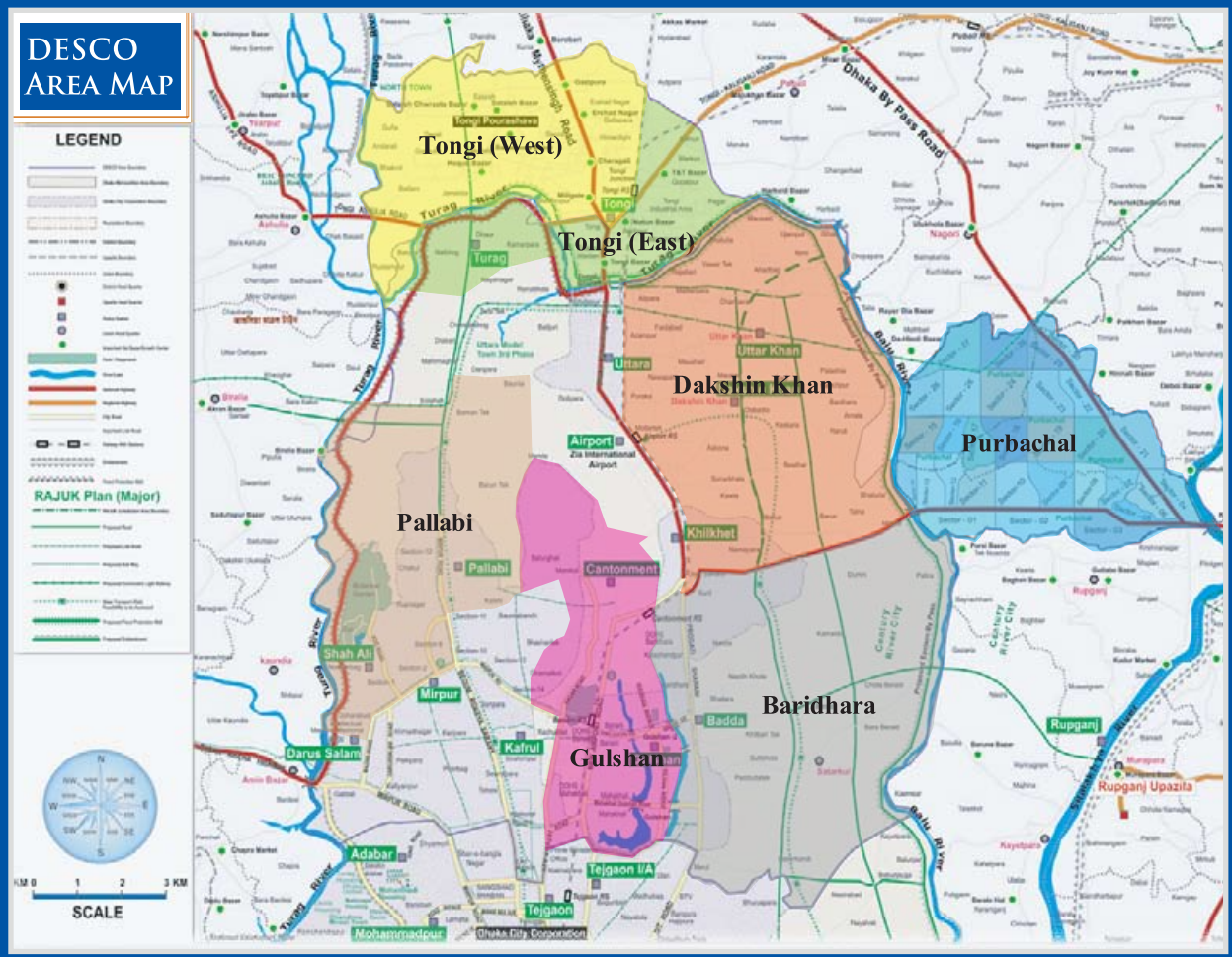




ANNUAL REPORT **2011**

DHAKA ELECTRIC SUPPLY COMPANY LIMITED

DESCO AREA MAP





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NOTICE OF THE 15TH ANNUAL GENERAL MEETING



Dhaka Electric Supply Company Ltd. (DESCO)
House # 3, Road # 24, Block # K, Banani Model Town, Dhaka - 1213.



DHAKA ELECTRIC SUPPLY COMPANY LTD.

Registered Office

House # 3, Road # 24, Block # K
Banani Model Town, Dhaka - 1213
Visit us at www.desco.org.bd

NOTICE OF THE 15TH ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting (AGM) of Dhaka Electric Supply Company Ltd. (DESCO) will be held on Sunday, the 15th January, 2012 at 11:00 a.m. at Bashundhara Convention Center-2, Bashundhara Residential Area, Baridhara, Dhaka to transact the following business:

1. To consider and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended June 30, 2011 together with the Auditors' Report thereon.
2. To declare Dividend for the year ended June 30, 2011 as recommended by the Board of Directors.
3. To elect Directors.
4. To appoint Auditors for the year 2011-12 and to fix their remuneration.

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

By order of the Board of Directors,

sd/-

A. H. M. Nurul Huda
Company Secretary

Date: December 15, 2011

Notes:

1. Members, whose names appear on the Members/Directory Register as on the 'Record Date' i.e. 15/11/2011, will be eligible to attend the Annual General Meeting (AGM).
2. A member eligible to attend and vote at the Annual General Meeting may appoint a proxy on his/her stead. The proxy form attached with the Annual Report 2011 duly filled, signed and stamped by revenue stamp of Taka. 8/- must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. Members may collect the Annual Report from the registered office in case of non receipt of the same sent through courier service. No additional Annual Report will be distributed at the AGM venue.
4. Registration counter will remain open from 8:00 a.m. to 11:00 a.m. on the meeting day.

MILESTONES

1996

November 03, 1996

Certificate of Incorporation

December 19, 1996

First Board Meeting

1998

September 24, 1998

Take over of Mirpur area from DESA
and commencement of commercial operation

2003

April 09, 2003

Take over of Gulshan Circle from DESA

2004

February 15, 2004

Establishment of
Sales & Distribution (S&D) Divisions

2005

September 07, 2005

Inauguration of Prepaid Metering System

2006

June 18, 2006

Company goes public

2007

March 03, 2007

Take over of Tongi Pourashava Area

November 15, 2007

Distribution License from BERC

2008

November 11, 2008

Inauguration of Data Acquisition System

2010

June 04, 2010

Introduction of Online Bill Payment System



VISION

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



MISSION

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



CORPORATE PHILOSOPHY

Service excellence with integrity and corporate social responsibility.

BOARD OF DIRECTORS

Chairman and Managing Director



Md. Shahjahan Siddiqui, Bir Bikram
Chairman



Md. Monzur Rahman
Managing Director

Directors

2010-2011



Md. Fazlul Hoque
Member (Finance)
Bangladesh Power Development Board



Foiz Ahamed
Joint Secretary (Admin), Power Division
Ministry of Power, Energy & Mineral Resources



Begum Salma Benthe Kadir
Joint Secretary (Drafting-4)
Legislative & Parliamentary Affairs Division
Ministry of Law, Justice & Parliamentary Affairs



Prof. Dr. M. M. Shahidul Hassan
Department of Electrical and
Electronic Engineering, BUET



S R Akhtar
Superintendent Engineer (Retd.)



Engineer Mohammad Harun
Proprietor
Regal Enterprise



Engineer F.M. Faridul Haque
Former Managing Director (In-charge)
Dhaka Power Distribution
Company Limited (DPDC)
(From 29/06/2010 to 07/10/2011)



Md. Abdus Sobhan
Managing Director
Dhaka Power Distribution
Company Limited (DPDC)
(From 08/10/2011)

CORPORATE DIRECTORY

MANAGING DIRECTOR	Monzur Rahman
DIRECTOR (Procurement, Finance & Accounts)	Qudrate Khuda
COMPANY SECRETARY	A. H. M. Nurul Huda
TAX ADVISOR	Rahman Mostafa Alam & Co. Chartered Accountants
LEGAL ADVISOR	Barrister Sheikh Fazle Noor Taposh
AUDITORS	Aziz Halim Khair Choudhury Chartered Accountants

BANKERS

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

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
md@desco.org.bd
Web: www.desco.org.bd

SALES AND DISTRIBUTION (S&D) DIVISIONS

Mirpur Zone

AGARGAON	E-10, Agargaon, Sher-E-Bangla Nagar, Dhaka 1207 Phone: 8021344, Fax: 8019852 E-mail: agargaon.ssd@desco.org.bd COMPLAIN: 8181485, 9144714
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, 8058901
MONIPUR	House #4, Road #17 Block #C, Section #10, Mirpur, Dhaka 1216 COMPLAIN: 9001119, 8058901
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
SHAH ALI	As-salam Tower, Plot # 82 & 83, Dhaka National Zoo Road, Block #A, Section #2, Mirpur, Dhaka 1216 E-mail: shahali.sdd@desco.org.bd
RUPNAGAR	House #4, Road #17 Block #C, Section #10, Mirpur, Dhaka 1216 E-mail: rupnagar.ssd@desco.org.bd COMPLAIN: 9001051

Gulshan Zone

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
GULSHAN	House #47, Road #134, Gulshan-1, Dhaka-1212 Phone: 8859493 (direct), 8825759 Ext. 101 E-mail: gulshan.ssd@desco.org.bd COMPLAIN: 9895045

Uttara Zone

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
DAKSHINKHAN	Dag #3503/3504 Mollah Para, Dakhinkhan, Dhaka-1230 Phone: 8911289 E-mail: dakshinkhan.ssd@desco.org.bd COMPLAIN: 9812398
TONGI (EAST)	Squib Road, Cherag Ali, Tongi, Gazipur Phone: 9815901 E-mail: tongieast.ssd@desco.org.bd COMPLAIN: 9815904
TONGI (WEST)	Squib Road, Cherag Ali, Tongi, Gazipur Phone: 9815921 E-mail: tongiwest.ssd@desco.org.bd COMPLAIN: 9801080

A warm, orange-toned photograph of a desk. On the left, a laptop is partially visible. In the center, a pair of glasses and a pen rest on a document. To the right, a white coffee cup sits on a saucer. The background is softly blurred, showing a window with light coming through. The overall mood is professional and focused.

