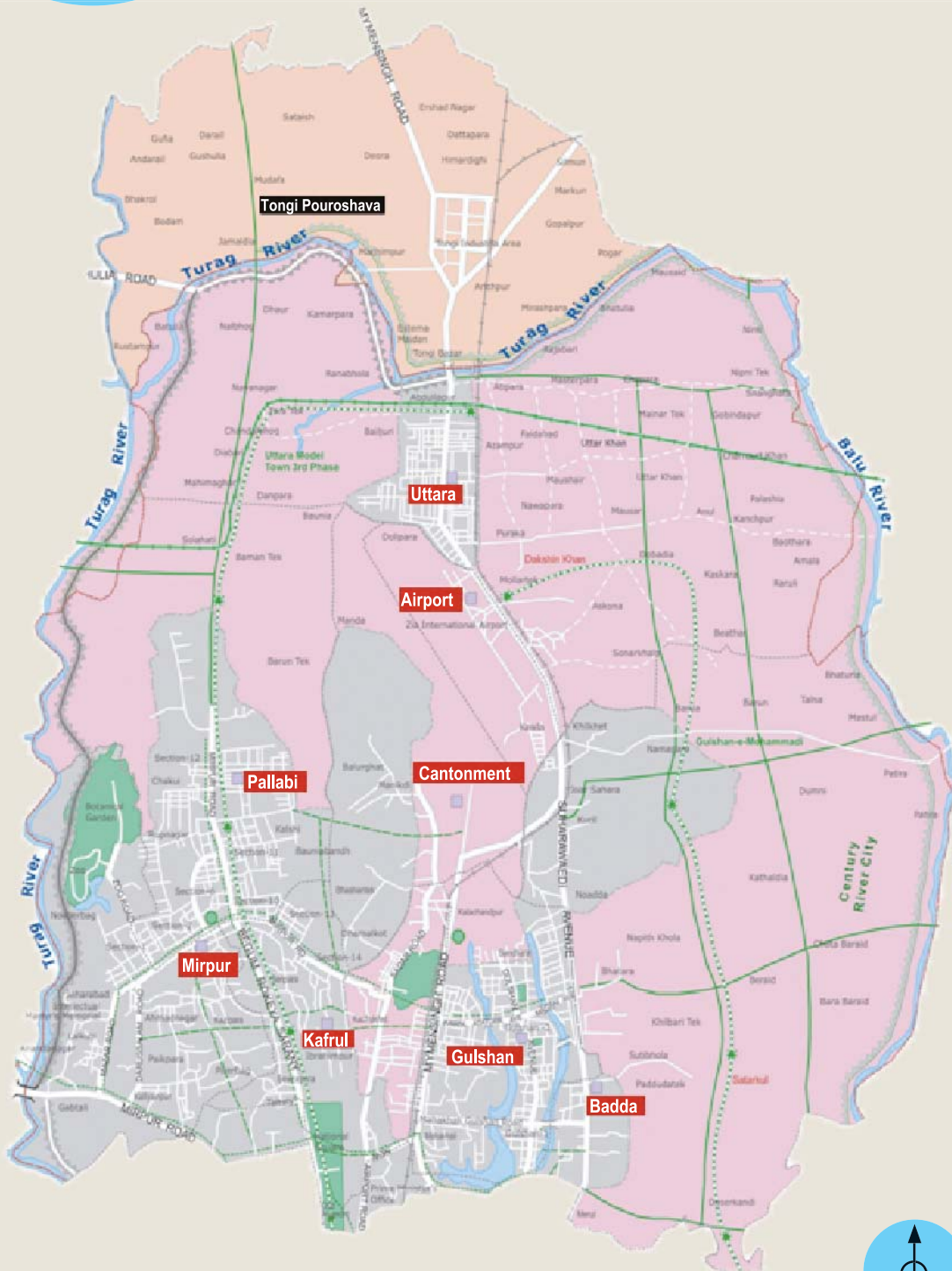




**ANNUAL
REPORT
2009**

DECO
POWER IS YOURS

DHAKA ELECTRIC SUPPLY COMPANY LIMITED





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Dhaka Electric Supply Company Ltd. (DESCO)

House # 3, Road # 24, Block # K, Banani Model Town, Dhaka - 1213.

*Notice of the
13th Annual General Meeting*

annual
general
meeting





DHAKA ELECTRIC SUPPLY COMPANY LTD.

Notice is hereby given that the 13th Annual General Meeting of **Dhaka Electric Supply Company Ltd.** (DESCO) will be held on Wednesday, the 6th January, 2010 at 11:00 a.m. at Bashundhara Convention Center, Bashundhara Residential Area, Baridhara, Dhaka to transact the following business:

Agenda

1. To receive, consider and adopt Directors' and Auditors' Reports and the Audited Financial Statements of the Company for the year ended June 30, 2009.
2. To declare Dividend for the year ended June 30, 2009.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

All shareholders of the Company are requested to kindly make it convenient to attend the Meeting in time.

By order of the Board,

A. H. M. Nurul Huda
Company Secretary
Date: December 06, 2009

Registered Office
House # 3, Road # 24, Block # K
Banani Model Town, Dhaka - 1213.

Notes:

1. Record date is 05/11/2009. Shareholders whose names will appear in the CDS/Company's Register on 05/11/2009 will be eligible to attend the meeting and will be entitled for dividend for the year ended June 30, 2009.
2. A member eligible to attend and vote at the Annual General Meeting, may appoint a proxy on his/her stead. The proxy form, duly stamped with revenue stamp of Tk. 8/- must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. Admission to the hall will be strictly on production of the attendance slip sent with the Annual Report.
4. For the sake of convenience, shareholders are requested to submit their queries on the Directors' Report and the Audited Financial Statements for the year ended June 30, 2009, if any, at the Registered Office of the Company at least 3 (three) working days before the day of Annual General Meeting.



Milestones

November 03, 1996
Certificate of Incorporation

December 19, 1996
First Board Meeting

September 24, 1998
Take over of Mirpur area from DESA
and commencement of commercial operation

April 09, 2003
Take over of Gulshan Circle from DESA

February 15, 2004
Establishment of
Sales & Distribution (S&D) Division

September 07, 2005
Inauguration of Prepaid Metering System

June 18, 2006
Company goes public

March 03, 2007
Take over of Tongi Pourashava Area

November 15, 2007
Distribution License from BERC

November 11, 2008
Inauguration of Data Acquisition System



To be a role-model electric supply company in the region using most dependable technologies and be a development partner in the continuous welfare of the society.



Service to the utmost satisfaction of consumers through reliable and uninterrupted power supply and provide value for money. Provide congenial working environment for employees.



Service excellence with integrity and corporate social responsibility.

Board of Directors

Chairmen and Managing Director



Md. Shahjahan Siddiqui, Bir Bikram
Chairman
From 26-07-09



Safar Raj Hossain
Chairman
From 20-02-08 to 25-07-09



Saleh Ahmed
Managing Director

Directors



Mohammad Wahid Hossain, ndc
Joint Secretary (Admin.), Ministry of Power,
Energy & Mineral Resources, Bangladesh



Prof. Dr. S.M. Lutful Kabir
Director, IICT, BUET



Latifur Rahman
President, Metropolitan Chamber of
Commerce & Industry, Dhaka (MCCI)



Mohammad Reazul Islam
Vice President (Admin. & Finance), IEB



Md. Mustafizur Rahman, FCA
Council Member, ICAB



A.T.M. Murtozaa Reza Chowdhury
Former Member (Finance)
BPDB



Md. Reza Shah Alam
General Manager
(Network Operations &
Customer Service, North Zone)
DPDC



MANAGING DIRECTOR	Saleh Ahmed
DIRECTOR (TECHNICAL)	Monzur Rahman
DIRECTOR (FINANCE)	Qudrate Khuda
COMPANY SECRETARY	A. H. M. Nurul Huda
TAX ADVISOR	Rahman Mostafa Alam & Co. Chartered Accountants
LEGAL ADVISOR	Barrister Abdullah Al-Mamun
AUDITORS	Aziz Halim Khair Choudhury Chartered Accountants

BANKERS

Arab Bangladesh Bank Limited	National Bank Limited
Agrani Bank Limited	One Bank Limited
Al-Arafa Islami Bank Limited	Oriental Bank Limited
Bank Alfalah Limited	Pubali Bank Limited
Bangladesh Krishi Bank	Premier Bank Limited
Bank Asia Limited	Prime Bank Limited
Bangladesh Commerce Bank	Rupali Bank Limited
BRAC Bank	Standard Bank Limited
City Bank N.A.	Shahjalal Bank Limited
Dutch Bangla Bank Limited	Standard Chartered Bank Limited
Dhaka Bank Limited	Southeast Bank Limited
Eastern Bank Limited	Social Investment Bank Limited
First Security Bank Limited	Sonali Bank Limited
IFIC Bank Limited	The City Bank Limited
Janata Bank Limited	The Hongkong and Shanghai Bank Corporation Limited (HSBC)
Mercantile Bank Limited	
National Credit & Commerce Bank Limited	



Company Service Centers

Corporate Office

House # 3, Road # 24, Block # K
Banani Model Town, Dhaka - 1213
Telephone: 8859642, 8860341
Fax: 8854648
E-mail: info@desco.org.bd
mddesco@bdcom.com
Web: www.desco.org.bd

Sales and Distribution (S&D) Divisions

KALLYANPUR	House #4, Road #17 Block #C, Section #10, Mirpur, Dhaka 1216 Phone: 9014846, 9007709, Fax: 8023984 E-mail: kallyanpur.ssd@desco.org.bd COMPLAIN: 9144714	UTTARA	20/21, Shahjalal Avenue Sector #6, Uttara, Dhaka 1230 Phone: 8959145 (direct), 8914265, 8911260 Ext. 101 E-mail: uttara.ssd@desco.org.bd COMPLAIN: 8919574
KAFRUL	House #4, Road #17 Block #C, Section #10, Mirpur, Dhaka 1216 Phone: 8021344, Fax: 8019852 E-mail: kafrul.ssd@desco.org.bd COMPLAIN: 9001119	DAKSHINKHAN	Dag #3503/3504 Mollah Para, Dakhinkhan, Dhaka-1230 Phone: 8911289 E-mail: dakshinkhan.ssd@desco.org.bd COMPLAIN: 9812398
PALLABI	House #4, Road #17 Block #C, Section #10, Mirpur, Dhaka 1216 Phone: 8052016 (direct), 9002026, Fax: 8019852 E-mail: pallabi.ssd@desco.org.bd COMPLAIN: 9001051	TONGI (EAST)	Squib Road, Cherag Ali, Tongi, Gazipur Phone: 9815901 E-mail: tongieast.ssd@desco.org.bd COMPLAIN: 9815904
GULSHAN	House #47, Road #134, Gulshan-1, Dhaka-1212 Phone: 8859493 (direct), 8825759 Ext. 101 E-mail: gulshan.ssd@desco.org.bd COMPLAIN: 9895045	TONGI (WEST)	Squib Road, Cherag Ali, Tongi, Gazipur Phone: 9815921 E-mail: tongiwest.ssd@desco.org.bd COMPLAIN: 9801080
BARIDHARA	House #1/A, Road #2/A Block #J, Notun Bajar Baridhara, Dhaka Phone: 8855244 (direct), 9895117 Ext. 222 E-mail: baridhara.ssd@desco.org.bd COMPLAIN: 9895117		





Technical & Commercial Highlights

Technical

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
33/11KV Substations (No.)	13	13	13	16	19	21	21
Capacity of 33/11KV Substations	425/593	425/593	430/602	620/868	680/952	760/1064	760/1064
Maximum Demand (MW)	315	352	377	398	451	505	545
33KV Overhead Line (KM)	74	77	77	77	83	83	83
33KV Underground Line (KM)	70	125	143	144	182	182	185
11KV Overhead Line (KM)	536	552	600	720	860	910	959
11KV Underground Line (KM)	205	205	238	262	314	262	319
LT Line (KM)	991	1030	1105	1250	1473	1517	1591
Distribution Transformer (No.)	3369	3594	3785	4112	4770	4497	4563

Commercial

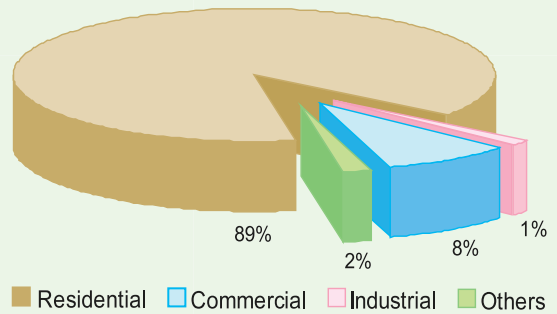
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Energy Import						
(GWH)	855.79	1739.87	1842.89	2191.46	2573.76	2742.96
(MTk.)	1850.44	3775.52	3999.07	4946.36	6151.29	7117.53
Energy Sales						
(GWH)	675.57	1405.03	1536.31	1897.00	2293.03	2474.51
(MTk.)	2216.75	4902.32	5428.08	7380.98	9094.19	9888.30
System Loss (%)	21.06	19.24	16.64	13.44	10.91	9.79
Collection Ratio (%)	74.10	87.33	97.07	104.40	100.01	98.18
C.I. Ratio (%)	58.50	70.93	80.92	90.37	89.10	88.57
Consumers	205803	241964	259580	347614	385037	415842
Receivable/Sales (%)	64.24	44.40	38.72	26.52	21.73	22.48



Performance

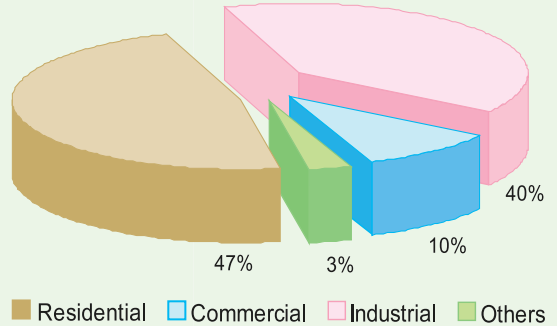
Consumer Mix

Category	No.
Residential	366465
Industrial	5936
Commercial	35187
Others	8254
Total	415842

