অনুমোদন।

জনাব,

আমি নিম্নস্বাক্ষরকারী নির্দেশক্রমে পরিচালন বাজেটের আওতায় Special Sector Program হিসেবে অর্থ বিভাগের অধীন বাস্তবায়নের জন্য গৃহীত 'Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)' শীর্ষক কর্মসূচির প্রশাসনিক অনুমোদন জ্ঞাপন করছি।

২। অনুমোদিত কর্মসূচির বাস্তবায়ন মেয়াদকাল ২০১৮-১৯ হতে ২০২২-২৩ অর্থবছর পর্যন্ত।

৩। কর্মসূচির সম্ভাব্য (Indicative) মোট ব্যয়সীমা হবে ১৭০ মিলিয়ন মার্কিন ডলার (এক হাজার চারশত আটাশ কোটি টাকা)। তন্মধ্যে ১০০ মিলিয়ন ডলার বিশ্বব্যাংকের অন্তর্ভুক্ত International Development Association (IDA) হতে ঋণ হিসেবে গ্রহণ করা হবে।

৪। মধ্যমেয়াদি বাজেট কাঠামোর আওতায় প্রদত্ত ব্যয়সীমার মধ্যে সংকুলান সাপেক্ষে প্রকৃত প্রয়োজনের নিরিখে বার্ষিক বাজেটে প্রস্তাবিত SPFMS কর্মসূচির জন্য অর্থ বরাদ্দ প্রদান করা হবে।

৫। DLI-সমূহ বাস্তবায়নের জন্য প্রয়োজনীয় বরাদ্দ স্কিমের আওতায় প্রদান করা হবে। প্রস্তাবিত স্কিমসমূহ মাননীয় অর্থমন্ত্রী অনুমোদন করবেন।

৬। প্রত্যেক পাতায় স্বাক্ষরিত অনুমোদিত প্রোগ্রাম ডকুমেন্ট একপ্রস্ত এসঙ্গে পরবর্তী ব্যবস্থা গ্রহণের জন্য প্রেরণ করা হলো।

স্বাঃ  
(মোহাম্মদ সাইদুল ইসলাম)  
উপসচিব

☎ ৯৫৬৩১৮৬

ইমেইল: saiduli@finance.gov.bd

নং-০৭.০০.০০০০.১০৩.১৮.০০১.১৭-৪৮৬

তারিখঃ ৬ অগ্রহায়ণ ১৪২৫  
২০ নভেম্বর ২০১৮

সদয় অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য অনুলিপি (জ্যেষ্ঠতার ভিত্তিতে নয়):

১. সচিব, জনপ্রশাসন মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা
২. সচিব, অর্থনৈতিক সম্পর্ক বিভাগ, শেরেবাংলা নগর, ঢাকা
৩. অতিরিক্ত সচিব (প্রশাসন ও ব্যয় ব্যবস্থাপনা), অর্থ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা
৪. অর্থনৈতিক উপদেষ্টা, অর্থনৈতিক উপদেষ্টা অনুবিভাগ, অর্থ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা
৫. হিসাব মহানিয়ন্ত্রক, হিসাব মহানিয়ন্ত্রকের কার্যালয়, সেগুন বাগিচা, ঢাকা
৬. মাননীয় অর্থমন্ত্রীর একান্ত সচিব, অর্থ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা
৭. উপসচিব (বাজেট ও পরিকল্পনা/বাজেট-১), অর্থ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা
৮. সচিবের একান্ত সচিব, অর্থ বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা

স্বাঃ  
২০/১১/১৮  
(মোহাম্মদ সাইদুল ইসলাম)  
উপসচিব