TECHNICAL & COMMERCIAL HIGHLIGHTS

Technical

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
33/11KV Sub-stations (No.)	13	16	19	21	21	21	22
Capacity of 33/11KV Sub-stations	430/602	620/868	680/952	760/1064	760/1064	770/1078	880/1232
Maximum Demand (MW)	377.25	397.30	451.00	505.00	545.00	622.00	640
33KV Overhead Line (KM)	76.70	76.70	82.80	82.80	82.80	82.80	82.80
33KV Underground Line (KM)	142.80	143.80	182.20	182.20	184.84	208.37	215.88
11KV Overhead Line (KM)	600.00	720.00	860.40	910.07	959.25	1017.86	1044.55
11KV Underground Line (KM)	238.00	262.00	314.35	317.10	318.72	350.12	360.54
LT Line	1105.00	1250.00	1473.25	1517.44	1591.39	1671.88	1717.35
Distribution Transformer (No.)	3785	4106	4316	4497	4563	4810	4938

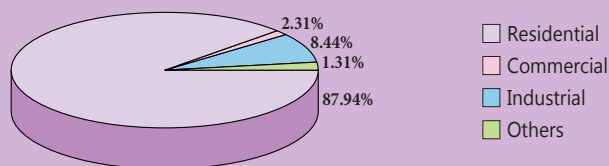
Commercial

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Energy Import (MKWh.)	1842.89	2023.22	2191.46	2573.76	2742.96	2933.72	3122.75
Energy Import (MTk.)	3999.07	4390.39	4946.36	6151.29	7117.53	7845.65	8801.83
Energy Sales (MKWh.)	1536.31	1695.55	1897.01	2293.03	2474.51	2673.69	2848.38
Energy Sales (MTk.)	5466.09	6423.74	7380.98	9094.19	9888.30	10911.20	12400.18
System Loss (%)	16.64	16.20	13.44	10.91	9.79	8.86	8.79
Collection Ratio (%)	97.07	96.63	104.40	100.01	98.18	98.75	98.96
C.I. Ratio (%)	80.92	80.98	90.37	89.10	88.57	90.00	90.26
Consumer Nos.	259580	281960	347614	385037	415842	446129	449063
Receivable/Sales (%)	44.40	38.72	26.52	21.23	22.48	20.69	19.96

PERFORMANCE

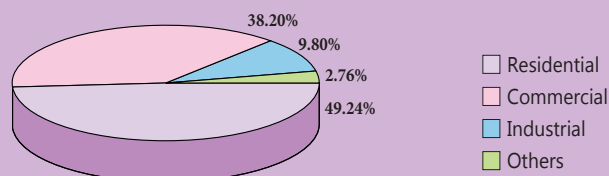
Consumer Mix

Category	Consumer Number	(%)
Residential	394892	87.94%
Industrial	5867	01.31%
Commercial	37910	08.44%
Others	10394	02.31%

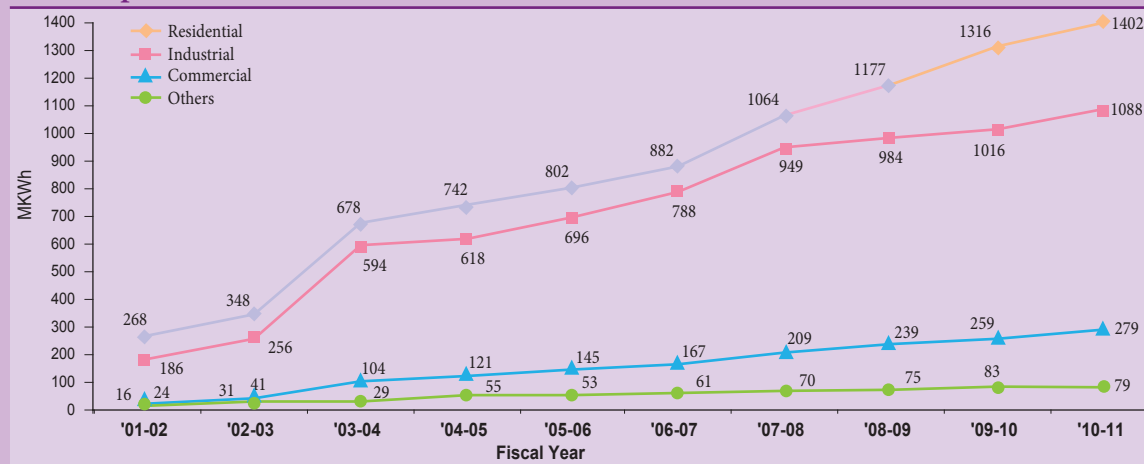


Consumption Pattern

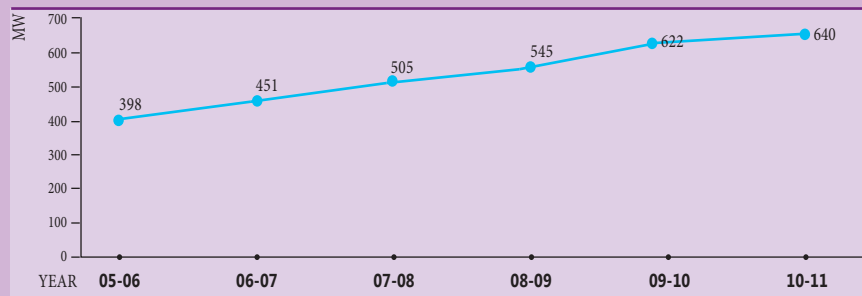
Category	Consumption (MKWh)	(%)
Residential	1402.453	49.24
Industrial	1087.897	38.20
Commercial	279.179	9.80
Others	78.852	2.76



Consumption Growth

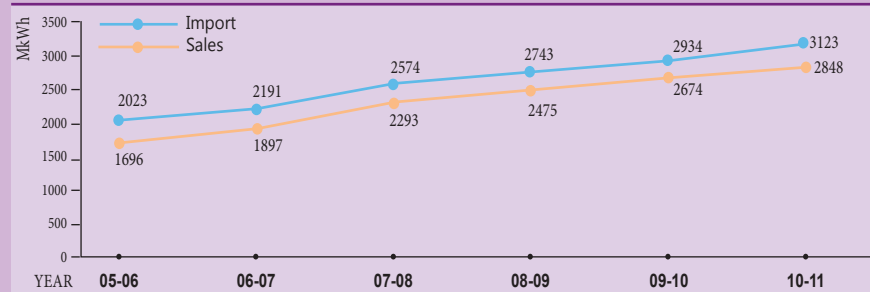


Load Growth



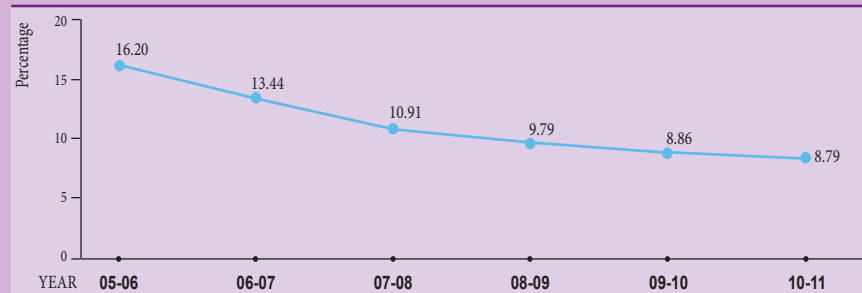
YEAR	MW
05-06	397
06-07	451
07-08	505
08-09	545
09-10	622
10-11	640

Import & Sales



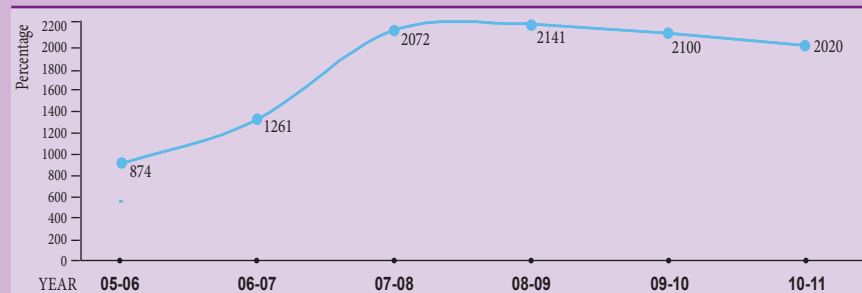
YEAR	MkWh Sales
05-06	1696
06-07	1897
07-08	2293
08-09	2475
09-10	2674
10-11	2843