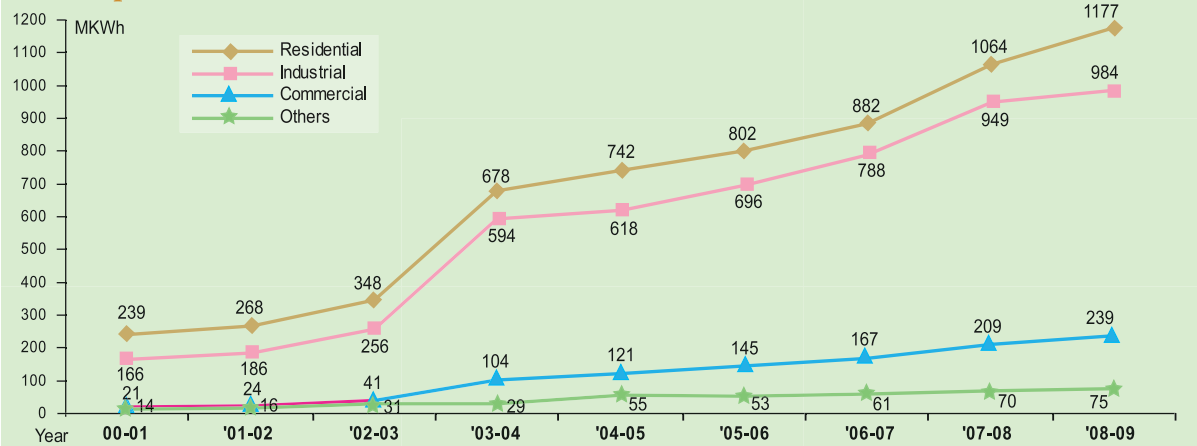


Consumption Pattern

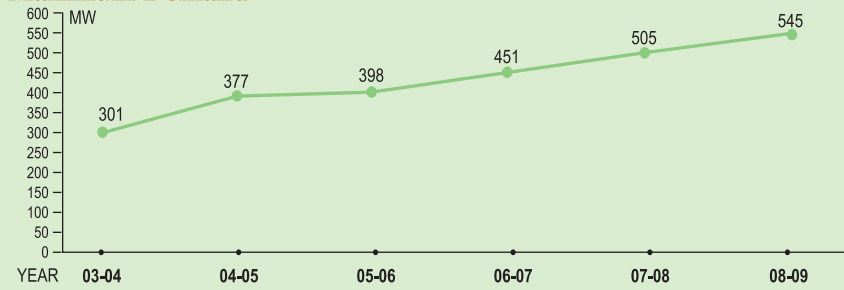
Category (GWH)	Consumption
Residential	1176.79
Industrial	984.15
Commercial	238.62
Others	74.94
Total	2474.51



Consumption Growth



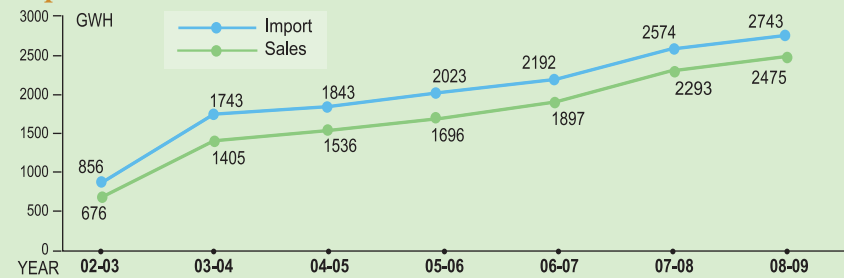
Maximum Demand



MAXIMUM DEMAND

YEAR	MW
03-04	301
04-05	377
05-06	398
06-07	451
07-08	505
08-09	545

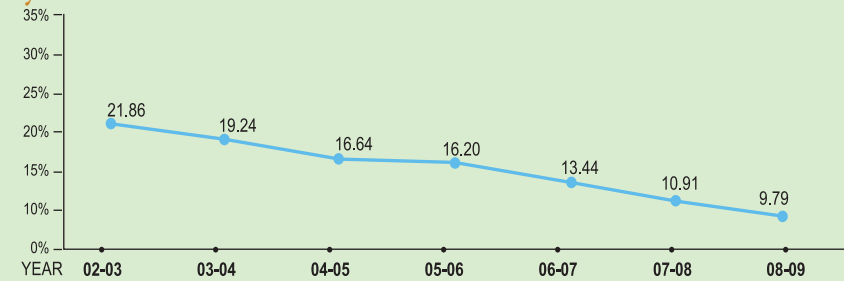
Import & Sales



IMPORT & SALES

YEAR	Import	Sales
02-03	855.79	675.57
03-04	1739.87	1405.03
04-05	1842.89	1536.31
05-06	2023.22	1695.55
06-07	2191.46	1897.01
07-08	2573.76	2293.03
08-09	2742.96	2474.51

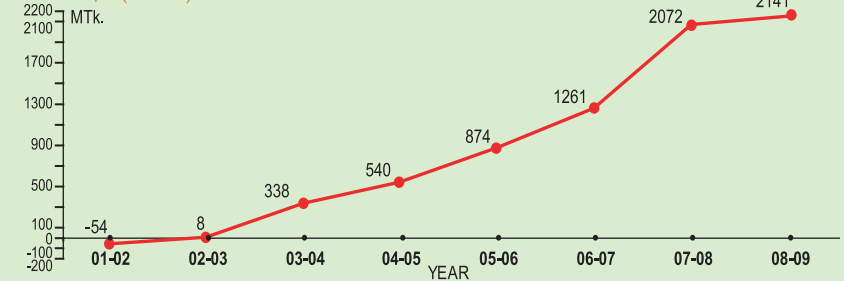
System Loss



SYSTEM LOSS

YEAR	System Loss (%)
02-03	21.06%
03-04	19.24%
04-05	16.64%
05-06	16.20%
06-07	13.44%
07-08	10.91%
08-09	9.79%

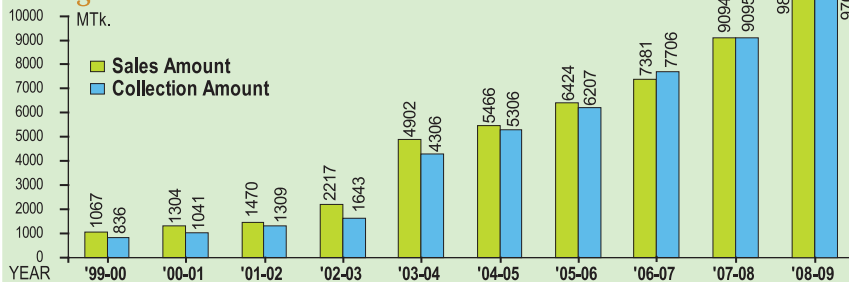
Profit / (Loss)



PROFIT / (LOSS)

YEAR	(MTk)
01-02	-54
02-03	8
03-04	338
04-05	540
05-06	874
06-07	1261
07-08	2072
08-09	2141

Billing and Collection



BILL COLLECTION RATIO

YEAR	Ratio (%)
01-02	89.04%
02-03	74.10%
03-04	87.83%
04-05	97.07%
05-06	96.63%
06-07	104.40%
07-08	101.01%
08-09	98.19%

directors' report

DIRECTORS' REPORT TO THE SHAREHOLDERS



Md. Shahjahan Siddiqui, *Bir Bikram*
Chairman

Dear Shareholders,

It is a great pleasure for me to welcome you on behalf of the Board of Directors to the 13th Annual General Meeting of Dhaka Electric Supply Company Limited (DESCO), and place before you the Audited Accounts for the year ended June 30, 2009 along with the Auditors' and the Directors' Reports thereon.

The Company

You are aware that in the process of on-going Power Sector Reforms by way of unbundling the power sector and increasing efficiency in the area of generation, transmission and distribution, Dhaka Electric Supply Co. Ltd. (DESCO) was created as a distribution company in November 1996 under the Companies Act 1994 as a Public Limited Company with an Authorized Capital of Tk. 5 billion. However, the operational activities of DESCO at the field level commenced on September 24, 1998 with the taking over of the electric distribution system of Mirpur area from Dhaka Electric Supply Authority (DESA) with a consumer strength of 71,161 and a load demand of 90 MW. In the subsequent years of successful operation and performance, the operational area of DESCO was expanded through inclusion of Gulshan Circle in April, 2003 and Tongi Pourashava Area in March, 2007. Eventually the total consumer strength increased to 415,842 as of 30th June, 2009 with a maximum load demand of 545 MW.

Territory

The service territory of the Company, about 220 square kilometers, now comprises the areas bounded by the Mirpur Road, Agargaon Road, Rokeya Sarani, Progati Sarani, New Airport Road, Mymensing Road, Mohakhali Jheel, Rampura Jheel connected with Balu River in the South, Balu River in the east and Turag River in the West and areas under Tongi Pourashava in the North.

Growth of the Company

The Company's growth can be better conceived by the figures and graphs presented in this Report. Starting from a consumer base of 71,000 with load demand of 90 MW in 1998, the Company has grown to cater about 460,000 consumers as of December 2009. The shareholders equity increased from Tk.4,470 million to Tk.7,320 million, recording a growth of 64%.

Management

Under the guidance of a nine member Board of Directors, the company is run by a management team headed by the Managing Director, with a view to run the Company efficiently and economically with optimum overhead cost and manpower. DESCO employees under its regular payroll generally carry out the desk jobs and supervisory activities while the field operational activities have been outsourced. With the expansion of operational area and fast increase in consumer growth and system load, DESCO reorganized its activities into 9 (nine) Sales & Distribution (S&D) Divisions. Creation of 2 (two) more Sales & Distribution Divisions in greater Mirpur Area is under active consideration of the management. This is aimed to ensure effective control and supervision of field operation in Mirpur Area.

The major technical activities like substation and switching station scheduled maintenance, trouble shooting & breakdown maintenance, overhead line maintenance, trouble shooting of the customer service complain, line & equipment maintenance have been outsourced. On the other hand, commercial support activities like taking meter reading, distribution of monthly electricity bill, service disconnection of the defaulter consumer, customers house wiring inspection, new connection meter installation, old or unserviceable meter change etc. are also outsourced, including other logistic support services like security service, cleaning service and transport. To this end, DESCO engaged several experienced contractors through competitive tendering process. With the proper maintenance of the distribution system, service complaints from consumers have reduced significantly. To achieve greater consumer satisfaction, the procedure for new connection has been simplified and efforts are on to further reduce the time period required.

Technical Activities

Major technical activities completed in the year 2008-09 are highlighted below:

Substation

Installation, testing and commissioning of a 10/14 MVA transformer was completed at Bashundhara.

Distribution Line

Expansion and up-gradation of distribution network by 77.18 Km of 11KV Overhead Line, 1.62 km of 11KV Underground Cable Line and 41.46 km of LT Line was carried out.

Distribution Transformers

As many as 202 nos. of 11KV 3-Phase 200KVA distribution transformers, in addition to consumer owned transformers were installed.

Major Projects (2006-2010)

- ▶ To strengthen power supply facilities in Mirpur area, a Project was approved by ECNEC on October 2005 in the name of "Strengthening DESCO's Electric Distribution Network" to be completed by June 2009. The total cost of the project is Tk.2,885.2 million out of which Tk.692.4 million will be financed by GOB and the rest will be financed by ADB against Loan No.2332-BAN under the scope of Sustainable Power Sector Development Program-II (SPSDP-II) of ADB.
- ▶ Another project was approved by ECNEC on September 2006 in the name of "Upgrading and Expanding Distribution System in Gulshan Circle" to be completed by June 2010 for Gulshan area in order to meet the growing demands of the system. The total cost of the project is Tk.3,998.4 million out of which Tk.1,280.4 million will be financed by GOB, Tk.26.5 million will be financed by DESCO and the rest will be financed by ADB against Loan No. 2332-BAN under the scope of Sustainable Power Sector Development Program-II (SPSDP-II) of ADB.

Future Plans

- ▶ A new area named "Purbachal Model Town" being developed by RAJUK in north east of DESCO area on eastern bank of Balu River under Narayanganj District has been decided to be included in DESCO's jurisdiction. The electrical network development for this area will be taken up by DESCO. The load demand of Purbachal Model Town is expected to be about 500 MW in the year 2025. To keep pace with the load growth and consumer strength, DESCO will create adequate facilities in phases by taking up new projects.
- ▶ Another new area named "Uttara 3rd Phase" is being developed by RAJUK within DESCO's territory. The electrical network development for this area is under planning stage. The load demand of "Uttara 3rd Phase" is expected to be about 230 MW in the year 2030

Data Acquisition System (DAS)

The power generation and maximum demand of the electricity network needs strong monitoring and effective power management. DESCO has implemented a Data Acquisition System (DAS) that helps to monitor real time load status of the network and helps to implement appropriate load shedding. Data Acquisition System is integrated with a remote terminal unit for data gathering and computer-server network. The technical assistance along with the software is developed by Bangladesh University of Engineering and Technology (BUET).

The DAS was inaugurated by The Honorable Special Assistant to the Honorable Chief Advisor Prof. M Tameem, on November 12, 2008 at Gulshan Control Room of DESCO.



Infrastructure

PARTICULARS	As of June 2009
Source Line	268 KM
Distribution Line	2,832 KM
No of Substations	21 Nos
Installed Capacity	760/1064 MVA
Maximum Demand	545 MW
Load Factor	57.45%
Distribution Transformer	4,563 Nos
No of Feeders	211 Nos
132/33 KV Grid Substation	02 Nos



Commercial Activities

Major commercial activities undertaken during the year are highlighted below:

Disconnection/ Reconnections

The prime tool to recover dues is disconnection. A total number of 31,789 defaulting consumer services were disconnected with the help of Contractor and by Company's own staff during the year. Moreover, 11,530 illegal consumer services were traced and disconnected during the year.

During the year, 25,018 consumers were given re-connection on recovery of their outstanding dues and realization of penalty as applicable. An aggregate amount of Tk.304.61 million was realized from defaulting consumers and Tk.50.23 million against penal/supplementary bills.

New Connections

This year 34,107 new connections have been added to our system. The total number of electric connections under DESCO at the end of the financial year stands at 4,15,842.

Metering

The meter being the 'cash box' of the Company, every effort is made to change defective meters, sealing of meters and inspection of meters on a regular basis. During the year, 33,849 defective meters were changed, 14,446 meters were sealed and 77,140 meters were inspected.

Consumer Complaints

Although DESCO strives to offer 'service excellence' to its valued consumers, it has still to achieve greater consumer satisfaction. Consumer complaints in terms of billing errors, rectification of names and addresses are seriously attended to. During the year, 5,164 bills were corrected and records of 2,982 names and addresses were rectified, 12,370 meter numbers were changed on receiving complaints from the consumers.

One Point Service Center

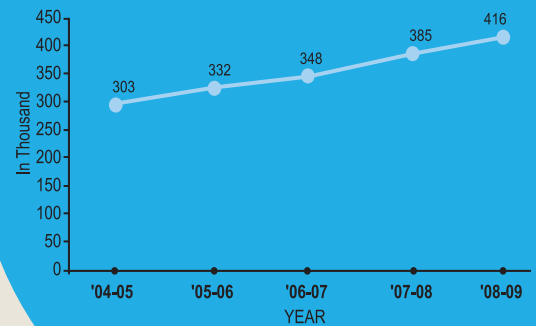
Customer satisfaction is the key to success of any business. Our customers are our prime focus and we are to implement satisfactory customer service as deemed suitable. The issue was seriously considered by DESCO, which led to the establishment of Customers' One Point Service Center in each of the Sales and Distribution Divisions.

Any consumer coming to DESCO's Sales & Distribution Division can get his/her desired service and solution from the representatives of One Point Service Centre. It covers new connections, load extensions, service renovations or relocations, billing and collection related complaints, reconnection of disconnected lines and other related services.

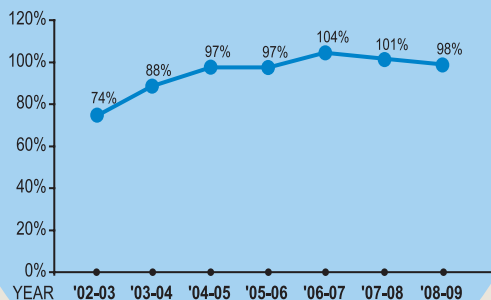
The Customer Service Centers are considered to be still at initial stage and need continuous improvement to come up to the desired level of standard, for which DESCO is giving emphasis on routine training of employees. DESCO strongly believes that Customer Service is a primary key to maintain better business discipline.