System Loss



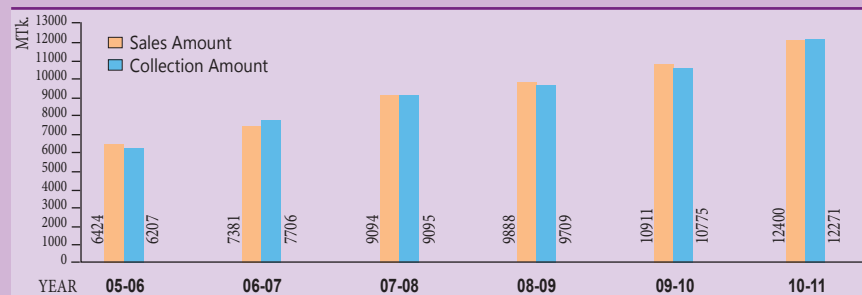
YEAR	System Loss (%)
05-06	16.20
06-07	13.44
07-08	10.91
08-09	9.79
09-10	8.86
10-11	8.79

Profit / (Loss)



YEAR	Profit-Loss (MTk)
05-06	874
06-07	1261
07-08	2072
08-09	2141
09-10	2100
10-11	2020

Billing and Collection



YEAR	Ratio (%)
05-06	96.63
06-07	104.40
07-08	101.01
08-09	99.13
09-10	99.31
10-11	98.96

DIRECTORS' REPORT

Directors' Report to the Shareholders



*Md. Shahjahan Siddiqui, Bir Bikram
Chairman*

Dear Honorable Shareholders,

It is with great pleasure that I welcome you, on behalf of the Board of Directors, to the 15th Annual General Meeting of Dhaka Electric Supply Company Limited (DESCO), and place before you the Audited Accounts for the year ended June 30, 2011 along with the Auditors' and the Directors' Reports thereon.



The Company

You are aware that as a part 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. 5.00 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 erstwhile 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. The total consumer strength stands at 4,49,063 as of 30th June, 2011 with a maximum load demand of 640 MW as on that date.

Territory

The area, about 220 square kilometers under service of the Company, comprises the areas bounded by the Mirpur Road, Agargaon Road, Rokeya Sarani, Progati Sarani, New Airport Road, Mymensingh 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. It may be mentioned that “Purbachal Model Town” a Rajuk project, situated on the east side of Balu River adjacent to Dakkhinkhan area, has been decided to be included under DESCO, to bring the total service area under DESCO to 250 square kilometers.

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 4,49,063 consumers as of June, 2011. The shareholders equity increased from Tk. 8,760 million last year to Tk. 9,919 million, recording a growth of 13.23% during the year.

Management

The Company is run by a management team headed by the Managing Director, under the guidance of the Board of Directors with a view to run it efficiently and economically with optimum overhead cost and manpower. With the expansion of operational area and increasing number of consumers and system load, DESCO reorganized its activities into 12 (Twelve) Sales & Distribution (S&D) Divisions.

The major field level technical activities like scheduled maintenance, trouble shooting and breakdown maintenance of substations and switching stations, trouble shooting of customer complaints, line & equipment maintenance etc. have been outsourced. Similarly, Commercial support activities like meter reading, distribution of monthly electricity bills, service disconnection of the defaulter consumer, customers' house wiring inspection, new eclectic connection, meter installation, change of old or unserviceable meter etc. have also been outsourced including other logistic support services like security service, cleaning service and partial transport service. To this end, DESCO engaged several experienced contractors through competitive bidding 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 average time now taken.

Technical Activities

Major technical activities completed during the year 2010-11 are highlighted below:

Substation

Installation, testing and commissioning of Bashundhara, Aftabnagar, Mirpur DOHS 33/11 KV Sub-stations and upgradation of Kafrul & Uttara 33/11 KV Sub-stations were completed during this period.

Distribution Line

Expansion and up-gradation of distribution network have been completed as stated below:

- Medium Voltage (Source) Line: 33 KV U/G
New - 7.21 km
- Distribution Line HT: 11KV & 11/0.4 KV.
New -11KV-9.84, O/H,11/0.4KV-16.85 km U/G
Renovation - 37.5 km
- Distribution Line LT: 0.4 KV.
New - 43.35 km



Distribution Transformer

As many as 111 nos. of 11/0.4 KV 3-Phase 200 KVA & 23 nos. 1-Phase distribution transformers, in addition to consumer owned transformers, were installed.

Data Acquisition System (DAS)

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

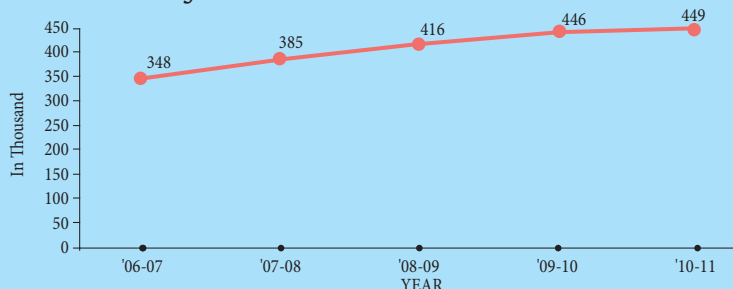
Ongoing Projects

- In order to strengthen power supply facilities in greater Mirpur area, a Project with the title “Strengthening DESCO’s Electric Distribution Network” with project cost of Tk. 4,859.20 million, of which Tk. 229.26 million financed by GOB, Tk. 1,559.67 million financed by DESCO and the rest financed by ADB against Loan No: 2332-BAN under the scope of “Sustainable Power Sector Development Program (SPSDP)”, is in the implementation stage. The project work is scheduled to be completed by June, 2013. Up to June, 2011, the physical progress achieved was 77.96% while financial progress achieved was 54.91%. The completion of the project will result in augmentation of sub-station capacity of DESCO by 120 MW to facilitate connection to 43,850 nos. new consumers in greater Mirpur area.

Infrastructure

Particulars	As on June 2011
Source line	299 KM
Distribution line	3,122 KM
No of substation	22 Nos
Installed capacity	880/1232 MVA
Max demand	640 MW
Load factor	55.70%
Distribution Transformer	4,938 Nos
No of feeder	212 Nos
132/33 KV Grid SS	02 Nos

Consumer Strength





- Another project with the title “Upgrading and Expanding Distribution System in Gulshan Circle” with project cost Tk. 5,949.00 million, of which Tk. 270.30 million financed by GOB, Tk. 2,149.55 million financed by DESCO and the rest financed by ADB against Loan No: 2332-BAN under the scope of “Sustainable Power Sector Development Program (SPSDP)”, is also in the implementation stage. The project work is scheduled to be completed by June, 2013. Up to June, 2011 the physical progress achieved was 77.50% while financial progress achieved was 57.10%. The completion of the project will result in augmentation of Sub-station capacity of DESCO by 210 MW to facilitate connections to 94,250 nos. new consumers in the Gulshan Circle.
- To meet the expected demand in DESCO area up to the year 2015, DESCO has taken up development projects on turnkey basis by its own fund to install 05 (five) new 33/11KV Substations and rehabilitate 03 (three) existing 33/11KV Substations, the total estimated cost of which is Tk. 177 crore. These projects are expected to be completed within December 2013. On completion of these projects, the total power distribution capacity will be enhanced by 224 MW. As a result, DESCO will be able to meet the increased demand upto 2015.

Looking into the future

- DESCO has completed a study to ascertain load demand and consumer growth in DESCO area up to the year 2030 with 5-year phasing. The report shows that the load demand of DESCO will increase to 1,129 MVA by the year 2015, to 1,910 MVA by the year 2020, to 3,489 MVA by the year 2025 and to 6,288 MVA by the year 2030. Accordingly DESCO has prepared a plan to cater this increasing load demand. For this purpose, 117 nos of new 33/11KV Sub-stations and 28 nos of new 132/33 KV Grid Sub-stations will be required along with upgradation of some existing sub-stations.
- A new township named “Purbachal Model Town” is being developed by RAJUK in the north east of DESCO area and on the eastern bank of the Balu River under the District of Narayanganj and Gazipur. This new township has been decided to be added to DESCO’s operational area. The electrical network development for this area has already been taken up by DESCO. The load demand of Purbachal Model Town is expected to be about 500 MW. 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 Model Town (3rd Phase)” is being developed by RAJUK and has been decided to be added to within DESCO’s territory. The electrical network development for this area has already been started. The load demand of “Uttara Model Town (3rd Phase)” is expected to be about 352 MW.
- With the view to meet the demand up to 2020, preparation of Development Project Proforma (DPP) for new construction & rehabilitation of 33/11 KV Sub-stations, 33 KV and 11KV U/G & O/H lines, related 132/33 KV Grid substation are in progress. The estimated cost requirement for these projects is about Tk. 3,000 crore.

Power Generation

To overcome the prevailing power crisis in Bangladesh, Government has taken up the policy to generate adequate power through different means like IPP, PPP, merchant power, rental & quick rental basis. Being instructed by the Govt., DESCO initiated a plan to install a 200MW Power Plant and forwarded the same to the Government for necessary approval. For installation of the proposed Power Plant, DESCO has selected a site within the acquired and unused land of 16.48 acres of Bangladesh Water Development Board (BWDB) located at Goran Chot Bari, Pallabi, Dhaka. But, the required land has not been handed over to DESCO by “Bangladesh Water Development Board” in spite of the decision taken in an inter-ministerial meeting.

Commercial Activities

Major commercial activities undertaken during the year are highlighted below:

Disconnection / Reconnections

Disconnection of electric line has been considered to be an effective tool to recover outstanding bills/dues.. By applying this tool a total number of 25,685 defaulting consumer services were disconnected during the year. Moreover, 12,760 illegal consumer services were traced and disconnected during the year.

During the year, 19,826 consumers were given re-connection on recovery of their outstanding dues and realization of penalty as applicable. An aggregate amount of Tk. 281.55 million was realized from the defaulting consumers and Tk. 25.01 million against penal/supplementary bills.

New Connections

This year 6,326 new connections have been added to our system. With these new connections, the total number of electric connections under DESCO at the end of the financial year stands at 4,49,063.

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, 15,122 defective meters were changed, 6,101 meters were sealed and 33,785 meters were inspected.

Consumer Complaints

DESCO continuously strives to offer 'service excellence' to its valued consumers. Consumer complaints in terms of billing errors, rectification of names and addresses are seriously attended to. During the year, 9,001 bills were corrected and records of 3,085 names and addresses were rectified and 4,029 meters 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 ensure satisfactory customer service as deemed suitable. The issue is 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 office, may receive desired service and solution from the staff of the "One Point Service Centre".

The Customer Service Centers are under continuous improvement in order to raise their standard up to the desired level. For this purpose, DESCO is giving emphasis on routine training of the employees.

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.12,291million and collection at Tk. 12,279 million, the billing collection ratio works out at 99.90%. and the Collection/ Import (C.I.) ratio to 90.05% this year.

Accounts Receivable/ Sales

One of the indicators of efficient financial management is to decrease the accounts receivable/sales 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 19.96% this year as against 20.69% in the last year.

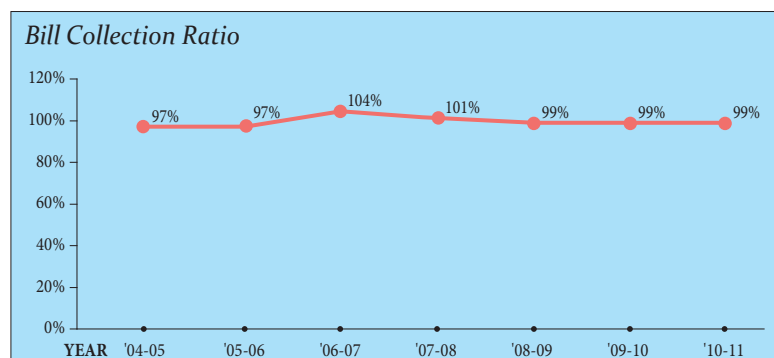
System Loss

This is a key performance indicator of any electric distribution company and is determined by the quantity of energy purchased and sold. The system loss works out to 8.79% this year as against 8.86% in the previous 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 re-charge their smart cards at DESCO's vending stations. The introduction of prepaid meters has helped to improve revenue collections as well as to reduce system loss.

A total of 10,232 nos of prepaid meters have been installed in different Sectors of Uttara as of 30th June, 2011. 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 Institute of Information and Communication Technology (IICT), BUET.



Year	System Loss (%)
04-05	16.64%
05-06	16.20%
06-07	13.44%
07-08	10.91%
08-09	9.79%
09-10	8.86%
10-11	8.79%



Financial Results and Appropriation

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

Particulars	2010-11 (Million TK)	2009-10 (Million TK)	2008-09 (Million TK)
Revenue from Operations	12,475	10,989	10,005
Cost of Sales	(9,679)	(8,656)	(7,860)
Gross Profit	2,796	2,333	2,145
Expenses	(795)	(798)	(487)
Operating Profit	2,001	1,534	1,658
Financial Expenses	(278)	(221)	(170)
Exchange Fluctuation (loss)	(516.36)	(32.19)	(10.58)
Non Operating Income	813	880	669
Taxation	(542)	(373)	(533)
Net Profit for the year	1,478	1,789	1,607
Dividend (proposed)	729	721	601
Un appropriated profit carried forward	6,209	5,531	3,758

Contribution to the Exchequer

Since commencement of its operation, DESCO has been contributing substantial amount to the National Exchequer by way of VAT and Taxes as shown in the table below:

VAT and Income Tax	2010-11 (Million TK)	2009-10 (Million TK)	2008-09 (Million TK)
VAT from Electricity Bills	584.30	514.84	474.48
VAT from contractors / suppliers Bills	26.79	15.11	52.40
Income Tax deduction at Source	81.63	81.11	45.97
Corporate Income Tax	451.88	361.80	459.74
Total	1144.60	972.86	1032.59



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	2010-11	2009-10	2008-09
Current Ratio	3.49	3.65	3.23
Quick Ratio	2.78	2.66	2.25
Debt /Equity Ratio	58:42	59.41	60:40
Accounts Receivable(Months Equivalent to Sales)	2.43	2.74	2.73
Operating Expenses to Operating Revenue	77.58	78.77	78.55
Gross Margin / Sales Ratio	22.75	21.58	21.89
Operating Margin / Sales Ratio	16.28	14.19	16.86
Net Income / Sales Ratio	12.03	16.55	16.40
Return on Asset	16.01	20.31	21.89
Return on Equity	14.90	20.42	21.96
Net Asset Value Per Share (Tk.)	459.83	546.91	548.46
Net Operating Cash Flow Per Share (Tk.)	164.97	118.15	118.83
Earning Per Share (Tk.)	71.00	85.91	77.19

Share Information

The distribution of shareholding and type of shareholding are shown below:

General

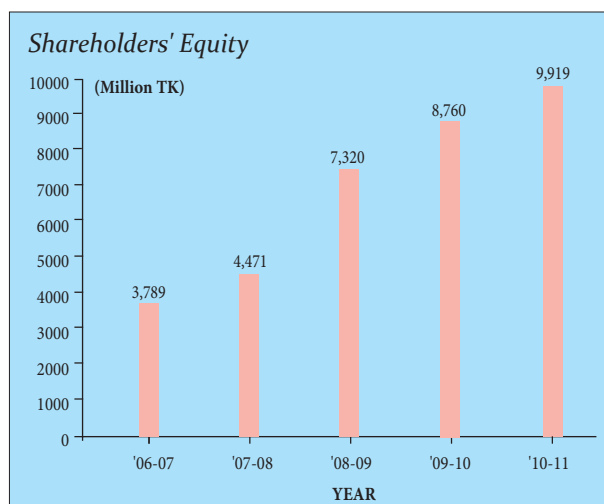
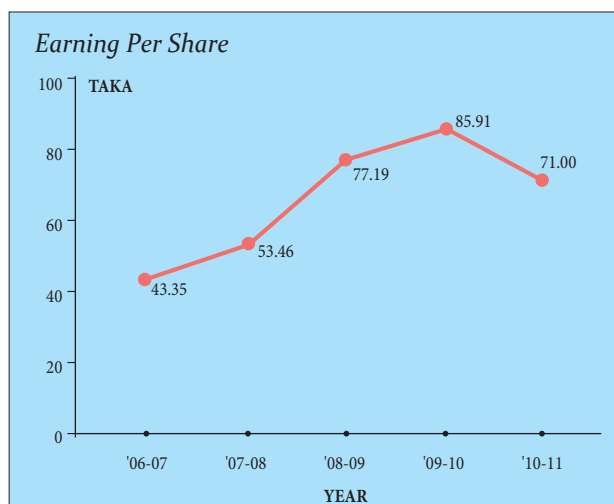
Authorized Capital: Tk.500 crore

Paid up Capital: Tk.208.22 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).





Distribution of Shareholdings

Number of Shareholders as on 30th June, 2011 stood at 5,660 nos.