Consumer Strength



Bill Collection Ratio



System Loss

YEAR	System Loss
02-03	21.06%
03-04	19.24%
04-05	16.64%
05-06	16.20%
06-07	13.44%
07-08	10.91%
08-09	9.79%



Billing/Collection

The primary objective of maintaining the financial strength of the Company is achieved by continuous efforts to maintain a healthy billing/ collection ratio.

Considering sales at Tk.9,799 million and collection at Tk.9,714 million, the billing collection ratio works out at 99.13%. The Collection/ Import (C.I.) ratio is 88.56% this year.

Accounts Receivable

One of the indicators of efficient financial management is decreasing balance of accounts receivable ratio. The Company maintains a system of continuous monitoring of accounts receivable by way of monthly reports and analysis. The Accounts Receivable/ Sales ratio works out to 22.48% this year.

System Loss

This is a key performance indicator of any electric distribution company, and is determined by the quantity of energy purchased and that sold. The system loss works out to 9.79% this year as against 10.91% in previous year. Efforts are being given to maintain the system loss at a single digit in the coming financial year.

Prepaid Metering

Prepaid meter utilizes smart card technology that allows customers to put money on a smart card which is inserted and removed from the prepaid meter. The meter reads a chip in the card and ensures that only the amount of electricity that has been paid for be available to the customer. Customers can recharge their smart cards by making payment at DESCO's vending stations. The addition of prepaid meters has helped DESCO to improve revenue collections and minimize System Loss as well.

Upto the year under review, 9,568 single phase prepaid meters and 288 three phase prepaid meters have been installed in Uttara area. Sectors 1, 3, 4, 6, 7 & 8 of Uttara have already been covered and sectors 5, 13 & 14 of Uttara are now being taken up. Subsequently, Sectors 9, 10, 11 & 12 will be covered. In order to facilitate continuous supply of prepaid meters in future, DESCO has set up a "Prepaid Meter Production Unit" at Mirpur with the technical assistance of IICT, BUET.

Financial Results and Appropriation

The synergy between technical and commercial activities is reflected in the improved financial results of the Company as under:

Particulars	2008-09 (MTK)	2007-08 (MTK)	2006-07 (MTK)
Revenue from Operations	10005	9,189	7,381
Cost of Sales	(7,860)	(6,953)	(5,782)
Gross Profit	2,145	2,236	1,599
Expenses	(493)	(484)	(317)
Operating Profit	1,652	1,752	1,282
Financial Expenses (Net)	(170)	(256)	(284)
Non Operating Income	669	576	263
Taxation	(533)	(1,072)	(550)
Net Profit for the year	1,607	1,001	711
Dividend (proposed)	601	381	318
Un appropriated profit carried forward	3,758	1,479	883

Cash Flow Statement of DESCO (MTK)

Particulars	2008-09	2007-08	2006-07
Cash flow from operating activities	2,474	2,597	2,796
Cash flow from investing activities	(414)	(430)	(257)
Cash flow from financing activities	2,610	(285)	(173)
Cash & cash equivalents increase/ (decrease) during the year	942	1,880	2,366
Cash & cash equivalents at the end of the year	8,491	7,549	5,668

Contribution to the Exchequer

Since the commencement of its operation, DESCO has been contributing a decent amount to the Government's earnings. Consequently, the VAT paid by DESCO in last 2 (two) years are as under:

VAT	2008-09 (MTK)	2007-08 (MTK)	2006-07 (MTK)
From Electricity Bills	474.48	430.62	396.08
From Contractors/Suppliers Bills	52.40	18.83	10.16
Income Tax	526.88	449.45	15.00
Total	580.23	501.6	421.24

Financial Ratios

Financial ratios are indicators of financial strength/weakness of an organization. Some of these are presented below to reflect DESCO's financial position:

Financial Ratio	2008-09	2007-08	2006-07
Current Ratio	3.23	2.58	2.65
Quick Ratio	2.25	2.39	2.37
Debt Equity Ratio	60:40	73:27	74:26
Accounts Receivable (Months Equivalent to Sales)	2.73	2.61	3.18
Operating Expenses to Operating Revenue	78.55	75.67	78.33
Gross Margin Ratio	21.89	24.81	21.73
Operating Margin Ratio	16.86	19.44	17.44
Net Income Ratio	16.40	11.10	9.65
Return on Asset Ratio	21.89	14.00	10.30
Return on Equity Ratio	21.96	22.38	18.80
Net Asset Value Per Share	548.46	334.95	284.88
Net Operating Cash Flow Per Share	185.38	194.58	209.50
Earning Per Share (Tk.)	120.42	74.98	53.46

Share Information

The distribution of shareholding, market value of shares, type of shareholding are shown below:

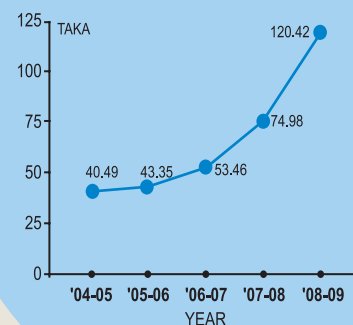
General

Authorized Capital : Tk.500 crore
 Paid up Capital : Tk.133.47537 crore
 Class of Share : Ordinary Shares of Tk.100/- each

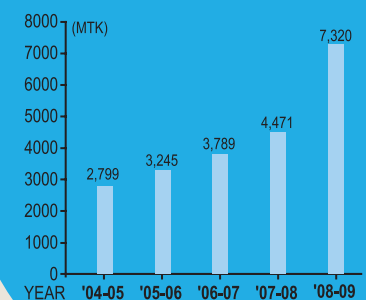
Stock exchange Listing

The issued Ordinary shares of Dhaka Electric Supply Company Ltd. (DESCO) are listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

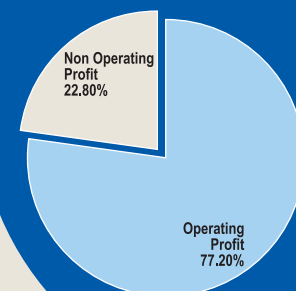
Earning Per Share



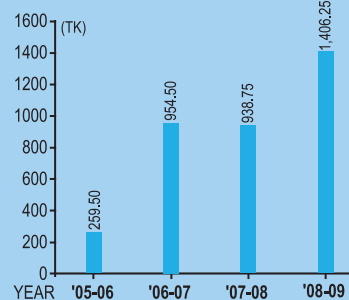
Shareholders' Equity



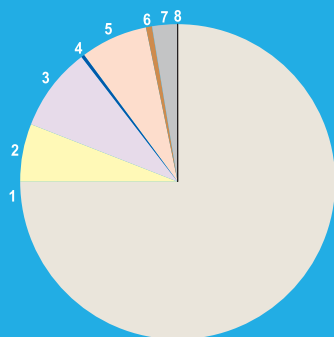
Profit After Tax in 2008-09



Closing Market Price Per Share



Shareholding Pattern



1	75.00%	Sponsors (DESA)
2	5.94%	General Public
3	8.60%	Financial Institutions
4	0.33%	Other Mutual Funds
5	6.90%	Other Investors
6	0.61%	Foreign Individuals
7	0.02%	Foreign Company
8	2.59%	Other Unit Funds
9	0.01%	Non-Resident (General Public)

Distribution of Shareholdings

Number of Shareholders on 30th June, 2009 stood at 2,811 nos which as on record date of 5th November, 2009 was 3,116 nos..

Range of Holding in number of Share	Number of Shareholders	% of Shareholders	Number of Shares	% of share capital
1 to 499	2461	87.55	181,254	1.36
500 to 5000	291	10.3	411,519	3.08
5001 to 10000	23	0.82	170,451	1.28
10001 to 20000	17	0.60	244,959	1.84
20001 to 30000	2	0.07	54,995	0.41
30001 to 40000	5	0.18	173,184	1.30
40001 to 50000	0	0.00	-	0.00
50001 to 100000	4	0.14	328,866	2.46
100001 to 1000000	7	0.25	1,771,676	13.27
100000 to 1000000000	1	0.04	10,010,633	75.00
Total	2811	100	13,347,537	100

Market Value per Share during the FY 2008-09

Particulars	Taka
Highest during the year	1,446
Lowest during the year	766
At closing of the year	1406

Total Trade Volume of DESCO's Shares for the FY 2008-09

Particulars	Trade Volume
Highest during the year	3,54,900
Lowest during the year	6,200
At closing of the year	49,750

Shareholding Pattern as of 30th June, 2009

Group Name	Number of Shareholders	No. of Shares held	Percentage of holding
Sponsors (DESA)	7	9,533,955	75.00
General Public	2,543	793,036	5.94
Financial Institutions	207	1,148,240	8.60
Other Mutual Funds	7	44,200	0.33
Other Investors	24	920,515	6.90
Foreign Individuals	4	80,850	0.61
Foreign Company	1	2,627	0.02
Other Unit Funds	4	346,309	2.59
Non-Resident (General Public)	14	1,109	0.01
Total	2,811	13,347,537	100.00

Shareholders' Role

The Directors have always recognized the important role played by the honorable Shareholders of the company in assisting the Board to implement proper corporate governance.

The Company also welcomes the active participation of the Shareholders at the Annual General Meetings and solicits their views at all times, promoting healthy dialogue. Whenever possible, the Company has also implemented suggestions of the shareholders. Through the half yearly and annual publications of financial statements, meetings and other forms of communications, the Board and the Company Management constantly interacts with the shareholders of the Company.



Directors' Responsibilities for Financial Statements

Section 181 of the Companies Act 1994 requires Directors to ensure that the Company keeps proper books of accounts of all transactions and prepare financial statements that give a true and fair view of the state of the Company's affairs and of the profit for the year.

The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the requirements of the International Accounting Standards/ International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh and provide the information required by the Companies Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the regulations of the Dhaka/Chittagong Stock Exchanges. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to establish appropriate systems of internal control with a view to the prevention and detection of any fraud and other irregularities.

Corporate Governance Compliance Report

The pattern of shareholding along with the name wise details of (i) Parent/Subsidiary/Associated Companies and other related parties; (ii) Shareholding of Directors; (iii) Shareholding of CEO, CFO, Company Secretary & Head of Internal Audit; (iv) Shareholding of Senior Executives (Top five salaried persons other than CEO, CFO, CS, HIA) and (v) Shareholder(s) holding 10% or more voting interest in the company as at 30.06.2009 are shown at Annexure-I

Dhaka Electric Supply Company Limited (DESCO) to this end has complied with all the requirements of Corporate Governance as required by the Securities and Exchange Commission. Accordingly, Corporate Governance Compliance Report is shown at Annexure- II.

Board Meeting and Attendance

During the year 17 (seventeen) board meetings were held. The attendance record of the directors is shown at Annexure- III of this report.

Audit Committee

In compliance with Securities & Exchange Commission (SEC) Regulations, the company has formed a 4-member Audit Committee of the Board headed by an independent Director, Mr. Mustafizur Rahman, FCA, Council Member of ICAB. The other members of the Committee are Mr. Mohammad Wahid Hossain, ndc Joint Secretary (Admin) Power Division, Ministry of Power, Energy & Mineral Resources (MPEMR), Mr. Mohammad Reazul Islam, Vice-President (Admin & Finance), IEB and Mr. Qudrate Khuda, FCA, FCMA, Director (Finance), DESCO. The Attendance record of the Audit Committee is given at Annexure-IV.



During the Financial Year 2008-2009, the audit committee of the Board of Directors conducted 05 (five) meetings in which among other things the following issues were discussed/evaluated /reviewed and accordingly provided necessary guidelines and instructions:

- ▶ Review and finalize the draft Auditors Report & Audited Accounts of the Company for the fiscal year 2007-2008.
- ▶ Review and finalize the un-audited half yearly Statement of Accounts for the fiscal year 2008-2009.
- ▶ Consider proposal for delegation of authority for (a) Bill payment and (b) Cheque signing.
- ▶ Review the internal control aspects of (i) Stores; (ii) Procurement and (iii) Transport.
- ▶ Review and finalize the draft of Company Budget for the FY 2009-10.
- ▶ Review the implementation of new pay scale approved by the Board.

Human Resource Development

DESCO recognizes and emphasizes the importance of HR development and employees participation in the maintenance of standards as well as growth of the organization. Achieving the company's vision and mission depends on its employees working together as a team to provide service excellence with integrity to its consumers and increase the organization's profit.

In order to improve manpower productivity, the company continuously imparts formal and informal trainings to its employees at each level. Annual Training Schedule of DESCO for the year 2009-10 has been drawn out on the direction of the Ministry of Power, Energy & Resources, according to which each employee will receive at least 20 hours training on different topics round the year.



Basic training courses have been designed to meet the requirements of the employee to work efficiently and effectively for the company. These courses include training on Service Rules, Electricity Act, Customer Service, Introduction to Management, Organogram, and Official manners and behavior. Essential Technical Training Programs like Distribution System Inspection and Maintenance, New Connection Process, Distribution Network Protection System, Fundamentals of Electrical Safety Guidelines, Breaker Maintenance & Relay, House Wiring Inspection, Disaster Management, Fire Fighting & first Aid, Security System Maintenance, Labor Law 2006, Bangladesh Service Rules, Commercial Operation of DESCO, Energy Meter Installation-Connection-Calibration & Testing, Financial Management etc. are designed for the officers, supervisors and other staff to adopt modern practice in DESCO's activities.

DESCO avails of the training facility of the Training Institute of Bangladesh Power Development Board (BPDB) and the Institute of Engineers Bangladesh (IEB) in different essential technical training courses organized by them and other locally renowned HR development training organizations.

The Training Cell of the Company also helps the employees to participate in different training/presentation sessions on "Prepaid Metering System" and "E-Governance Program".

E-Governance

To keep pace with the modern technological advancement in IT (Information Technology) sector and to make the utility management more user friendly, DESCO Management decided to launch e-governance program with a unified approach. Institute of Information and Communication Technology (IICT), BUET is helping DESCO in this regard. One Point Service Complaint, New Connection, Monthly Bill Collection, Miscellaneous Bill Collection, DESCO Website and E-mail Communication, Inter Office Wide Area Network (WAN) Connectivity have already been developed and implemented. Training Program of DESCO officials on this newly implemented software are going on. Citizen Charter has also been included in DESCO website and now any consumer may check the status on his/her bill and load shedding schedule from it.

Corporate Social Responsibility

The ethos of DESCO for pursuing its activities in social arena has got further momentum with continuous enthusiasm and support of the stakeholders. Besides running on commercial basis, DESCO also has got some social responsibilities. Some of the Corporate Social Responsibility (CSR) activities of the Company are:

- ▶ DESCO collects Electricity bills during Ijtema period at Tongi Ijtema Ground at a nominal rate of Tk.0.50 per unit only from the Ijtema Committee while any additional amount in this respect for the said period are borne by DESCO.
- ▶ DESCO also provides support to the approved freedom fighters living in its geographical area for whom monthly electricity bills up to 200 units are being paid by DESCO.
- ▶ Monthly electricity bills up to 1500 units for the family of national poet Late Kazi Nazrul Islam are also being paid as a gesture of goodwill and respect to the national poet.

Dividend

Based on the performance of the Company, the Board of Directors recommends 25% cash dividend and 20% stock dividend (i.e., 20 bonus shares for every 100 shares held), for the financial year 2008-09.

Election of Directors

In terms of the Articles of Association of the Company, Mr. Mohammad Wahid Hossain, ndc, Mr. A. T. M. Murtozaa Reza Chowdhury, Mr. Md. Reza Shah Alam shall retire from the Board of Directors, while Mr. Md. Shahjahan Siddiqui, Bir Bikram, retired Secretary of the Govt., Peoples Republic of Bangladesh, Prof. Dr. S. M. Lutful Kabir, Director, IICT, BUET, Mr. Md. Mustafizur Rahman, Council Member, ICAB (Independent Director), Mr. Mohammad Reazul Islam, former Vice-President (Admin & Finance), IEB, Mr. Latifur Rahman, former President, Metropolitan Chamber of Commerce & Industry (MCCI), Dhaka and Mr. Saleh Ahmed, Managing Director, DESCO shall continue as Directors of the Board.

The following persons have been nominated by the Power Division, Ministry of Power, Energy and Mineral Resources (MPEMR) and are proposed to be elected as Directors of the Board:

- (i) **Mr. Foiz Ahamed**, Joint Secretary (Admin), Power Division, MPEMR.
- (ii) **Mr. Md. Fazlul Hoque**, Member (Finance), BPDB.
- (iii) **Mr. Md. Ataul Masud**, Managing Director, DPDC.

Acknowledgement

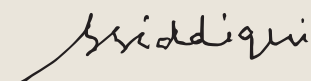
Esteemed Shareholders,

On behalf of the Board of Directors, I would like to express my sincere gratitude to the Power Division, Ministry of Power, Energy & Mineral Resources, Economic Relations Division, Ministry of Finance, Ministry of Planning, Power Cell, Dhaka Electric Supply Authority, Bangladesh Power Development Board, Rural Electrification Board, concerned Government Departments, Asian Development Bank, World Bank, Securities and Exchange Commission (SEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Limited (CSE), ICB Capital Management Limited, ICB Securities and Trading Company Limited, and other development partners for their continuous assistance, guidance and advice.

I would also like to express my thanks to all the members of the Company on behalf of the Board of Directors for their sincere efforts in performing their duties and responsibilities for the prosperity and development of the Company.

In conclusion, I pray to the Almighty Allah that may the Company continue its performance gloriously throughout the years ahead.

For and on behalf of the Board of Directors,



Md. Shahjahan Siddiqui, Bir Bikram

Chairman

Board of Directors, DESCO

Annexure I

I) PARENT/SUBSIDIARY/ASSOCIATED COMPANIES AND OTHER RELATED PARTIES: NIL

II) DIRECTORS' SHAREHOLDING

Sl. No.	Name	Designation	% of shares as on June 30, 2009
1	Shahjahan Siddiqui, Bir Bikram	Chairman	Nil
2	Mohammad Wahid Hossain ndc	Director	0.002
3	A.T.M. Murtozaa Reza Chowdhury	Director	Nil
4	Latifur Rahman	Director	Nil
5	Prof. Dr. S.M. Lutful Kabir	Director	Nil
6	Md. Mustafizur Rahman, FCA	Director	Nil
7	Mohammad Reazul Islam	Director	Nil
8	Md. Reza Shah Alam	Director	Nil
9	Saleh Ahmed	Managing Director	0.004

III) SHAREHOLDING OF CEO, CFO, COMPANY SECRETARY & HEAD OF INTERNAL AUDIT

Name	Designation	% of shares as on June 30, 2009
Chief Executive Officer and his spouse and minor children		0.004
Chief Financial Officer and his spouse and minor children	-	0.005
Company Secretary and his spouse and minor children	-	Nil
Head of Internal Audit and his spouse and minor children	-	Nil

IV) SHAREHOLDING OF SENIOR EXECUTIVES (TOP FIVE SALARIED PERSONS OTHER THAN CEO, CFO, CS, HIA)

Sl. No.	Name	Designation	% of shares as on June 30, 2009
1	Engr. Md. Monzur Rahman	Director (Technical)	Nil
2	Engr. Md. Shahjahan Mia	GM (Engineering & System Control)	0.004
3	Md. Shafiqul Islam Chowdhury	GM, S&D Operation (in-charge) and DGM, S&D Division, Baridhara.	0.004
4	Engr. S.M. Habibur Rahman	DGM (Admin)	0.00001
	Engr. Noor Mohammod	DGM, S&D Division, Uttara	Nil
	Engr. AKM Mostofa Kamal	DGM, S&D Division, Gulshan	0.011
5	Engr. Md. Shah Alam	DGM (System Engg. & Design)	0.016
	Md. Rofi Uddin	DGM (Finance & Accounts)	0.014

V) SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHT

Sl. No.	Name	Designation	% of shares as on June 30, 2009
1.	Dhaka Electric Supply Authority (DESA)	-	75.00

VI) TWENTY LARGEST SHAREHOLDERS AS ON JUNE 30, 2009

Sl. No.	Name	No. of Shares Held	% of shares as on June 30, 2009
1	DHAKA ELECTRIC SUPPLY AUTHORITY	10,010,633	75.00
2	PRIME BANK LTD INVESTORS A/C	495,282	3.71
3	1PRIME BANK LIMITED (MBID)	342,750	2.57
4	ICB	288,765	2.16
5	ABBL IDA	264,370	1.98
6	ARAB BANGLADESH BANK LTD.	147,488	1.10
7	IDLC-PORTFOLIO ACCOUNT	129,100	0.97
8	LANKABANGLA FINANCE LTD IP A/C	103,917	0.78
9	AKM MOSTAFIZUR RAHMAN	93,916	0.70
10	CACEIS BL A/C BARCA GL.M.FUND	92,000	0.69
11	DHAKA STOCK EXCHANGE LTD.	80,850	0.61
12	ICB AMCL UNIT FUND	62,100	0.47
13	TAMANNA KHATUN	39,102	0.29
14	TBL IDA	37,995	0.28
15	MD. ABDUR RAHIM	33,723	0.25
16	PRIME FINANCE & INVESTMENT LTD. PORTFOLIO	31,450	0.24
17	ICB CAPITAL MANAGEMENT LTD.	30,914	0.23
18	THE TRUST BANK LIMITED	27,945	0.21
19	PRAGATI LIFE INSURANCE LIMITED	27,050	0.20
20	ICB ASSET MANAGEMENT CO. LTD.	20,000	0.15
TOTAL		12,359,350	92.6

Annexure II

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 issued under section 2CC of Securities and Exchange Ordinance 1969:

Condition No.	Title	Compliance Status (Put in the appropriate column)		Explanation for non-compliance with the condition
		Complied	Not Complied	
1.1	Board's size: should not be less than 5(five) and more than 20(twenty)	√		
1.2(i)	Independent Director: at least 1/10 i.e. minimum one	√		
1.2(ii)	Appointment of Independent Director by elected Directors	√		
1.3	Separate Chairman of the Board and Chief Executive and clearly defined roles and responsibilities	√		
1.4	Directors Report to Shareholders on			
1.4(a)	Fairness of Financial Statements	√		
1.4(b)	Maintenance of proper books of account	√		
1.4(c)	Adoption of appropriate accounting policies and estimates	√		
1.4(d)	Compliance with International Accounting Standard	√		
1.4(e)	Soundness of Internal Control System	√		
1.4(f)	Ability to continue as a going concern	√		
1.4(g)	Significant deviations in operating results from last year	√		
1.4(h)	Presentation of at least preceding three years financial data	√		
1.4(i)	Declaration of Dividend	√		
1.4(j)	Details of Board meeting	√		
1.4(k)	Shareholding pattern			
2.1	Appointment of CFO, Company Secretary & Head of Internal Audit and defining of their responsibilities	√		
2.2	Attendance of CFO & Company Secretary in the Board of Directors meeting	√		CFO attends every Board meeting.
3.00	Audit Committee:			
3.1 (i)	Constitution of Audit Committee	√		
3.1(ii)	Constitution of Audit Committee with Board members including the Independent Director	√		
3.1(iii)	Filling of casual vacancy in the Audit Committee			Not applicable
3.2(i)	Chairman of the Committee	√		
3.2(ii)	Professional qualification and experience of the Chairman of the Committee	√		
3.3.1(i)	Reporting on the activities of the Audit Committee	√		
3.3.2(ii)(a)	Reporting of Conflict of interest to the Board of Directors			No such cases arise as yet
3.3.2(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors			No such cases arise as yet
3.3.2(ii)(c)	Reporting of violation of laws to the Board of Directors			No such cases arise as yet
3.3.2(ii)(d)	Reporting of any other matter to the Board of Directors	√		
3.3.2	Reporting of Qualified point to Commission			No such cases arise as yet
3.4	Reporting of activities to the Shareholders and General Investors	√		
4.00	External/Statutory Auditors:			
4.00(i)	Non-engagement in appraisal or valuation services or fairness action	√		
4.00(ii)	Non-engagement in Financial Information System designing and implementation	√		
4.00(iii)	Non-engagement in Book-Keeping or other related service	√		
4.00(iv)	Non-engagement in Broker-dealer services	√		
4.00(v)	Non-engagement in Actuarial Services	√		
4.00(vi)	Non-engagement in Internal Audit Services	√		
4.00(vii)	Non-engagement in any other services that the Audit Committee determines	√		

Annexure III

Board Meeting and attendance during the Year ended June 30, 2009.

Name of Directors	Meeting held while a member	No of meeting attended in person/alternates
Mr. Safar Raj Hossain	17	15
Brig. Gen. Md. Nazrul Hasan	03	03
Mr. Mohammad Wahid Hossain, ndc.	17	14
Mr. Md. Mustafizur Rahman, FCA	17	17
Mr. A.T.M. Murtozaa Reza Chowdhury	14	07
Mr. Mohammad Reazul Islam	17	17
Mr. Saleh Ahmed	17	17
Mr. Md. Reza Shah Alam	14	14
Mr. Latifur Rahman	17	03
Mr. Shafiqul Azam	03	01
Prof. Dr. S. M. Lutful Kabir	17	15

Annexure IV

Audit Committee Meeting and Attendance during the year ended June 30, 2009.

Name of the Members	Meeting held while a member	No. of Meeting attended
Mr. Md. Mustafizur Rahman, FCA	5	5
Mr. Mohammad Wahid Hossain, ndc.	5	5
Mr. Mohammad Reazul Islam	5	5
Mr. Qudrate Khuda	5	5

The Directors are of the view that these financial statements have been prepared under the generally accepted accounting principles and in accordance with the Bangladesh Accounting Standards as laid down by the Institute of Chartered Accountants of Bangladesh.

Events Highlights



Md. Abul Kalam Azad, Honorable Secretary, Ministry of Energy & Mineral Resources exchanging views with the Honorable Chairman and the existing Directors of DESCO.



DESCO participated in exhibition on "Power Bangladesh 2009" at Bangabandhu International Conference Centre, Dhaka.



Managing Director, Director (Technical) and Director (Finance) exchanging views with valued consumers.



Contract Signing Ceremony between DESCO and Energy Pac for supply and installation of 33/11 KV Turnkey Substations.



Honorable Adviser to the Prime Minister Dr. Taufiq-e-Elahi Chowdhury, Bir Bikram, accompanied by State Minister of Power, Energy & Mineral Resources unveiled the new logo at the exhibition on "Power Bangladesh 2009".



Visit of Advocate Shamsul Haque Tuku, former Honorable Minister, Ministry of Energy & Mineral Resources at DESCO office.



Board of Directors attended the 12th Annual General Meeting.



Honorable Shareholders attended the 12th Annual General Meeting.



Auditors' Report

to the
Shareholders of
**DHAKA
ELECTRIC
SUPPLY
COMPANY
LIMITED
(DESCO)**

We have audited the accompanying balance sheet of **Dhaka Electric Supply Company Limited (DESCO)** as of June 30, 2009 and the related Income Statement and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope:

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of June 30, 2009 and of the results of its operations and its cash flows for the year then ended and comply with the applicable section of the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purpose of our audit have been received from Sales & Distributions Divisions;
- c) the company's balance sheet and income statement dealt with by the report are in agreement with the books of account and returns;
- d) the expenditure incurred was for the purposes of the company's business.

Dated: October 21, 2009
Dhaka

Aziz Halim Khair Choudhury
Chartered Accountants

BALANCE SHEET

as on 30 June 2009

	Note	Taka	
		30 June 2009	30 June 2008
APPLICATION OF FUND			
Non Current Assets			
Property, Plant & Equipment	2	7,293,090,558	7,235,269,951
Capital Work-in-Progress	3	50,442,120	51,695,861
Investment in Shares	4	23,392,193	29,131,000
		7,366,924,871	7,316,096,812
Current Assets			
Stores and Spares	5	4,840,383,451	774,928,506
Accounts Receivable	6	2,130,059,408	1,827,843,956
Advances & Deposits	7	204,155,440	239,853,243
Advance Income Tax	8	386,901,394	134,896,928
Cash and Bank Balances	9	8,491,302,150	7,549,645,032
		16,052,781,843	10,526,169,665
Current Liabilities			
Creditors for Goods/Works	10	1,081,397,873	20,174,859
Creditors for Expenses	11	78,605,476	61,803,929
Creditors for Other Finance	12	714,182,281	511,497,336
Accounts Payable	13	1,631,201,600	1,351,935,827
Current Maturity of Long Term Loans	14	254,502,284	253,860,247
Accrued Interest on Loans	15	483,677,101	1,116,597,987
Provision for Income Tax	6	738,119,385	762,950,546
		4,966,685,880	4,078,820,730
Net Current Assets	1	1,086,095,962	6,447,348,934
		18,453,020,833	13,763,445,746
SOURCES OF FUND			
Shareholders Equity			
Share Capital	17	1,334,753,700	1,271,194,000
Share Money Deposit	18	75,000,000	75,000,000
GD Equity	19	1,552,140,000	1,284,440,000
Proposed Dividend	38	600,639,165	381,358,200
Un-appropriated Profit	20	3,757,874,232	1,478,782,960
		7,320,407,097	4,470,775,160
Deferred Tax Liability	35,2	990,291,231	1,608,542,768
Long Term Liabilities:			
Loan from ADB/GOB	21	5,368,637,037	3,061,150,839
Loan from IFSA (For assets taken over)	22	4,039,671,539	4,039,671,539
IFSA (For assets taken over)	3	734,013,930	583,305,439
		10,142,322,505	7,684,127,818
		18,453,020,833	13,763,445,746

Financial Statements

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2009

Particulars	Note	Share Capital	Share Money Deposit	GOB Equity	Reserve & Surplus	Proposed Dividend	Total
Balance at 1st July 2008		1,334,753,700	75,000,000	1,264,440,000	1,478,782,960	317,798,500	4,470,775,160
GOB Equity		-	-	287,700,000	-	-	287,700,000
Net profit for the year		-	-	-	1,607,337,522	-	1,607,337,522
Prior year's adjustment	37	-	-	-	1,272,392,915	-	1,272,392,915
Proposed Dividend	38	-	-	-	(600,639,165)	600,639,165	-
Dividend paid		-	-	-	-	(317,798,500)	(317,798,500)
Balance at 30 June 2009		1,334,753,700	75,000,000	1,552,140,000	3,757,874,232	600,639,165	7,326,407,097
FOR THE YEAR ENDED 30 JUNE 2008							
Balance at 1st July 2007		1,271,194,000	75,000,000	1,241,940,000	882,996,127	317,798,500	3,788,928,627
GOB Equity		-	-	22,500,000	-	-	22,500,000
Net profit for 2007-08		-	-	-	1,000,831,565	-	1,000,831,565
Prior year's adjustment		-	-	-	(23,886,532)	-	(23,886,532)
Stock Dividend for 2007-08	63,559,700	-	-	-	(63,559,700)	-	-
Cash Dividend for 2007-08		-	-	-	(317,798,500)	317,798,500	-
Dividend paid		-	-	-	-	(317,798,500)	(317,798,500)
Balance at 30 June 2008		1,334,753,700	75,000,000	1,264,440,000	1,478,782,960	317,798,500	4,470,775,160

These financial statements should be read in conjunction with the unannexed notes.