Range of Holding in number of Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of share capital
1 to 500	4910	86.75	478,868	2.30
501 to 5000	641	11.33	907,620	4.36
5001 to 10000	43	0.76	302,254	1.45
10001 to 20000	29	0.51	413,165	1.98
20001 to 30000	13	0.23	319,621	1.54
30001 to 40000	5	0.09	175,537	0.84
40001 to 50000	4	0.07	194,354	0.93
50001 to 100000	8	0.14	646,125	3.10
100001 to 1000000	6	0.11	1,768,026	8.49
100000 to 1000000000	1	0.02	15,616,587	75.00
Total	5,660	100	20,822,157	100

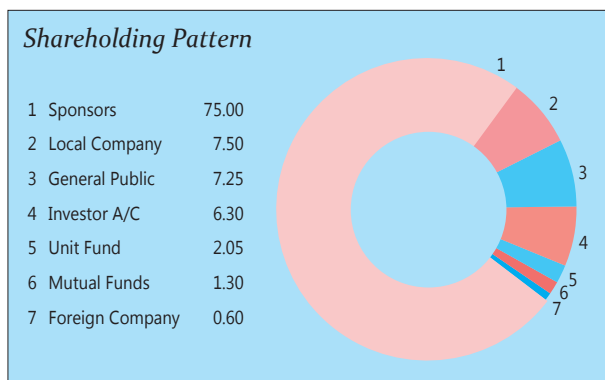
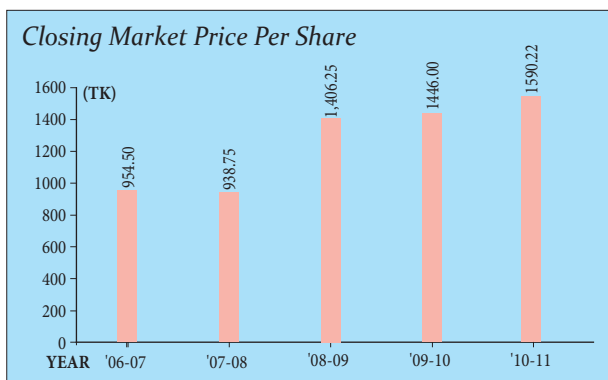
Shareholding Pattern as on 30th June, 2011

Group Name	Number of Shareholders	Number of Shares held	Percentage of holding
Sponsors	7	15,616,611	75.00
General Public	5,252	1,510,068	7.25
Investor A/C	53	1,312,375	6.30
Mutual Funds	29	270,233	1.30
Unit Fund	3	427,029	2.05
Local Company	309	1,560,366	7.50
Foreign Company	7	125,475	0.60
Total	5,660	20,822,157	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. The Board and the Company Management constantly interacts with the shareholders of the Company through quarterly and annual publications of financial statements, meetings and other forms of communications.



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 Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit (HIA); (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 June, 2011 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 Meetings And Attendance

During the year 37 (thirty seven) 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. Md. Fazlul Hoque, Member (Finance), Bangladesh Power Development Board (BPDB). The other members of the Committee are (i) Mr. Foiz Ahamed, Joint Secretary (Admin) Power Division, Ministry of Power, Energy & Mineral Resources, (ii) Begum Salma Benthe Kadir, Joint Secretary, Legislative & Parliamentary Affairs Division, Ministry of Law, Justice & Parliamentary Affairs and (iii) Mr. Qudrate Khuda, FCA, FCMA, Director (Procurement,, Finance & Accounts), DESCO. The attendance record of the Audit Committee is shown at **Annexure-IV**. During the Financial Year 2010-2011, the Audit Committee held 09 (nine) meetings in which, among other things, reviewed the following :

- Draft Auditors Report & Audited Accounts of the Company for the fiscal year 2009-2010.
- Un-audited half yearly Statement of Accounts for the fiscal year 2010-2011.
- Un-audited 3rd Quarter Statement of Accounts for the fiscal year 2010-2011.
- Observations made by the Government Auditors.
- Draft Budget for the fiscal year 2011-2012.





Human Resource Development

Training improves the knowledge, skills and attitudes of an employee. Quality people can deliver quality service. In order to achieve the company's vision and mission, DESCO recognizes and emphasizes on productivity development of its employees. Accordingly, DESCO developed training schedule for each employee designed to meet at least 50 hours training on different topics round the year. A target group of 929 employees received training during the year 2010-2011.

Training courses to employees include Service Rules, Electricity Act, Customer Service, Management, Organogram, Official manners and behavior. Essential Technical issues 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, Energy Meter Installation-Connection-Calibration & Testing, Financial Management, Strategic Management, Tender Evaluation Process, Electricity & Energy Regulatory Acts, etc.

Besides, in-house trainings, participation of employees in training/seminars/workshops in organizations like Institution of Engineers, Bangladesh, Engineering Staff College of Bangladesh, Institute of Information and Communication Technology (IICT) of Bangladesh University of Engineering and Technology, Bangladesh Power Development Board, Institute of Chartered Secretaries of Bangladesh (ICSB), Bangladesh Meteorological Department, World Bank, Asian Development Bank etc., are also organized.

E-governance

To keep pace with the modern technological advancement in IT (Information Technology) sector and to make the utility management more efficient, 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 Centre, Complaint Management, New Connection, Monthly Bill Collection, Miscellaneous Bill Collection, DESCO Website and E-mail Communication, Inter Office Wide Area Network (WAN) Connectivity have been developed and implemented. Training on this newly implemented software are going on.

Citizen Charter

This is an official document of the organization's commitment to its consumers. The Citizen Charter makes it very clear that the services required from DESCO by its customers are their rights rather than considering that as favour to them. The increasing demand by the public for time bound services will bring qualitative improvement in services by DESCO and the charter will help DESCO to evaluate the delivery of services.

DESCO's identified Charter is publicly displayed in its Customer Service Centers for awareness of the customers. There are also some printed leaflets on different category of services available and rendered at Customer Service Centers of DESCO.

Bill Payment Through Internet

Payment of utility bill through internet is one of the modern and expected service facilities for the customers worldwide. In line with increasing customer need and expectations for faster service, Bangladesh Bank has allowed DESCO online transaction through Debit/Credit cards of Banks. DESCO is the first public sector utility that has launched the facility of bill payment through internet under NEXUS gateway of Dutch-Bangla Bank.



DESCO consumers may pay their monthly electricity bills through internet by using Credit/Debit card as allowed by NEXUS-gateway of Dutch-Bangla Bank such as Master, VISA, NEXUS, Mastro etc. stated in DESCO website www.desco.org.bd.

DESCO web-portal is secured by SSL which is displayed on the web page. A Bill payment procedure or instruction is published in the web and there is a printed leaflet available in DESCO's Customer Service Centers.

At present there is no extra charge to be borne by the customer for this service.

Bill Payment through Mobile Phone

Mobile phone service providers have introduced several value added services for the public. One of them is utility bill payment through Mobile phone or through retail seller of the phone operator.

DESCO consumers may also pay their electricity bill through mobile phone operators Grameen Phone, Banglalink and Citycell.

Corporate Social Responsibility (CSR)

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 recognizes some social responsibilities. Some of the Corporate Social Responsibility (CSR) activities of the Company are:

- During Ijtema period at Tongi Ijtema Ground, DESCO collects electricity bills at a nominal rate of Tk.0.50 per unit from the Ijtema Committee while any additional amount in this respect for the period are borne by DESCO.
- DESCO also provides support to the approved freedom fighters living in its geographical area for which monthly electricity bills up to 200 units are being paid by DESCO.
- Monthly electricity bills up to 1500 units for the family of the National Poet Late Kazi Nazrul Islam are also being paid by DESCO as a gesture of goodwill and respect to the National Poet.
- Contribution to other social activities as decided by the Board from time to time.

Dividend

Based on the performance of the Company, the Board of Directors recommends 10% cash dividend and 25% stock dividend (i.e. 01 bonus share for every 04 shares held on Record Date), for the financial year 2010-11.

Election of Directors

In terms of Article 86 of the Articles of Association of the Company, (i) Prof. Dr. M. M. Shahidul Hassan, Department of Electrical and Electronic Engineering, BUET, (ii) Mr. S. R. Akhter, Superintending Engineer (Retd.) and (iii) Mr. Md. Abdus Sobhan, Managing Director, DPDC shall retire from the Board of Directors. However, as per article 87 of the Articles of Association of the Company, the retiring Directors are eligible to be re-elected as Directors of the Company.

Mr. Md. Shahjahan Siddiqui, Bir Bikram, Retired Secretary, Govt. of the People's Republic of Bangladesh, Mr. Md. Fazlul Hoque, Member (Finance), BPDB, Mr. Foiz Ahamed, Joint Secretary (Admin), Power Division, Ministry of Power, Energy & Mineral Resources (MPEMR), Begum Salma Binthe Kadir, Joint Secretary, Legislative & Parliamentary Affairs Division, Ministry of Law, Justice & Parliamentary Affairs, Engr. Mohammad Harun, Proprietor, Regal Enterprise and Mr. Md. Monzur Rahman, Managing Director, DESCO shall continue to act as Directors of the Board.

Auditors

M/s Aziz Halim Khair Choudhury, Chartered Accountants, the existing auditors of the Company shall retire in the AGM and having completed their audit of the company for the last 3 (three) consecutive years are not eligible for re-appointment for further period as per Order of the Securities and Exchange Commission (SEC) issued vide memo no. SEC/CMRRCD/2009-193/104/Admin/ dated: July 27, 2011.

Meanwhile, (i) M/s Ata Khan & Co., Chartered Accountants, 67, Motijheel C/A, Dhaka-1000 and (ii) M/s A. Wahab & Company, Chartered Accountants, Hotel Purbani, Annex-2, 4th floor, 1 Dilkusha C/A, Dhaka-1000 have expressed their willingness to be appointed as auditors of the company for the financial year 2011-2012.