Company Secretary

Director (Finance)

Director

Managing Director

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

Dhaka, 21 October, 2009

Aziz Halim Khair Choudhury
Chartered Accountants

BALANCE SHEET

as on 30 June 2009

APPLICATION OF FUND

Non Current Assets

Property, Plant & Equipment	2	7,293,090,558	7,235,269,951
Capital Work -in- Progress	3	50,442,120	51,695,861
Investment in Shares	4	23,392,193	29,131,000

Current Assets

Stores and Spares	5	4,840,363,451	774,928,506
Accounts Receivable	6	2,130,059,408	1,827,843,956
Advances & Deposits	7	204,155,440	239,853,243
Advance Income Tax	8	386,901,394	134,898,928
Cash and Bank Balances	9	8,491,302,150	7,548,645,032
		16,052,781,843	10,526,169,665

Current Liabilities

Creditors for Goods/Works	10	1,081,397,673	20,174,859
Creditors for Expenses	11	78,605,476	61,803,929
Creditors for Other Finance	12	714,182,281	511,497,336
Accounts Payable	13	1,631,201,600	1,351,935,827
Current Maturity of Long Term Loans	14	254,502,284	253,860,247
Accrued Interest on Loans	15	488,677,181	1,116,597,987
Provision for Income Tax	16	718,119,385	762,950,546
		4,966,685,880	4,078,820,730

Net Current Assets

		11,086,095,962	6,447,348,934
		18,453,020,833	13,763,445,746

SOURCES OF FUND

Shareholders Equity

Share Capital	17	1,334,753,700	1,271,194,000
Share Money Deposit	18	75,000,000	75,000,000
GOB Equity	19	1,552,140,000	1,264,440,000
Proposed Dividend	38	600,639,165	381,358,200
Un-appropriated Profit	20	3,757,874,232	1,478,782,960
		7,320,407,097	4,470,775,160

Deferred Tax Liability	35.2	990,291,231	1,608,542,768
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Long Term Liabilities:

Loan from ADB/GOB	21	5,368,637,037	3,061,150,839
Due to DESA (For assets taken over)	22	4,039,671,539	4,039,671,539
Consumer Security Deposits	23	734,013,930	583,305,439
		10,142,322,505	7,684,127,818
		18,453,020,833	13,763,445,746

This financial statement should be read in conjunction with the annexed notes.

Company Secretary

Director (Finance)

Director

Managing Director

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

Dhaka, 21 October, 2009

Aziz Halim Khair Choudhury
Chartered Accountants



INCOME STATEMENT *for the year ended 30 June 2009*

	Note	<i>Taka</i>	
		2008-2009	2007-2008
Operating Revenue			
Energy Sales (Net of Vat)	24	9,799,615,712	9,012,673,170
Other Operating Revenue	25	205,225,995	176,713,518
Total Revenue from Operation		10,004,841,707	9,189,386,688
Cost of energy Sales			
Energy Purchase	26	7,117,531,238	6,151,294,250
Operating Expenses	27	223,793,553	295,901,248
Depreciation (Operating)	34	518,475,544	499,524,522
		7,859,800,335	6,946,720,020
Gross Margin		2,145,041,372	2,242,666,668
Cost & Expenditures			
Administrative Expenses	28	104,840,703	83,821,167
Employee Expenses	29	334,395,921	273,295,215
Bad Debts Provision	6.2	11,015,698	99,088,395
Depreciation (Non Operating)	34	36,666,370	34,277,342
Provision for diminution in value of Investment	4.1	5,738,807	-
		492,657,499	490,482,119
Operating Profit		1,652,383,873	1,752,184,549
Non Operating Income/(Expense)			
Interest Income	30	666,222,788	529,177,699
Interest Expenses	31	(169,794,396)	(255,564,990)
Exchange (Loss)/Gain	32	(10,580,118)	45,371,936
Miscellaneous Income	33	2,577,507	1,162,371
Non Operating Income (Net)		488,425,781	320,147,016
Net Profit before tax		2,140,809,654	2,072,331,565
Income Tax Expense			
Current Tax Provision	35.1	(533,472,132)	(521,500,000)
Deferred Tax Provision	35.2	-	(550,000,000)
		(533,472,132)	(1,071,500,000)
Net Profit After Tax		1,607,337,522	1,000,831,565
Basic Earnings per Share	36	120.42	74.98

These financial statements should be read in conjunction with the annexed notes.

Company Secretary

Director (Finance)

Director

Managing Director

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

Dhaka, 21 October, 2009

Aziz Halim Khair Choudhury
Chartered Accountants



CASH FLOW STATEMENT *for the year ended 30 June 2009*

	<i>Taka</i>	
	2008-2009	2007-2008
A. Cash Flow from operating Activities		
Received from Energy Sales	9,714,268,126	9,108,378,764
Collection of Govt. Duty, VAT & Tax	552,723,170	501,983,694
Received from Other Operating & Non Operating Activities	249,396,178	372,837,372
Received against Financial Income	598,413,710	479,114,536
Payment for Energy Purchase	(6,838,886,262)	(6,109,439,167)
Payment for Employee Expenses	(331,336,879)	(273,448,628)
Payment for Administrative & Other Expenses	(101,367,992)	(843,951,655)
Payment for Interest on Long Term Loan	(279,224,646)	(179,478,413)
Income Tax Paid	(562,712,744)	(19,298,638)
Payment for Govt. Duty, Vat & Tax	(526,897,787)	(439,491,933)
Net cash inflow from operating activities	2,474,374,874	2,597,205,932
B. Cash Flow from Investing Activities		
Investment in Shares	-	(29,135,000)
Acquisition of Property & Plant	(557,901,078)	(59,476,948)
Acquisition of Stores & Equipment	(3,584,094,636)	(370,911,811)
Net cash used in investing activities	(4,141,995,714)	(430,388,759)
C. Cash Flow from Financing Activities		
Long Term Loan	2,856,377,073	37,500,000
Dividend Paid	(125,674,650)	(316,254,684)
Long Term Loan Paid	(271,128,954)	(151,453,612)
Consumer Security Deposits	150,708,490	144,295,082
Net cash inflow from financing activities	2,610,281,959	(285,913,214)
D. Cash & Cash equivalents increase /(decrease) during the year	942,661,119	1,880,903,959
E. Cash & Cash equivalents at the beginning of the year	7,548,641,031	5,667,737,072
F. Cash & Cash equivalents at the ending of the year	8,491,302,150	7,548,641,031

These financial statements should be read in conjunction with the annexed notes.

Company Secretary

Director (Finance)

Director

Managing Director

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

Dhaka, 21 October, 2009

Aziz Halim Khair Choudhury
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2009

Particulars	Note						<i>Taka</i>	
		Share Capital	Share Money Deposit	GOB Equity	Reserve & Surplus	Proposed Dividend	Total	
Balance at 1 st July 2008		1,334,753,700	75,000,000	1,264,440,000	1,478,782,960	317,798,500	4,470,775,160	
GOB Equity		-	-	287,700,000	-	-	287,700,000	
Net profit for the year		-	-	-	1,607,337,522	-	1,607,337,522	
Priors year's adjustment	37	-	-	-	1,272,392,915	-	1,272,392,915	
Proposed Dividend	38	-	-	-	(600,639,165)	600,639,165	-	
Dividend paid		-	-	-	-	(317,798,500)	(317,798,500)	
Balance at 30 June 2009		1,334,753,700	75,000,000	1,552,140,000	3,757,874,232	600,639,165	7,320,407,097	

FOR THE YEAR ENDED 30 JUNE 2008

Balance at 1 st July 2007		1,271,194,000	75,000,000	1,241,940,000	882,996,127	317,798,500	3,788,928,627
GOB Equity		-	-	22,500,000	-	-	22,500,000
Net profit for 2007-08		-	-	-	1,000,831,565	-	1,000,831,565
Priors year's adjustment		-	-	-	(23,686,532)	-	(23,686,532)
Stock Dividend for 2007-08		63,559,700	-	-	(63,559,700)	-	-
Cash Dividend for 2007-08		-	-	-	(317,798,500)	317,798,500	-
Dividend paid		-	-	-	-	(317,798,500)	(317,798,500)
Balance at 30 June 2008		1,334,753,700	75,000,000	1,264,440,000	1,478,782,960	317,798,500	4,470,775,160

These financial statements should be read in conjunction with the annexed notes.

Company Secretary

Director (Finance)

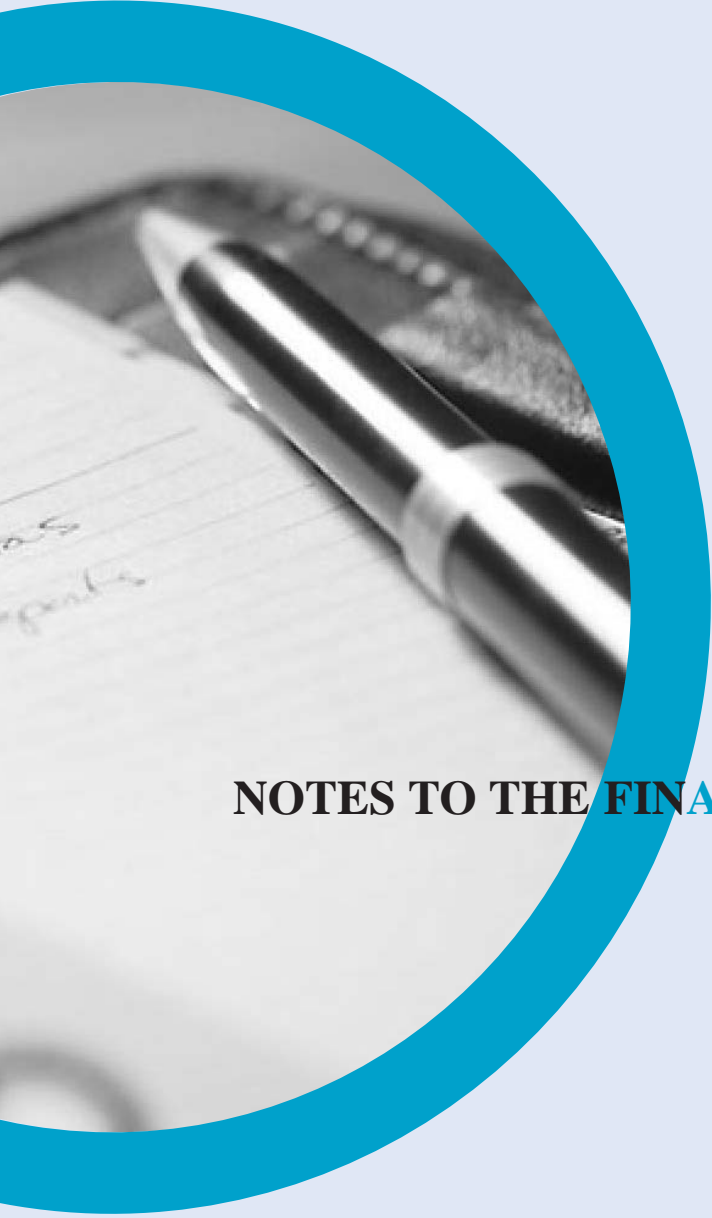
Director

Managing Director

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

Dhaka, 21 October, 2009

Aziz Halim Khair Choudhury
Chartered Accountants



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2009

1 LEGAL STATUS & NATURE OF THE COMPANY, SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION

1.1 Legal Status

Dhaka Electric Supply Company Limited (DESCO) was incorporated as Public Limited Company Limited by shares on November 03, 1996 with an Authorized Capital of TK.5,000 million divided into 50 million ordinary shares of Tk.100 each. The shares of the Company have been listed and are being traded in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) since 2006.

1.2 Principal Activities

The main objective of the Company is to distribute electricity to its consumers effectively and efficiently. DESCO started its operation from 24 September 1998 in Mirpur area and as per Govt. decision the operation of greater Gulshan area was added from 09 April 2003. Further on 04 March 2007 operation of Tongi Area was also handed over from DESA to the Company.

1.3 Basis of Accounting

The Financial Statements have been prepared on historical cost convention in accordance with Bangladesh Accounting Standards (BAS), except where otherwise mentioned, and are in compliance with the relevant requirements of the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

1.4 Property, Plant & Equipment

1.4.1 Valuation of Property, Plant & Equipment Purchased by DESCO

All property, plant & equipment purchased by DESCO are recorded at cost considering its purchase price and any directly attributable cost of bringing the assets to working condition for intended use inclusive of inward freight, duties and non-refundable taxes.

1.4.2 Valuation of Assets Taken Over from DESA

1.4.2.1 Property, plant & equipment taken over from Dhaka Electric Supply Authority (DESA) in the Mirpur area have been valued at Tk.1, 271.194 million as per joint survey report between DESA and DESCO, while those of Gulshan and Tongi areas have been provisionally estimated by DESCO at Tk.1,998.92 million and Tk.795.04 million respectively.

1.4.2.2 DESCO also took over two Grid Substations (Bashundhara and Uttara) from DESA at provisional estimated cost of Tk.1,245.71 million, including cost of land, as per Vendor Agreement signed between DESCO and DESA.

1.4.2.3 Independent valuers have been appointed to physically verify and value the assets taken over by the company from DESA. The valuers have submitted their draft report which is under scrutiny by the management for placement to the Board.

1.4.3 Depreciation

1.4.3.1 Depreciation is charged at straight-line method at rates varying from 2% to 20% depending on category and economic life of the assets as under:

Categories	Rate (%)
Land & Land Development	Nil
Building & Other Constructions	2.5%
Distribution Equipment & Cables	2%-10%
Furniture & Fixtures	10%
Office Equipment	15%
Motor Vehicles	20%

1.4.3.2 The company has acquired 0.1532 acres land from National Housing Authority (NHA) at Tk. 7.42 lac on 99 years lease in the year 2005. The amortization of the cost of this land would have been Tk. 7,490/- per year, which would not have any 'material impact' on the profitability of the company, hence no amortization has been considered.

1.4.3.3 Full year's depreciation is charged on assets acquired during the year and put into use for six months and over, while no depreciation is charged on assets acquired for less than six months during the year.

1.4.3.4 Depreciation on the assets taken over in Gulshan and Tongi area has been charged on the value and economic life as provisionally estimated by DESCO.

1.5 Investment in Shares

Investment in marketable ordinary shares has been shown at cost or marketable price, whichever is lower. Full provision for diminution in value of shares as on closing of the year, if required has been taken into account as per BAS-25.

1.6 Stores and Spares

Stores and spares have been stated at the lower of cost and net realizable value in accordance with BAS 2 "Inventories", after making due allowance for any obsolete or slow moving items. The cost of inventories is assigned by using weighted average cost method.