Acknowledgement

Esteemed Shareholders,

On behalf of the Board of Directors, I would like to express my sincere gratitude to all honorable shareholders, the Power Division, Ministry of Power, Energy & Mineral Resources, Economic Relations Division, Ministry of Finance, Ministry of Planning, Power Cell, Bangladesh Power Development Board (BPDB), Dhaka Power Distribution Company Ltd. (DPDC), Rural Electrification Board (REB), Power Grid Company of Bangladesh (PGCB), 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 employees of the Company on behalf of the Board of Directors for their sincere and relentless efforts in performing their duties and responsibilities for 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

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, 2011
01.	Mr. Md. Shahjahan Siddiqui, Bir Bikram Retired Secretary Govt. of the People's Republic of Bangladesh	Chairman	Nil
02.	Mr. Md. Fazlul Hoque Member (Finance) Bangladesh Power Development Board (BPDB)	Director	Nil
03.	Mr. Foiz Ahamed Joint Secretary (Admin.) Power Division Ministry of Power, Energy & Mineral Resources	Director	Nil
04.	Begum Salma Benthe Kadir Joint Secretary Legislative & Parliamentary Affairs Division Ministry of Law, Justice & Parliamentary Affairs	Director	Nil
05.	Prof. Dr. M. M. Shahidul Hassan Department of Electrical and Electronic Engineering, BUET	Director	Nil
06.	Mr. S R Akhtar Superintending Engineer (Retd.)	Director	Nil
07.	Engineer Mohammad Harun Proprietor Regal Enterprise	Director	Nil
08.	Mr. Md. Abdus Sobhan Managing Director Dhaka Power Distribution Company Limited (DPDC)	Director	Nil
09.	Mr. Md. Monzur Rahman	Managing Director	Nil

III) Shareholding of CEO, CFO, Company Secretary and Head of Internal Audit

01. Chief Executive Officer and his spouse and minor children	-	Nil
02. Chief Financial Officer and his spouse and minor children	-	Nil
03. Company Secretary and his spouse and minor children	-	Nil
04. 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) as on 30th June, 2011.

Sl. No.	Name	Designation	% of shares as on June 30, 2011
1.	Engr. Md. Shahjahan Mia	Director (Operation)	0.0052
2.	Mr. Md. Shafiqul Islam Chowdhury	DGM, S&D Operation, Glushan Zone	0.0040
3.	Engr. S.M. Habibur Rahman	DGM, S&D Operation, Mirpur Zone	0.0006
4.	Engr. Noor Mohammad	DGM, S&D Operation, Uttara Zone	Nil
5.	Engr. AKM Mostofa Kamal	DGM, Administration	0.0025
6.	Engr. Md. Shah Alam	DGM (System Engg. & Design)	0.0160
7.	Mr. Md. Rofi Uddin	DGM (Finance & Accounts)	0.0138

V) Shareholders Holding 10% or More Voting Right

1.	Erstwhile - Dhaka Electric Supply Authority (DESA)	75.00
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VI) Twenty Largest Shareholders as on June 30, 2011

Sl. No.	Name of Shareholder	Nos. of Shares Held	Percentage
1	Erstwhile Dhaka Electric Supply Authority (DESA)	15,616,611	75.00
2	Investment Corporation of Bangladesh (ICB) Unit Fund	401,604	1.93
3	Prime Bank Invest Ltd. (MSD A/C)	326,235	1.57
4	AB Investment Ltd. (ABIL-IDA)	287,067	1.38
5	Investment Corporation of Bangladesh (ICB)	282,270	1.36
6	AB Bank Ltd.	218,400	1.05
7	Bangladesh Fund	151,850	0.73
8	The Premier Bank Limited	100,600	0.48
9	CACEIS BL A/C Barca GLM. Fund	94,926	0.46
10	IDLC - Portfolio Account	92,109	0.44
11	Trust Bank Investment Ltd. (TBIL-IDA)	87,592	0.42
12	BRAC EPL Investments Limited	86,295	0.41
13	Sonali Bank Ltd.	78,547	0.38
14	Union Capital Ltd Investor A/C	74,387	0.36
15	AB Investment Ltd (ABIL-MDA)	73,239	0.35
16	Agrani Equity & Investment Ltd.	59,030	0.28
17	Eastern Bank Ltd.	50,000	0.24
18	Prime Bank Investment Ltd. (2ND MKT)	49,950	0.24
19	Prime Finance & Investment Ltd. (Portfolio)	49,064	0.24
20	Trust Bank Ltd. 1st Mutual Fund	45,340	0.22
	TOTAL	18,225,116	87.52

ANNEXURE II

Status of compliance with the conditions imposed by the Securities and Exchange Commission's Notification No. SEC/CMRRC/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 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	√	-	-
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 case as yet identified
3.3.2(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors	-	-	No such case as yet identified
3.3.2(ii)(c)	Reporting of violation of laws to the Board of Directors	-	-	No such case as yet identified
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 case as yet identified
3.4	Reporting of activities to the Shareholders and General Investors	√	-	-
4.00	External/Statutory Auditors:			
4.00(i)	Non-engagement in appraisal of valuation	-	-	-
4.00(ii)	Non-engagement in designing of Financial Information System	√	-	-
4.00(iii)	Non-engagement in Book-Keeping	√	-	-
4.00(iv)	Non-engagement in appraisal of valuation	√	-	-
4.00(v)	Non-engagement in Actuarial Services	√	-	-
4.00(vi)	Non-engagement in Internal Audit	√	-	-
4.00(vii)	Non-engagement in any other services	√	-	-

ANNEXURE III Board Meeting and attendance during the Year ended June 30, 2011.

Name of the Directors	Meetings held while a member	No of meeting attended in person/alternates
01. Mr. Md. Shahjahan Siddiqui, Bir Bikram	37	37
02. Mr. Md. Fazlul Hoque	37	32
03. Mr. Foiz Ahamed	37	36
04. Begum Salma Benthe Kadir	37	30
05. Prof. Dr. M. M. Shahidul Hassan	37	37
06. Mr. S R Akhtar	37	35
07. Engineer Mohammad Harun	37	32
08. Engr. F.M Faridul Hoque	08	08
09. Mr. Md. Abdus Sobhan	29	26
10. Mr. Md. Saleh Ahmed	03	03
11. Mr. Md. Monzur Rahman	33	33
12. Mr. Qudrate Khuda	01	01

ANNEXURE IV Audit Committee Meeting and Attendance during the year ended June 30, 2011.

Name of the Members	Meetings held while a Member	No of Meetings attended
01. Mr. Md. Fazlul Hoque	09	09
02. Mr. Foiz Ahamed	09	09
03. Begum Salma Benthe Kadir	09	09
04. Mr. Qudrate Khuda	09	09

EVENTS HIGHLIGHTS



Board of Directors attending the 14th Annual General Meeting



Honourable Shareholders at the 14th Annual General Meeting



Receiving Award of Liberation War and Independence 2011.



Exchanging views for supply of electricity to the slum dwellers.



Presentation on efficient power supply



Inspection of Solar Panel in the consumer premises.



DESCO Picnic 2010



AUDITORS' REPORT



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



We have audited the accompanying financial statements of Dhaka Electric Supply Company Limited (DESCO) (The Company), which comprise the statement of financial position as at June 30, 2011, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS)/Bangladesh Accounting Standards (BAS). This responsibility includes: designing, implementing and maintaining internal control relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements referred to above give a true and fair view of the financial position of Dhaka Electric Supply Company Limited (DESCO) as at June 30, 2011, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards (BAS) and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rule 1987 and applicable laws and regulations.

WE ALSO REPORT THAT:

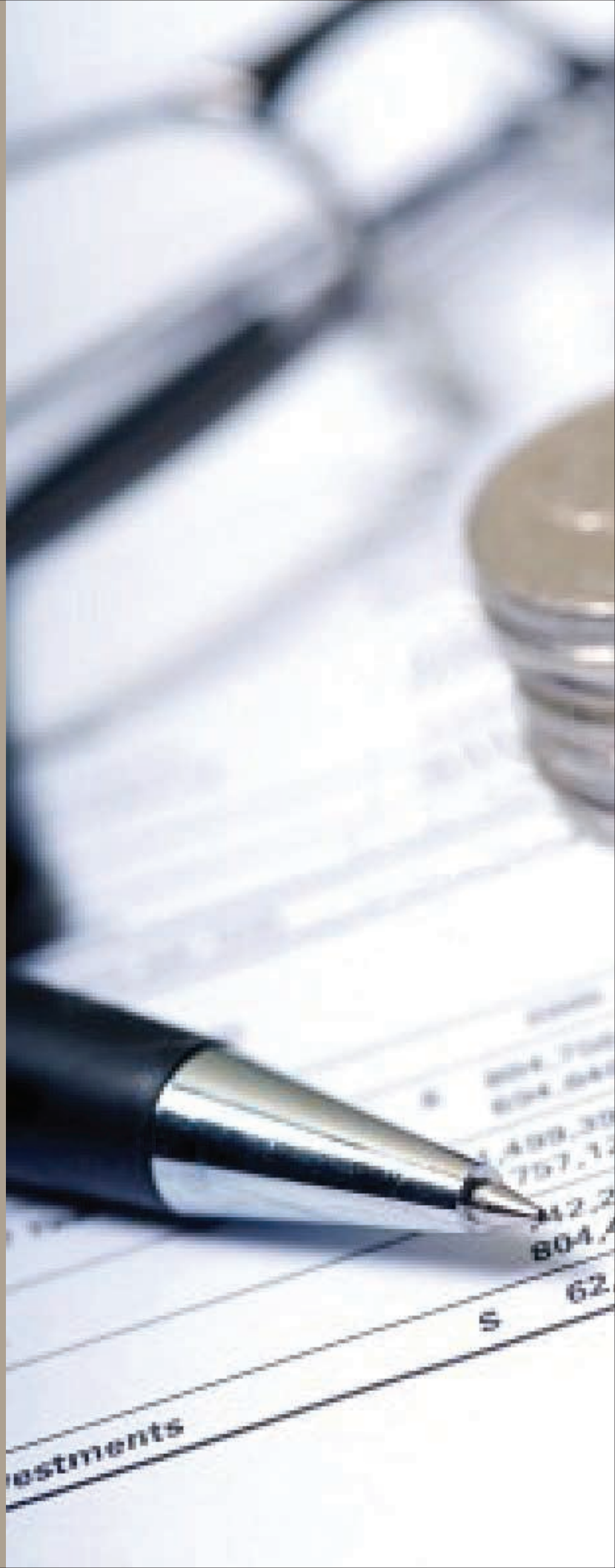
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared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