1.7 Foreign Currency Translation

Foreign currency transactions are translated into Taka at exchange rates prevailing on the respective dates of transaction, while foreign currency monetary liabilities at the end of the year are reported at the rate prevailing on the balance sheet date. Exchange losses/gain arising out of the said conversion is recognized as expense/ income for the year in accordance with BAS-21.

1.8 Revenue Recognition

- (a) The Company recognizes revenue of energy on issue of bills to the consumers for consumption of energy, demand charge, service charge, meter and transformer rent.
- (b) Other operating income arising from connection/disconnection fees, bills against materials, meter-testing fees, LPC (Late Payment Charge) etc, are recognized on cash basis
- (c) Interest on short-term deposits (STD) and on FDR's with banks is recognized as income on cash basis.

1.9 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement" and the cash flow from operating activities has been presented under the direct method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are encouraged to Report Cash Flow from Operating Activities using the Direct Method"

1.10 Accounts Receivable

Accounts Receivable for energy is stated at realizable amount less provision for doubtful debts.

The company provides for doubtful debts @ 0.5% of Accounts Receivable balance standing at the balance sheet date, as decided by the Board of Directors at the meeting held on 17.04.2005.

1.11 Related Party Transaction

- (a) The 'related party' as per BAS-24 is Dhaka Electric Supply Authority (DESA), presently Dhaka Power Distribution Company Ltd.(DPDC) which holds 75% of the total shares outstanding. DPDC is represented on the Board of the Company by its Managing Director.
- (b) The Company entered into contract with Bureau of Research, Testing & Consultation (BRTC), BUET for technical assistance in prepaid metering pilot project for production of prepaid meters, e-governance and Data Acquisition System. BUET is represented on the company's Board by its Director, IICT, BUET.

1.12 Earnings Per Share (EPS)

(a) Basic Earnings Per Share (BEPS)

Basic Earnings per share has been calculated by dividing the earnings attributable to the number of shares (ordinary) outstanding during the year. However, neither the "GOB Equity" nor the "Share Deposit" amounts have been considered for determining BEPS and no shares have been allotted against these receipts.

(b) Weighted Average Number of Shares Outstanding During the Year

This represents the number of ordinary shares Outstanding at the beginning of the year plus the year the numbers of ordinary shares issued during the year multiplied by a time weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportionate of the number of days in the year.

(c) Diluted Earnings Per Share

No diluted Earnings per share was required to be calculated for the year under review as there is no scope for dilution of Earnings per share for the year.

1.13 Retirement Benefit Plans

(a) Contributory Provident Fund

The Company maintains a Contributory Provident Fund (CPF), recognized by the National Board of Revenue (NBR), under which the employees contribute 10% of their basic salary to the fund. The company contributes an equal amount. The fund is managed and operated by a Board of Trustees. The net earnings of the fund are apportioned to the Fund member's accounts at the end of the year.

(b) Gratuity

The Company maintains a Gratuity Fund, approved by the NBR under Income Tax Ordinance, 1984. Under the Gratuity Scheme, the company pays to a retired employee, having completed at least 3 (three) years of service, at the rate of two months' last drawn basic salary for every completed year of service. The company pays to the fund for the liability at the end of each year considering the number of years of service of employees eligible under the scheme.

The liability shown in the Balance Sheet does not reflect the present value of the expected payments by the company's retirement plan to existing and past employees attributable to the service already rendered and is therefore not in compliance with BAS 26.

(c) Group Insurance

The Company has taken Group Insurance Endowment policy for its employees and provision for the premium on the coverage is made annually.

1.14 Taxation

(a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differ from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

(b) Deferred Tax Liability

The Company accounts for deferred tax liability as per Bangladesh Accounting Standard (BAS-12). Deferred Tax is provided using the liability method for all temporary timing difference arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. An appropriate proportion of provision has been considered in calculating temporary timing difference. Tax rate prevailing at the balance sheet date is used to determine deferred tax liability.

1.15 Borrowing Cost

Interest on borrowed funds for ongoing projects is charged as expense.

1.16 Reporting Currencies

The financial statements presented are stated in Bangladesh Taka and rounded off to the nearest Taka.

1.17 Reporting Period

The accounting year of the company covers the period from 1st July to 30th June consistently.

Taka**2 PROPERTY, PLANT & EQUIPMENT****Cost**

	2008-2009	2007-2008
Balance at 1 st July	9,574,550,383	8,704,057,866
Less: Adjustment relating to previous year (Note-2.1)	(35,400)	-
Less: Disposal of office equipment	(28,000)	(989,467)
	9,574,486,983	8,703,068,399
Additions during the year	612,989,971	871,481,983
Balance at 30 th June	10,187,476,954	9,574,550,383
Depreciation		
Balance at 1 st July	2,339,280,432	1,784,757,897
Less: Adjustment relating to previous year (Note-2.1)	(23,600)	21,385,909
Less: Adjustment for disposal	(12,350)	(665,268)
	2,339,244,482	1,805,478,568
Charged for the year	555,141,914	533,801,864
	2,894,386,396	2,339,280,432
Balance at 30 th June	7,293,090,558	7,235,269,951

2.1

Adjustment relating to previous year represents UHF walki talki sets burnt last year but not recorded in previous year

2.2

Detail of assets are shown in Annexure-1 attached.

3 CAPITAL WORK -IN- PROGRESS

33KV & 11KV OH/UG Cable Line (Note 3.1)	13,638,000	13,459,165
Data Acquisition System (Note 3.2)	21,283,152	14,230,154
Prepaid Meter Pilot Project (Note3.3)	9,103,500	21,186,000
Boundary Wall Construction and Central Store/Bounia Substation	1,194,500	-
Civil work for Bashundhara Sub-station (Note 3.4)	5,222,968	2,820,542
	50,442,120	51,695,861

3.1

33KV & 11KV overhead & under ground cable works are in progress at Uttara and Mirpur respectively. The total contract price of the two works is Tk. 58.98 million.

3.2

The Company entered into an agreement with Bureau of Research, Testing and Consultation (BRTC) to implement Data Acquisition System (DAS) whereby different parameters of power quality would be available at 33KV & 11KV level for effective load management. The System is expected to be upgraded to SCADA level. The total contract price of Tk 19.12 million has been revised at Tk.23.59 million due to increase in number of points of installation.

3.3

The Company initiated a Pilot Project to produce and install 10,000 nos of single phase and 1000 nos of three phase prepaid meters in the different sectors of Uttara with the technical support of BRTC, BUET. Till date 9,350 single phase meters have been installed and the balance 1,650 meters (650 single phase and 1,000 three phase) are in process. The total contract price is Tk. 96.00 million.

3.4

The total contract price of the civil works is Tk. 5.25 million.

	<i>Taka</i>	
	2008-2009	2007-2008
4 INVESTMENT IN SHARES		
Balance at 1 st July	29,131,000	29,131,000
Less: Provision for diminution in value of Investment	5,738,807	-
	23,392,193	29,131,000

4.1

This represents face value of 29,131 shares of Tk. 1000/- each of ICB Islamic Bank Ltd (former Oriental Bank Ltd) allotted to the Company against fixed deposits in the Bank under the reconstruction scheme of Oriental Bank Ltd undertaken by Bangladesh Bank. As on June 30, 2009 market Value of the shares was Tk. 23,392,193 (29,131 Shares @ Tk. 803 per share) (Source: DSE Website). The diminution in value of Tk 5,738,807 (i.e Tk 197/- per share) has been provided for as per BAS-25.

5 STORES & SPARES

Stores & Spares -Note-5.1	3,799,519,112	771,394,302
Stores in Transit -Note- 5.2	1,040,844,339	3,534,203
	4,840,363,451	774,928,505

5.1

Stores & spares have been valued at weighted average cost and has been arrived at after accounting for Tk 61,722,776 being surplus of stores detected on physical inventory. Itemwise break up is as under :

Cable & Accessories	2,853,165,049	475,401,531
Pole & Pole Fittings Materials	121,776,180	57,912,337
Distribution Transformers	354,636,360	19,828,919
Meter & Meter Accessories	346,448,301	93,337,724
Sub-station Equipment & Spares	110,637,939	95,404,957
Tools & Equipment & Others	12,855,283	29,508,834
	3,799,519,112	771,394,302

5.2

This represents L/C charge and Pre -Shipment- Inspection (PSI) expenses paid against import of materials.

6 ACCOUNTS RECEIVABLE

Receivable from consumers (Note 6.1)	2,203,139,556	1,959,075,856
Less: Provision for doubtful debts (Note 6.2)	(152,382,656)	(141,366,958)
	2,050,756,900	1,817,708,898
Receivable from DPDC against material	76,283,173	-
Expenses recoverable from employees	197,372	346,143
Contribution to Gratuity Fund	-	3,096,536
Advertisement cost recoverable from other utility comp. and others	2,821,964	6,692,379
	2,130,059,408	1,827,843,956

6.1

Government (Eqv. month 2.16, 2007-08 : 2.78)	98,250,950	132,664,817
Semi- Government/Autonomous (Eqv. month 3.39, 2007-08 : 4.0)	175,332,201	209,065,590
Private (Eqv. Month 2.7, 2007-08 : 2.4)	1,929,556,405	1,617,345,449
Average (Eqv. Month 2.73, 2007-08: 2.74)	2,203,139,556	1,959,075,856

Taka

2008-2009

2007-2008

6.2

As per recommendation of the Consultants under the "Implementation of Immediate Action Plan of Power Sector Financial Restructuring and Recovery Plan" and as approved by the Ministry, provision of Tk. 99,088,395 for doubtful debts was made in previous year for amounts outstanding from private consumers for three years and more. Provision made this year amounts to Tk. 11,015,698 as per Company's policy.

This balance has been arrived at as under:

Balance at 1 st July	141,366,958	42,278,563
Addition during the year	11,015,698	99,088,395
Balance at 30th June	152,382,656	141,366,958

7 ADVANCES & DEPOSITS

Advances

Against goods and services -Note 7.1	172,274,736	200,484,599
Employees against purchase	4,796,245	1,791,369
Advance against Office rent	6,149,906	1,733,387
Others	742,079	778,229
	183,962,965	204,787,584

Security Deposits:

Telephone/ Mobile	670,621	670,621
Dhaka City Corporation (against road cutting)	18,412,202	33,678,026
Dhaka WASA	10,411	10,411
Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
Others	599,240	206,601
	20,192,474	35,065,659
	204,155,440	239,853,243

7.1

Advance against goods & services includes Tk. 136.38 million paid to Bangladesh Power Development Board (BPDB) against purchase of spun pre-stressed concrete (SPC) poles, Tk. 26.29 million paid to GEMCO for purchase of transformers and Tk.9.41 million paid to BRTC, BUET against E- Governance Project.

8 ADVANCE INCOME TAX

This is made-up as follows:

Balance at 1 st July	134,898,928	87,949,402
Deducted at source (on interest on FDR & STD) during the year	60,320,139	46,949,526
Deducted at source (on imported materials) during the year	71,581,255	-
Income Tax paid for FY 2008-09.	255,000,000	-
Adjustment made during the year (Note-8.1)	(134,898,928)	-
Balance at 30 th June	386,901,394	134,898,928

8.1

As the company's assessment has been finalized up to Fy 2007-08 (Ay 2008-09) after adjusting carried forwarded losses of previous years, the excess advance tax has been adjusted against " Provision for income tax".

		<i>Taka</i>	
		2008-2009	2007-2008
9	CASH & BANK BALANCES		
	Cash in hand	55,335	21
	Imprest Cash with S&D Divisions	438,405	438,405
	Cash at banks -Note-9.1	8,490,808,410	7,548,206,605
		8,491,302,150	7,548,645,031
9.1	Cash at Banks		
	Current Account (Revenue collection) (Note 9.1.1)	1,686,786,263	985,219,442
	Current Account (VAT)	57,658,412	56,038,130
	STD Accounts	702,420,187	1,866,592,985
	Fixed Deposits (Note 9.1.2)	6,043,943,548	4,640,356,048
		8,490,808,410	7,548,206,605
9.1.1			
	This represents collection for the month of June 09, by the different collecting bank, which will be transferred to the Company's main Account in the next month.		
9.1.2			
	Fixed Deposits include Tk.88.71 million in ICB Islamic Bank Ltd. (former Oriental Bank Ltd.) which is subject to phase wise withdrawal restriction imposed by Bangladesh Bank under the reconstruction scheme.		
10	CREDITORS FOR GOODS/WORKS		
	Equipment & materials (Note-10.1)	10,742,178	20,174,859
	Imported Materials against ADB loan (Note 10.2)	1,070,655,495	-
		1,081,397,673	20,174,859
10.1			
	This includes Tk 1.61 million payable to Union Paper Product & Consortium Ltd against printing of bill formats, Tk.1.91 million to Sunrise Ltd. against purchase of pole fittings materials, and Tk 0.79 million payable to Network Ltd against purchase of pole fittings materials.		
10.2			
	This includes provision of Tk 791.25 million for LME price adjustment against imported materials under ADB loan.		
11	CREDITORS FOR EXPENSES		
	Audit Fees	172,025	178,140
	Contribution to Provident Fund	-	1,322,180
	Contribution to Gratuity Fund	4,381,222	-
	Line Maintenance & Commercial Services and Others	64,642,300	55,793,488
	BERC Sales Charge	9,409,929	4,510,121
		78,605,476	61,803,929
12	CREDITORS FOR OTHER FINANCE		
	VAT collected against electricity bills	58,542,309	56,844,702
	Tax/VAT deducted from contractors, suppliers & others	24,600,506	922,759
	Retention money (contractors & suppliers)	21,037,092	35,948,441
	Receipts against Deposit Works	410,665,000	410,665,000
	Unpaid Dividend	194,951,847	2,827,997
	Others	4,385,527	4,288,437
		714,182,281	511,497,336

Taka

13 ACCOUNTS PAYABLE

Bangladesh Power Development Board (BPDB)- Note 13.1
Power Grid Company of Bangladesh (PGCB)- Note 13.2
Dhaka Electric Supply Authority (DESA) - Note 13.3

13.1 Accounts Payable - BPDB

	2008-2009	2007-2008
Balance at 1 st July	1,054,249,379	1,016,526,692
Energy purchased during the year	6,489,118,723	5,561,645,083
	7,543,368,102	6,578,171,775
Payment made during the year	(6,222,463,276)	(5,523,922,396)
Balance at 30 th June	1,320,904,826	1,054,249,379

13.2 Accounts Payable - PGCB

	2008-2009	2007-2008
Balance at 1 st July	111,959,607	107,960,224
Wheeling charge during the year	628,412,515	589,649,167
	740,372,122	697,609,391
Payment made during the year	(616,422,986)	(585,649,784)
Balance at 30 th June	123,949,136	111,959,607

13.3 Accounts Payable - DPDC/(DESA)

	2008-2009	2007-2008
Energy Purchase	147,972,580	147,972,580
Stores materials	33,091,222	37,142,564
Consumer bill collection	5,283,837	611,697
	186,347,638	185,726,841

14 CURRENT MATURITY OF LONG TERM LOANS

	2008-2009	2007-2008
ADB Loan No-1505 (Note-14.1)	53,102,098	53,052,425
ADB Loan No-1731 (Note-14.2)	170,149,705	169,557,339
GOB Loan (Note-14.3)	31,250,481	31,250,483
	254,502,284	253,860,247

14.1 ADB (Loan No 1505)

	2008-2009		2007-2008	
	\$	Taka	\$	Taka
Balance at 1 st July	774,149	53,052,425	592,718	41,253,173
Transferred from long term loan	900,786	62,208,262	900,786	61,730,845
	1,674,935	115,260,687	1,493,504	102,984,018
Paid during the year	(906,008)	(62,514,528)	(719,355)	(49,995,159)
	768,927	52,746,159	774,149	52,988,859
Exchange loss/(gain)	-	355,939	-	63,566
Balance at 30 th June	768,927	53,102,098	774,149	53,052,425

	<i>Taka</i>			
	<u>2008-2009</u>		<u>2007-2008</u>	
14.2 ADB (Loan No 1731)	2008-2009		2007-2008	
	\$	Taka	\$	Taka
Balance at 1 st July	2,474,206	169,557,339	1,704,375	118,624,500
Transferred from long term loan	1,795,845	124,021,057	1,795,845	123,069,259
	4,270,051	293,578,396	3,500,220	241,693,760
Paid during the year	(1,806,256)	(124,631,644)	(1,026,014)	(71,307,971)
	2,463,795	168,946,752	2,474,206	170,385,789
Exchange loss/(gain)		1,202,954	-	(828,450)
Balance at 30 th June	2,463,795	170,149,705	2,474,206	169,557,339
14.3 GOB Loan				
Balance at 1 st July			31,250,483	12,510,000
Transferred from long term loan			48,890,965	48,890,965
			80,141,447	61,400,965
Paid during the year			(48,890,966)	(30,150,482)
Balance at 30 th June			31,250,481	31,250,483
15 ACCRUED INTEREST ON LOANS				
Interest payable on ADB Loan (15.1)			454,592,505	967,712,948
Interest payable on 40% (Debt Portion) of GOB Loan(15.2)			34,084,675	148,885,039
			488,677,181	1,116,597,987
15.1 ADB				
Balance at 1 st July			967,712,948	889,797,210
Less: Adjustment relating to previous year (Note-15.3)			(443,786,691)	-
Interest accrued during the year			153,864,617	218,788,295
			677,790,874	1,108,585,505
Paid during the year			(223,198,369)	(140,872,557)
Balance at 30 th June			454,592,505	967,712,948
15.2 GOB				
Balance at 1 st July			148,885,039	150,714,200
Less: Adjustment relating to previous year (Note-15.3)			(74,703,866)	-
Interest accrued during the year			15,929,779	36,776,695
			90,110,952	187,490,895
Paid during the year			(56,026,277)	(38,605,856)
Balance at 30 th June			34,084,675	148,885,039
15.3 GOB				
This represents excess interest provided upto Fy 2007-08 which has been written back to "Adjustment relating to prior years". Please also see note-37.3.				
16 PROVISION FOR INCOME TAX				
Balance at 1 st July			762,950,546	260,749,184
Provided during the year - Note-35.1			533,472,132	521,500,000
			1,296,422,678	782,249,184
Payment during the year (Note-16.1)			(307,712,744)	(19,298,638)
Adjustment during the year (Note-16.2)			(270,590,549)	-
Balance at 30 th June			718,119,385	762,950,546

Taka

16.1

This represents final payment of income tax liability upto Fy- 2007-2008 (Ay 2008-09) on finalization of assesment upto that period.

16.2

As Assessment upto Assessment Year 2008-2009 (Financial Year 2007-2008) has been finalized the excess provisions amounting to Tk. 135,691,621 up to Fy 2007-08 has been written back through "Prior year's adjustment" and Tk. 134,898,928 has been asjusted against advance income tax.

17 SHARE CAPITAL

Authorized

50000000 ordinary shares @Tk.100 each

5,000,000,000

5,000,000,000

Issued & subscribed

750,000 ordinary shares @Tk.100 each, fully paid up in cash

75,000,000

75,000,000

1,961,940 ordinary shares @ Tk. 100 each for consideration

1,196,194,000

1,196,194,000

Bonus share for the year -2007-2008 (5%)

63,559,700

-

1,334,753,700

1,271,194,000

17.1 Composition of Shareholding

The composition of Share holding position as of 30th June, 2009 are as follows:

	No of Share Holders	Number of Share	% of Share
Sponsors (DESA)	7	10,010,651	75.00%
General Public	2543	793,036	5.94%
Financial Institution	207	1,148,240	8.60%
Mutual Fund	7	44,200	0.33%
Investor A/C	24	920,515	6.90%
Foreign Company	1	80,850	0.61%
Foreign Public	4	2,627	0.02%
Other unit Fund	4	346,309	2.59%
Non- Resident(General Public)	14	1,109	0.01%
	2811	13,347,537	100.00

17.2 Distribution Schedule

The distribution Schedule as of 30th June,2009 showing the number of shareholders and their shareholding in percentages is disclosed below as a requirement of the " Listing Regulation" of Dhaka stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Range of Holding in Number of Shares	No of Share Holders	% of Shareholders	Number of Share	% of Share Capital
1 to 499	2,461	87.55%	181,254	1.36%
500 to 5000	291	10.35%	411,519	3.08%
5001 to 10000	23	0.82%	170,451	1.28%
10001 to 20000	17	0.60%	244,959	1.84%
20001 to 30000	2	0.07%	54,995	0.41%
30001 to 40000	5	0.18%	173,184	1.30%
40001 to 50000	0	0.00%	-	0.00%
50001 to 100000	4	0.14%	328,866	2.46%
100001 to 1000000	7	0.25%	1,771,676	13.27%
1000001 to 10000000	1	0.04%	10,010,633	75.00%
	2,811	100%	13,347,537	100%

		<i>Taka</i>	
		2008-2009	2007-2008
18	SHARE MONEY DEPOSIT	75,000,000	75,000,000
The amount was received from Dhaka Electric Supply Authority (DESA) against shares of the company which have not yet been issued.			
19	GOB EQUITY	1,552,140,000	1,264,440,000
This represents 60% of loan received from the Government as "Equity" under Annual Development Program (ADP), the balance 40% being shown as loan. In the absence of any Govt. directive, no share have been issued against such equity.			
20	UN-APPROPRIATED PROFIT		
	Balance at 1 st July	1,478,782,960	882,996,127
	Prior year's adjustment - Note-37	1,272,392,915	(23,686,532)
	Net Profit for the year	1,607,337,522	1,000,831,565
		4,358,513,397	1,860,141,160
	Proposed Dividend	(600,639,165)	(381,358,200)
	Balance at 30 th June	3,757,874,232	1,478,782,960
21	LONG TERM LOANS		
	(a) Loan from Asian Development Bank (ADB)		
	Loan No 1505 - Note 21.1	1,013,704,086	1,067,655,274
	Loan No 1731 - Note 21.2	1,492,868,118	1,604,480,382
	Loan No 2332 - Note 21.3	2,365,232,429	-
		4,871,804,633	2,672,135,656
	(b) Loan from Government of Bangladesh (GOB)		
	Loan No (1505 & 1731) Note 21.4	321,124,219	370,015,184
	Loan No 2332: Note 21.5	175,708,184	19,000,000
		496,832,403	389,015,184
		5,368,637,037	3,061,150,841

21.1 Loan from ADB (No - 1505, 9th Power Project)

This has been arrived at as under

	2008-2009		2007-2008	
	\$	Taka	\$	Taka
Balance at 1 st July	15,579,385	1,067,655,274	16,480,171	1,147,019,902
Drawn	-	-	-	-
	15,579,385	1,067,655,274	16,480,171	1,147,019,902
Transferred to Current Liability	(900,786)	(62,208,262)	(900,786)	(61,730,845)
	14,678,600	1,005,447,013	15,579,385	1,085,289,057
Exchange loss/(gain)	-	8,257,073	-	(17,633,783)
Balance at 30 th June	14,678,600	1,013,704,086	15,579,385	1,067,655,274

- (i) This represents dollars amount drawn to date translated at exchange rate prevailing at balance sheet date for import of materials/ equipment for 9th Power Project under the Subsidiary Loan Agreement (SLA) entered into between the company and the Govt. of Bangladesh (GOB). The primary loan agreement is between the ADB and the GOB.

Taka

2008-2009

2007-2008

- (ii) According to the terms of the agreement the Principal amount of the subsidiary loan repayable by DESCO and the Government under this agreement shall be in local currency equivalent, determined at official rate of exchange prevailing on the date of repayments. The principal amount of the subsidiary loan is repayable in 25 years including a grace period of 5 (five) years in 40 (forty) consecutive semi-annual installments as per Amortization Schedule. The installment is payable on a semi-annual basis (i.e. June 15 and December 15 in each year). The foreign exchange risk on the outstanding amount of loan shall be borne by DESCO.
- (iii) The company shall pay to the Government in local currency interest at the rate of 4% per annum (2007-08 @ 8% p.a) on the local currency equivalent, determined at the official rate of exchange prevailing on the date of each interest payment of the principal amount of the Loan relented to DESCO disbursed and outstanding from time to time. The interest is payable in semi-annual basis installments (i.e. June 15 and December 15 in each year).
- (iv) The term of the project under which the loan was sanctioned expired on 30th June, 2004.

21.2 Loan from ADB (No - 1731, 10th Power Project)

This has been arrived at as under

	2008-2009		2007-2008	
	\$	Taka	\$	Taka
Balance at 1 st July	23,412,817	1,604,480,382	25,208,663	1,754,522,910
Add Drawn	-	-	-	-
	23,412,817	1,604,480,382	25,208,663	1,754,522,910
Transferred to Current Liability	(1,795,845)	(124,021,057)	(1,795,845)	(123,069,259)
	21,616,972	1,480,459,325	23,412,817	1,631,453,651
Exchange loss/(gain)	-	12,408,793	-	(26,973,269)
Balance at 30 th June	21,616,972	1,492,868,118	23,412,817	1,604,480,382

- (i) This represents dollars amount drawn to date translated at exchange rate prevailing at balance sheet date for import of materials/ equipment for 10th Power Project under the Subsidiary Loan Agreement (SLA) entered into between the Company and the Govt. of Bangladesh (GOB), the primary Loan agreement being between the ADB and the GOB.
- (ii) As per the terms of the Agreement the principal amount of the subsidiary Loan repayable by DESCO to the Government shall be in local currency equivalent, determined at official rate of exchange prevailing on the date of repayment. The principal amount of the subsidiary loan is repayable in 20 years including a grace period of 4 years in 32 consecutive semi-annual installments on a semi-annual basis (i.e. January 15 and July 15 in each year). The foreign exchange and interest rate risks are to be borne by DESCO during the repayment period of 20 years.
- (iii) DESCO shall pay interest to the Government in local currency interest at the rate of 4% per annum (2007-08, @ 8% p.a) on the local currency equivalent, determined at the official rate of exchange prevailing on the date of each interest payment of the principal amount of the loan relented to DESCO disbursed and outstanding from time to time. The interest is payable in the semi-annual basis installments (i.e. January 15 and July 15, in each year).
- (iv) The term of the project under which the loan was sanctioned expired on 30th June, 2006.

21.3 Loan from ADB (No - 2332BAN, Sustainable Power Sector Development Project)

This has been arrived at as under

	<i>Taka</i>			
	2008-2009		2007-2008	
	2008-2009		2007-2008	
	\$	Taka	\$	Taka
Balance at 1 st July	-	-	-	-
Add Drawn	34,248,949	2,376,877,073	-	-
	34,248,949	2,376,877,073	-	-
Transferred to Current Liability	-	-	-	-
	34,248,949	2,376,877,073	-	-
Exchange loss/(gain)		(11,644,644)	-	-
Balance at 30 th June	34,248,949	2,365,232,429	-	-

- (i) This represents dollars amount drawn to date translated at exchange rate prevailing at balance sheet date for import of materials/ equipment for Sustainable Power Sector Development Project under the Subsidiary Loan Agreement (SLA) entered into between the Company and the Govt. of Bangladesh (GOB), the primary Loan agreement being between the ADB and the GOB.
- (ii) As per the terms of the Agreement the principal amount of the subsidiary Loan repayable by DESCO to the Government shall be in local currency equivalent, determined at official rate of exchange prevailing on the date of repayment. The principal amount of the subsidiary loan is repayable in 20 years including a grace period of 5 years in 30 consecutive semi-annual installments on a semi-annual basis (i.e. May 1 and November 1 in each year). The foreign exchange and interest rate risks are to be borne by DESCO during the repayment period of 20 years.
- (iii) The term of the project under which the loan was sanctioned will expire on 30th June, 2012

21.4 Loan from GOB (1505 & 1731)

This has been arrived at as under

Balance at 1 st July	370,015,184	516,743,369
Received during the year	-	-
	370,015,184	516,743,369
Refunded during the year	-	(97,837,220)
	370,015,184	418,906,149
Transferred to Current Liability	(48,890,965)	(48,890,965)
Balance at 30 th June	321,124,219	370,015,184

- (i) This represents 40% of the amount released to the Company by the Government under Annual Development Program (ADP) to enable the Company to pay the customs duty & Vat on material/ equipment imported by the company under the ADB Loan, as well as to meet other project related expenses. The balance 60% is accounted for under "GOB Equity".
- (ii) The loan carries interest at 3% p.a.(2007-08, @ 7% p.a) and is repayable as per Debt Service Liability (DSL) schedule provided by the Government.

21.5 Loan from GOB (2332)

Balance at 1 st July	19,000,000	4,000,000
Received during the year	191,800,000	15,000,000
	210,800,000	19,000,000
Refunded during the year	(35,091,816)	-
Balance at 30 th June	175,708,184	19,000,000

Taka

	2008-2009	2007-2008
(i) This represents 40% of the amount released to the Company by the Government under Annual Development Program (ADP) to enable the Company to pay the customs duty & Vat on material/ equipment imported by the company under the ADB Loan, as well as to meet other project related expenses . The balance 60% is accounted for under " GOB Equity". The loan is repayable in 30 instalments starting from 2012 after a grace period of 5 years.		
(ii) The loan carries interest at 3% p.a.(2007-08, @ 5.5% p.a) and is repayable as per Debt Service Liability (DSL) schedule provided by the Government.		

22 DUE TO DPDC/(DESA) FOR ASSETS TAKEN OVER

Balance at 1 st July	4,039,671,539	3,666,534,532
Additional cost for Bashundhara Grid Sub-station	-	373,137,007
Balance at 30 th June	4,039,671,539	4,039,671,539

22.1

Area wise break-up is as under

Gulshan Area (comprising Gulshan, Baridhara, Uttara, Dakshinkhan)	1,998,920,000	1,998,920,000
Tongi Area (comprising Tongi East and Tongi West)	795,040,000	795,040,000
Uttara & Bashundhara Grid Substation	1,245,711,539	1,245,711,539
	4,039,671,539	4,039,671,539

22.2

Value of assets shown above are provisional. Independent valuers have been appointed for identification, valuation and recording of assets taken over from DESA which has not yet been finalized.

22.3

The terms and conditions of repayment to DESA/ DPDC against the assets taken over have not yet been determined.