Dated: 31 October 2011
Dhaka

sd/-

Aziz Halim Khair Choudhury
Chartered Accountants

FINANCIAL STATEMENTS





FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

Particulars	Note	30 June 2011 Taka	30 June 2010 Taka
APPLICATION OF FUND			
Non Current Assets			
Property, Plant & Equipment	2	8,352,974,008	8,440,892,392
Capital Work -in- Progress	3	1,312,565,899	335,313,744
Investment in Shares	4	1,000	29,131,000
		9,665,540,906	8,805,337,136
Current Assets			
Stores and Spares	5	4,026,231,885	4,671,791,624
Accounts Receivable	6	2,703,257,156	2,375,140,475
Advances & Deposits	7	130,770,356	134,659,063
Advance Income Tax	8	399,469,804	438,322,022
Cash and Bank Balances	9	12,383,737,339	9,668,541,622
		19,643,466,540	17,288,454,805
Current Liabilities			
Accounts Payable	10	2,103,174,342	1,865,308,079
Creditors for Goods/Works	11	832,341,678	1,028,992,195
Creditors for Other Finance	12	1,146,976,859	747,920,808
Creditors for Expenses	13	119,945,956	79,095,756
Current Maturity of Long Term Loans	14	363,406,475	257,279,761
Accrued Interest on Loans	15	516,632,143	359,487,193
Provision for Income Tax	16	544,799,496	405,311,657
		5,627,276,948	4,743,395,449
Net Current Assets		14,016,189,593	12,545,059,356
		23,681,730,500	21,350,396,491
SOURCES OF FUND			
Capital & Reserves			
Share Capital	17	2,082,215,772	1,601,704,440
Share Money Deposit	18	75,000,000	75,000,000
GOB Equity	19	1,552,140,000	1,552,140,000
Proposed Dividend	38	-	-
Retained earnings	20	6,209,984,623	5,531,011,195
Equity		9,919,340,395	8,759,855,635
Long Term Liabilities			
Loan from ADB/GOB	21	7,516,987,500	6,482,508,563
Deferred Tax Liability	35.2	1,254,797,127	1,213,835,706
Due to DESA (for assets taken over)	22	4,039,671,539	4,039,671,539
Consumer Security Deposits	23	950,933,940	854,525,049
		13,762,390,105	12,590,540,857
		23,681,730,500	21,350,396,491

The accounting policies and other notes from 1 to 43 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 27 October 2011 and signed on its behalf by:

sd/-
Company Secretary

sd/-
Director (Finance)

sd/-
Director

sd/-
Managing Director

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

sd/-

Aziz Halim Khair Choudhury
Chartered Accountants

Dhaka, 31 October, 2011

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

Particulars	Note	2010-2011 Taka	2009-2010 Taka
OPERATING REVENUE			
Energy Sales (Net of Vat)	24	12,290,781,425	10,810,974,226
Other Operating Revenue	25	184,827,800	178,217,188
Total Revenue from Operation		12,475,609,225	10,989,191,414
COST OF ENERGY SALES			
Energy Purchase (including wheeling charge)	26	8,801,828,794	7,845,646,912
Operating Expenses	27	217,830,914	243,981,218
Depreciation (Operating)	34	659,587,005	566,749,957
		9,679,246,713	8,656,378,087
Gross Margin		2,796,362,512	2,332,813,327
COST & EXPENDITURE			
Administrative Expenses	28	161,576,317	126,159,977
Employee Expenses	29	575,014,500	619,018,529
Bad Debts Provision	6.2	13,154,539	12,007,263
Depreciation (Non Operating)	34	45,337,476	41,347,127
		795,082,832	798,532,896
Operating Profit		2,001,279,680	1,534,280,431
NON OPERATING INCOME/(EXPENSE)			
Interest Income	30	781,098,894	872,083,490
Interest Expenses	31	(277,851,267)	(221,200,045)
Exchange Fluctuation (Loss)	32	(516,364,173)	(32,193,487)
Appreciation / (diminution) in value of Investment	4.1	-	5,738,807
Gain on sale of Investment	4.1	31,136,600	-
Miscellaneous Income	33	1,296,793	2,603,285
Non Operating Income (Net)		19,316,846	627,032,050
Net Profit before Tax		2,020,596,526	2,161,312,481
INCOME TAX			
Current Tax Provision	35.1	(501,296,533)	(149,037,371)
Deferred Tax Provision	35.2	(40,961,421)	(223,544,475)
		(542,257,954)	(372,581,846)
Net Profit after Tax		1,478,338,572	1,788,730,635
Basic Earnings per Share	36	71.00	85.91

The accounting policies and other notes from 1 to 43 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 27 October 2011 and signed on its behalf by:

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Director

sd/-
Managing Director

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Dhaka, 31 October, 2011

sd/-
Aziz Halim Khair Choudhury
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

Particulars	Note	Share Capital	Share Money Deposit	GOB Equity	Reserve & Surplus	Proposed Dividend	Total Taka
FOR THE YEAR ENDED 30 JUNE 2011							
Balance at 01 July 2010		1,601,704,440	75,000,000	1,552,140,000	5,531,011,195	-	8,759,855,635
GOB Equity		-	-	-	-	-	-
Net profit for the year		-	-	-	1,478,338,572	-	1,478,338,572
Priors year's adjustment	37	-	-	-	(78,598,146)	-	(78,598,146)
Proposed Dividend	38	-	-	-	-	-	-
Stock Dividend paid		480,511,332			(480,511,332)		-
Cash Dividend paid		-	-	-	(240,255,666)		(240,255,666)
Balance at 30 June 2011		2,082,215,772	75,000,000	1,552,140,000	6,209,984,623	-	9,919,340,395

FOR THE YEAR ENDED 30 JUNE 2010

Balance at 01 July 2009		1,334,753,700	75,000,000	1,552,140,000	3,757,874,232	600,639,165	7,320,407,097
GOB Equity		-	-	-	-	-	-
Net profit for the year		-	-	-	1,788,730,635	-	1,788,730,635
Priors year's adjustment	37	-	-	-	(15,593,672)	-	(15,593,672)
Proposed Dividend	38	-	-	-	-	-	-
Stock Dividend paid		266,950,740				(266,950,740)	-
Cash Dividend paid		-	-	-	-	(333,688,425)	(333,688,425)
Balance at 30 June 2010		1,601,704,440	75,000,000	1,552,140,000	5,531,011,195	-	8,759,855,635

The accounting policies and other notes from 1 to 43 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 27 October 2011 and signed on its behalf by:

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Dhaka, 31 October, 2011

sd/-
Aziz Halim Khair Choudhury
Chartered Accountants

STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

Particulars	Note	2010-2011 Taka	2009-2010 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES			
Received from Energy Sales		12,278,991,231	10,736,499,500
Collection of Govt. Duty, VAT & Tax		595,447,691	589,913,372
Received from Other Operating & Non Operating Activities		312,896,368	319,559,818
Received against Financial Income		673,080,257	803,683,195
Payment for Energy Purchase		(8,571,116,103)	(7,842,804,434)
Payment for Employee Expenses		(575,013,288)	(619,900,904)
Payment for Administrative & Other Expenses		(142,784,931)	(124,787,322)
Payment for Interest on Long Term Loan		(120,706,318)	(195,862,119)
Income Tax Paid		(322,956,476)	(431,843,705)
Payment for Govt. Duty, Vat & Tax		(692,723,553)	(774,193,750)
Net cash inflow from operating activities		3,435,114,878	2,460,263,651
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property & Plant		(436,846,655)	(193,473,710)
Acquisition of Stores & Equipment		(911,155,593)	(2,096,556,826)
Net cash used in investing activities:		(1,348,002,248)	(2,290,030,536)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Long Term Loan received		935,249,683	1,445,003,853
Dividend Paid		(97,205,597)	(325,848,459)
Long Term Loan Paid		(311,008,206)	(235,190,514)
Consumer Security Deposits Received		101,047,208	120,511,119
Net cash inflow from financing activities		628,083,087	1,004,475,999
D. Cash & Cash equivalents increase /(decrease) during the year		2,715,195,718	1,177,239,472
E. Cash & Cash equivalents at the beginning of the year		9,668,541,622	8,491,302,150
F. Cash & Cash equivalents at the ending of the year		12,383,737,339	9,668,541,622