23 CONSUMER SECURITY DEPOSITS

Balance at 1 st July	583,305,439	445,265,589
Received during the year	160,742,482	144,295,082
	744,047,922	589,560,671
Refunded during the year	(10,033,992)	(6,255,232)
Balance at 30 th June	734,013,930	583,305,439

24 ENERGY SALES

	Tariff	%		
Domestic	A	42.16	4,131,297,287	3,708,255,919
Agricultural Pump	B	0.01	734,177	675,220
Small Industries	C	5.48	536,751,289	493,648,331
Non-Residential	D	1.39	136,648,697	125,675,341
Commercial & Office	E	12.62	1,237,012,247	1,137,675,948
Medium Voltage	F	35.59	3,487,512,261	3,298,737,255
High Voltage	H	0.10	9,873,647	9,080,759
REB High Voltage	I	0.20	19,636,770	18,059,870
Street Light, Pump	J	0.38	37,621,782	34,600,625
Construction & Others	2E	2.07	202,527,555	186,263,902
	100		9,799,615,712	9,012,673,170

25 OTHER OPERATING REVENUE

205,225,995	176,713,518
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This represents disconnection/reconnection fees, cost of materials realized, meter testing fees, meter rent etc.

26 ENERGY PURCHASE

		<i>Taka</i>		
		2008-2009	2007-2008	
	2008-2009			
	2007-2008			
	Unit (KWH)	Taka	Unit (KWH)	Taka
	2,742,961,661	7,117,531,238	2,573,763,287	6,151,294,250

26.1

Electricity is purchased solely from Bangladesh Power Development Board (BPDB) at the rate of Tk 2.1609 / kwh which has been enhanced to Tk. 2.4452/kwh effective from 1st October 2008. The company also pays wheeling charge to Power Grid Co. Ltd (PGCB) at Tk 0.2291 per kwh.

27 OPERATING EXPENSES

Commercial Support Services	78,698,504	52,763,402
Schedule & Preventive Maintenance	77,288,706	65,213,762
Special Action Team & Collection Drive	908,381	504,126
Consultancy Fees for Distribution Network	3,829,558	3,416,608
Consultancy Fees for Valuation of Assets.	860,229	5,800,278
Monitoring Cell Expenses	2,681,124	2,948,686
Installation & Replacement of Meters	1,834,343	64,062,344
Maintenance of Distribution of Line & Equipment	24,260,296	67,582,917
Repair & Maintenance of Transformer	15,435,597	18,306,353
Revenue Stamp Charge Against Consumer Bill	13,097,008	10,792,652
System Pperating Fee (BERC)	4,899,808	4,510,121
	223,793,553	295,901,248
	223,793,553	295,901,248

27.1

This represents 0.05% of net sales as annual system operating fees Payable to Bangladesh Energy Regulatory Comision (BERC) for the FY 2008-2009 as per BERC rules.

28 ADMINISTRATION EXPENSES

Audit Fees	125,000	143,165
Advertisement & Notices	6,887,604	5,079,830
Annual General Meeting	2,327,672	1,875,942
Bank Charges	2,049,124	970,971
Conveyance	1,062,227	1,051,642
Directors' Fees (Note 28.1)	713,000	855,500
Electricity, Gas & Water	12,055,001	9,079,420
Entertainment	3,201,644	2,714,172
Fuel for Vehicles	12,007,631	7,868,569
Honorarium to Committee Members	640,000	297,500
Insurance of Vehicles	1,347,128	1,567,966
Legal & Professional Fees	886,165	948,215
Newspaper & Periodicals	301,896	288,766
Office Maintenance	2,240,524	2,193,406
Office Rent	8,026,756	4,359,694
Office Security	10,923,633	7,235,351
Postage, Telephone & Internet	5,324,030	4,965,996
Printing & Stationery	11,320,331	10,094,370
Rates & Taxes	421,624	1,182,130
Repair & Maintenance of Non Operating Assets	6,977,673	6,265,236
Repair & Servicing of Vehicle	5,699,237	3,543,686
Recruitment Expenses	891,913	379,020

	<i>Taka</i>	
	2008-2009	2007-2008
Inspection, Survey & Consultancy Fees	455,261	592,761
Staff Training	370,527	349,056
Listing Fee & Annual Charges	1,310,891	306,000
Transport	6,517,953	6,454,928
BERC Licence Fee	-	2,500,000
Miscellaneous	756,258	657,875
	104,840,703	83,821,167

28.1

Directors are entitled to Tk 5,000 as board meeting fee for attending each meeting.

29 EMPLOYEES EXPENSES

Salary & Allowances (Note - 29.1)	249,774,675	202,787,846
Festival Bonus	18,988,952	14,745,840
Incentive Bonus	29,548,789	23,160,300
Company's Contribution to Provident Fund	11,679,820	9,442,374
Company's Contribution to Gratuity Fund	15,289,818	14,469,026
Group Insurance Premium	2,936,255	3,060,028
Electricity Expense Reimbursed (Note - 29.2)	2,657,775	2,186,201
Medical Expense Reimbursed (Note - 29.3)	3,519,837	3,443,600
	334,395,921	273,295,215

29.1

Remuneration of Director, Executives:

	2008-2009		2007-2008	
	Taka		Taka	
	Directors	Executives	Directors	Executives
Salary and Bonus	3,475,933	61,922,159	3,202,720	51,544,336
House rent	1,124,970	22,052,722	1,021,374	18,652,298
Provident Fund	249,993	4,411,732	226,972	3,693,948
Others	529,783	11,168,685	30,000	2,161,270
	5,380,679	99,555,298	4,481,066	76,051,852

29.2

Electricity bills are reimbursed on actual basis to employees for domestic consumption, subject to ceiling.

29.3

Medical expense are reimbursed on actual basis, subject to ceiling.

30 INTEREST INCOME

Interest earned on STD/FDR	597,168,688	479,114,536
Late Payment Charge	69,054,100	50,063,163
	666,222,788	529,177,699

31 INTEREST EXPENSES

Interest Expense against ADB loan	153,864,617	218,788,295
Interest Expense against GOB loan	15,929,779	36,776,695
	169,794,396	255,564,990

		<i>Taka</i>	
		<u>2008-2009</u>	<u>2007-2008</u>
32	EXCHANGE (LOSS)/GAIN		
		<u>(10,580,118)</u>	<u>45,371,936</u>
	Exchange fluctuation loss of Tk.10,580,118 has arisen out of translation of foreign currency loan into taka at balance sheet date at Tk.69.06/\$1 (2007-08: at Tk.68.53/\$1) and has been recognized as expenses/income as per BAS-21.		
33	MISCELLANEOUS INCOME		
	Sale of Tender Documents	129,406	272,400
	Sale of Obsolete Store Materials	2,448,101	889,971
		<u>2,577,507</u>	<u>1,162,371</u>
34	DEPRECIATION		
	Depreciation (Operating)	518,475,544	499,524,522
	Depreciation (Non operating)	36,666,370	34,277,342
		<u>555,141,914</u>	<u>533,801,864</u>
35	INCOME TAX		
	Current Tax Provision (35.1)	533,472,132	521,500,000
	Deferred Tax Provision (35.2)	-	550,000,000
	Tax Expenses	<u>533,472,132</u>	<u>1,071,500,000</u>
35.1			
	The income tax assessment up to the Assessment Year 2008-2009 (FY 2007-2008) has been completed and agreed upon.		
35.2			
	No provision for deferred tax has been made this year as the existing provision of Tk 160.85 crore is more than the required provision of Tk 99.02 crore. The excess provision of Tk 61.83 crore has been written back to "Prior year's adjustment".		
	Deferred Tax Provision		
	Balance at 1 st July	1,608,542,768	1,058,542,768
	Addition during the year	-	550,000,000
		<u>1,608,542,768</u>	<u>1,608,542,768</u>
	Adjustment relating to previous year	(618,251,537)	-
		<u>990,291,231</u>	<u>1,608,542,768</u>
36	EARNING PER SHARE (EPS)		
	Earning attributable to Ordinary Shareholders	1,607,337,522	1,000,831,565
	Number of shares outstanding	13,347,537	13,347,537
	Basic Earning Per Share	<u>120.42</u>	<u>74.98</u>
	Earning per share has been calculated in accordance with BAS-33 "Earning Per Share (EPS)". Previous year's figures have been rearranged for the issue of 635,597 Bonus Shares during the year.		
37	ADJUSTMENT RELATED TO PREVIOUS YEAR		
	Holding tax paid to Tongi Pouroshova for Previous year	-	(612,123)
	Revenue recognized due to Settellement of Dispute	4,000	-
	Accrued interest on FDR in Previous Year	-	(1,688,500)
	Walki talki set burn in Previous year	(44,800)	-
	Depreciation not charged in previous year	-	(21,385,909)
	Excess provision of Deferred Tax written back (Note-37.1)	618,251,537	-
	Excess provision of Income Tax written back (Note-37.2)	135,691,621	-
	Excess provision of interest on ADB & GOB Loan (Note-37.3)	518,490,557	-
		<u>1,272,392,915</u>	<u>(23,686,532)</u>

Taka

2008-2009

2007-2008

37.1

The existing provision of Tk 160.85 crore is more than the required provision of Tk 99.02 crore. The excess provision of Tk 61.83 crore has been written back to "Prior year's adjustment".

37.2

Assessment upto Assessment Year 2008-2009 (Financial Year 2007-2008) has been completed so excess provisions amounting to Tk. 135,691,621 has been transferred to un-appropriated profit.

37.3

As per notification of the Ministry of Finance the interest on Govt. loan and Foreign loan has been reduced to 3% p.a and 4% p.a w.e.f. 2004-05. According to the said notification interest liability (for excess amount provided up to 2007-08) Tk. 51.84 crores has been written back in this year by debiting "Interest Liability" and crediting "Prior years adjustment".

38 SUBSEQUENT EVENTS-DISCLOSURES UNDER IAS 10 "EVENTS AFTER THE BALANCE SHEET DATE".

Proposed Dividend

Subsequent to the balance sheet date, the Board of Directors in their meeting held on October 20, 2009 recommended cash dividend of Tk.25/- per share and stock dividend @20%, i.e. 1 bonus share for every 5 existing shares held at record date for the year ended June 30, 2009.Thus, total amount of cash and stock dividends is Tk. 600,639,165 which is shown under "Shareholders Equity" as per BAS-10. The dividend proposal is subject to shareholders' approval at the forthcoming 13th AGM.

Except the fact stated above, no circumstances have arisen since the Balance Sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

39 CONTINGENT LIABILITY

As the value of assets taken over from DESA in the Gulshan and Tongi area have been estimated, the Company may have to incur additional cost after finalization of the value of the assets.

40 CREDIT FACILITY AVAILED

There was no credit facility availed of by the company under any contract as on June 30, 2009 other than trade credit available in the ordinary course of business.

41 CAPITAL COMMITMENT

41.1

During the next financial year the company has a capital commitment of Tk. 48.78 million against Prepaid Meter Production Unit and E-Governance under contractual obligation with BRTC, BUET.

41.2

The Company has entered into contracts for various construction works, land development , installation renovation and dismatling O/H and U/G cables to the tune of Tk 3463.29 million , works of which will be started in the next financial year.

42 EMPLOYEES' SALARY

- a. Employment throughout the year in receipt of remuneration aggregating Tk 36,000 or more per annum
- b. Employment for a part of the year and in receipt of remuneration aggregating Tk 3,000 or more per month

890	793
101	106
991	899

43 GENERAL

Previous year's figures have been re-arranged, wherever necessary, to conform to current year's presentation to facilitate comparison.

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

as at 30 June 2009

Annexure-1

Sl No.	Category of Assets	Cost			Rate	Depreciation			Written down value as on 30-06-09	Written down value as on 30-06-08
		Balance as on 01-07-08	Addition during the year	Adjustment		Balance as on 30-06-2009	Charged during the year	Adjustment		
1	Land	898,059,919	8,122,495	-	-	906,182,414	-	-	906,182,414	898,059,919
2	Building	163,808,709	2,093,414	-	2.50%	165,902,123	2,093,414	-	134,228,079	137,616,883
3	Motor Vehicles	95,806,585	19,567,000	-	20%	115,373,585	19,567,000	-	32,746,300	32,362,317
4	Furniture & Fixture	22,712,286	1,778,456	-	10%	24,490,742	1,778,456	-	14,767,744	15,365,775
5	Office Equipment	90,871,332	9,618,062	63,400	15%	100,425,994	9,618,062	63,400	58,415,207	47,527,040
6	Distribution Equipment	2,715,125,614	287,851,460	-	2%-10%	3,002,977,074	287,851,460	-	2,327,177,185	2,193,507,809
7	Cables	5,588,165,937	283,959,084	-	2%-10%	5,872,125,021	283,959,084	-	3,835,978,048	3,910,830,209
	Total	9,574,550,382	612,989,971	63,400		10,187,476,953	612,989,971	63,400	7,293,090,558	7,235,269,951

*Building includes Store Godown Sheds

** ** Office Equipment includes Communication Equipment, Computer & Peripherals , Electric Equipment , Office Equipment and Store Equipment.



RETAIL TARIFF

Sl. No.	Tariff Category	Consumption Slab	Present Tariff (from March 01, 2008) Taka/KWH
1.	Domestic-A	i) from 00 to 100 units	2.50
		ii) from 101 to 400 units	3.15
		iii) above 400 units	5.25
2.	Agriculture-B		1.93
3.	Small Industries-C	i) Flat	4.02
		ii) Off-peak hour	3.20
		iii) Peak hour	5.62
4.	Non Residential-D (Charitable Industry)		3.35
5.	Commercial -E	i) Flat	5.30
		ii) Off-peak hour	3.80
		iii) Peak hour	8.20
6.	Medium Voltage-F (11 KV)	i) Flat	3.80
		ii) Off-peak hour	3.14
		iii) Peak hour	6.73
7.	Very High Voltage-G (132 KV)	i) Time: 23.00-06.00	1.49
		ii) Time: 06.00-13.00	2.48
		iii) Time: 13.00-17.00	1.66
		iv) Time: 17.00-23.00	5.52
		iv) Flat Rate	2.82
8.	High Voltage-H (33 KV)	i) Flat	3.58
		ii) Off-peak hour	3.03
		iii) Peak hour	6.45
9.	Street Light and Pump-J		3.86

BULK PURCHASE TARIFF

Sl. No.	Tariff Category	Present Tariff (from October 01, 2008) Taka/KWH
1.	BPDB to DESCO (for energy)	2.4452
2.	PGCB to DESCO (for wheeling)	0.2291

PROXY FORM

I/We.....of
.....
being a member of **Dhaka Electric Supply Company Ltd. (DESCO)** do hereby appoint
Mr./Mrs./Miss.....of
....., as my/our proxy to attend and vote for
me/us on my/our behalf at the 13th Annual General Meeting of the Company to be held on Wednesday, the 6th January, 2010
at 11.00 am. at Bashundhara Convention Center, Bashundhara Residential Area, Baridhara, Dhaka and at any adjournment thereof.
As witness my hand this day of, 2010.

Affix
Revenue
Stamp

(Signature of the Shareholder)
BO ID No. :
Date:

(Signature of the Proxy)
BO ID No. :
Date:

Note: The proxy form should reach the Corporate Office of the Company not less than 48 hours before the time fixed for the meeting
i.e. not later than 4th January, 2010 within office hours.

Signature Verified

Authorized Signatory
Dhaka Electric Supply Company Ltd. (DESCO)

ATTENDANCE SLIP

I hereby record my attendance at the 13th Annual General Meeting being held on Wednesday, the 6th January, 2010 at 11.00 am.
at Bashundhara Convention Center, Bashundhara Residential Area, Baridhara, Dhaka

BO ID No. :
Name of the Shareholder/Proxy
Signature
Date:

Note: Please present this slip at the Reception Desk.



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