The accounting policies and other notes from 1 to 43 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 27 October 2011 and signed on its behalf by:

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

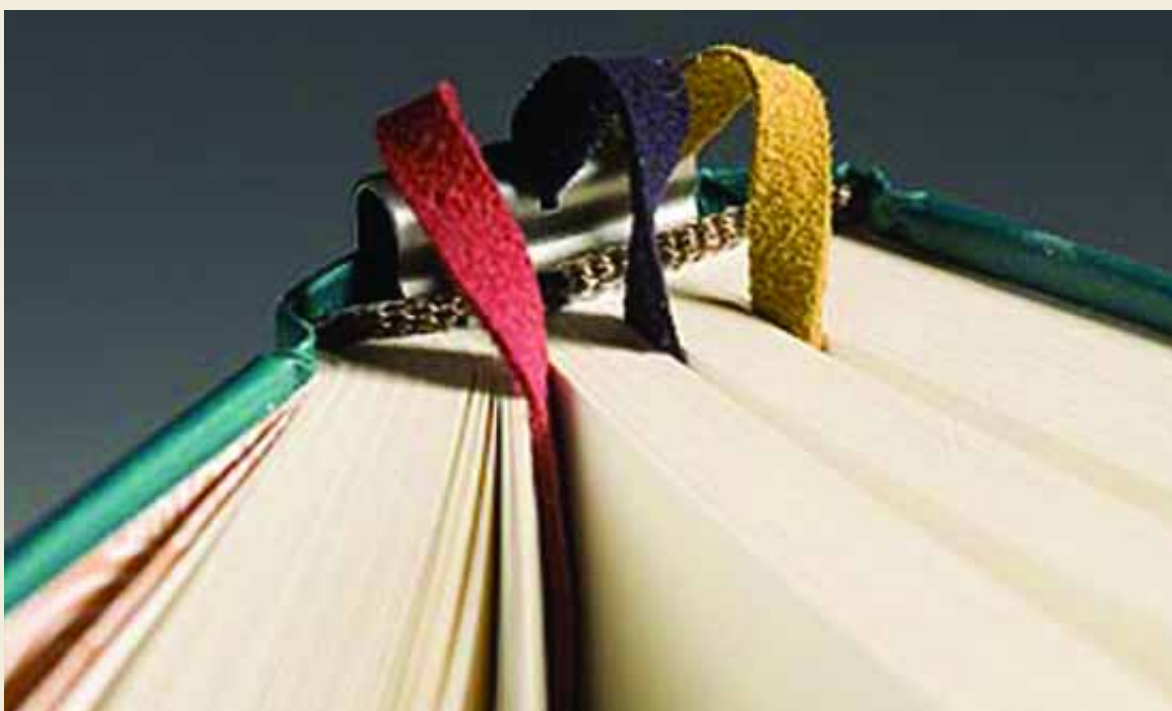
Dhaka, 31 October, 2011

sd/-
Aziz Halim Khair Choudhury
Chartered Accountants



NOTES TO THE FINANCIAL STATEMENTS

As on for the year ended 30 June 2011





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 a Public Limited Company 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 has been placed by the Management before the Board for finalization.

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. Provision for appreciation / (diminution) in value of shares, as on closing of the year, if required, is 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 Statement of Cash Flow

Statement of Cash Flows is prepared principally in accordance with BAS 7 "Cash Flow Statements" 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 against consumers 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), which holds 75% of the total shares outstanding.
- (b) The Company entered into contract with Bureau of Research, Testing & Consultation (BRTC), and 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.



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 number 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 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.



2 PROPERTY, PLANT & EQUIPMENT

Cost:

Balance at 01 July

Less: Disposal of distribution equipment (Note 2.1)

Additions during the year (Note 2.1)

Balance at 30 June

Depreciation:

Balance at 01 July

Less: Adjustment for disposals (Note 2.1)

Charged for the year

Balance at 30 June

Written down Value

	2010-2011 Taka	2009-2010 Taka
Balance at 01 July	11,935,537,592	10,187,476,954
Less: Disposal of distribution equipment (Note 2.1)	(30,857,098)	(7,859,510)
	11,904,680,494	10,179,617,444
Additions during the year (Note 2.1)	635,876,453	1,755,920,148
Balance at 30 June	12,540,556,947	11,935,537,592
Depreciation:		
Balance at 01 July	3,494,645,201	2,894,386,396
Less: Adjustment for disposals (Note 2.1)	(11,986,742)	(7,838,277)
	3,482,658,459	2,886,548,119
Charged for the year	704,924,481	608,097,081
Balance at 30 June	4,187,582,940	3,494,645,201
Written down Value	8,352,974,008	8,440,892,392

2.1 Detail of addition/ disposals of assets are shown in **Annexure-1** attached.

3 CAPITAL WORK -IN- PROGRESS

33/11KV OH/UG Cable Line (Note 3.1)

33/11Kv Sub- Station - Turnkey Project. (Note 3.2)

Data Acquisition System

Civil Work for Bashundhara Sub-station

Remote Metering Unit - Turnkey Project (Note 3.3)

Construction Office Shed & Land Development(notes-3.4)

Construction of 3 storied Store Building.(Note 3.5)

Total:

	14,636,663	11,905,188
	1,274,244,800	283,103,077
	-	27,164,474
	-	6,783,176
	3,015,132	-
	12,079,875	6,357,829
	8,589,429	-
Total:	1,312,565,899	335,313,744

3.1 33/11kv overhead & under ground cable works are in progress at Uttara & Mirpur respectively. The total contract price of the works is Tk. 183.72 million.

3.2 The Company entered into an agreement with Energypac Ltd to implement 10 (ten) nos. 33/11Kv Sub -Station under ADB Contract. The total contract price is Tk 2831 million

3.3 Remote Metering unit installation are in progress at Mirpur Zone under ADB contract. The total Contract Price is Tk 30.29 million

3.4 This represents construction of boundary fencing office shed and land Development of Purbachal . The total contract price is Tk12.71 million

3.5 This represents civil work for Central store 3 storied Building at Mirpur.The total contract price is Tk. 80.12 million.



	2010-2011 Taka	2009-2010 Taka
4 INVESTMENT IN SHARES		
Balance at 01 July	2 29,131,000	23,392,193
Add/Less appreciation / (diminution) in value of Investment	-	5,738,807
Cost of sale	(29,130,000)	-
Balance at 30th June	1,000	29,131,000

4.1 The Company was allotted 29,131 shares of Tk. 1000/- each of ICB Islamic Bank Ltd (former Oriental Bank Ltd) against fixed deposits in the Bank under the reconstruction scheme of Oriental Bank Ltd undertaken by Bangladesh Bank. . The company sold 29130 shares @ Tk 2,068.88 (average) as per decision of Board of Directors, resulting in a gain of Tk 31,136,600/-

5 STORES & SPARES		
Stores & Spares -Note-5.1	3,999,272,716	3,811,753,660
Stores in Transit -Note- 5.2	26,959,169	860,037,964
	4,026,231,885	4,671,791,624

5.1 Cost of Stores & Spares

Cable & Accessories	2,597,506,499	2,587,419,487
Pole & Pole fittings	702,610,158	323,294,785
Distribution transformers	153,209,961	287,665,901
Meter & Meter accessories	190,833,551	249,299,545
Sub-station Equipment & spares	336,979,532	352,176,719
Tools, equipment & others	18,133,016	11,897,224
Total:	3,999,272,716	3,811,753,660

5.2 This represents cost of materials, including L/C charge and Pre -Shipment- Inspection (PSI) expenses, paid against import of materials for which post landing inspection (PLI) has not been completed.

5.3 Stores & spares have been valued at weighted average cost.

6 ACCOUNTS RECEIVABLE		
Receivable from consumers (Note 6.1)	2,630,907,718	2,401,452,649
Less: Provision for doubtful debts (Note 6.2)	(177,544,458)	(164,389,919)
	2,453,363,260	2,237,062,730
Receivable from DPDC against materials supplied	185,780,165	76,283,173
Receivable from BPDB against materials supplied	55,412,107	55,472,106
Expenses recoverable from employees	584,666	358,971
Advertisement cost recoverable from other utility organization	8,116,958	5,963,494
Total	2,703,257,156	2,375,140,475

6.1 Receivable from consumers are categorized as follows :

Government (Eqv. month 5.36, 2009-10 : 2.16)	284,133,564	182,306,887
Semi- Government/Autonomous (Eqv. month 2.68, 2009-10 :4.0)	183,300,129	190,928,216
Private (Eqv. Month 2.24, 2009-10 : 2.4)	2,163,474,025	2,028,217,546
Average (Eqv. Month 2.43, 2009-10: 2.74)	2,630,907,718	2,401,452,649



	2010-2011 Taka	2009-2010 Taka
6.2 Provision of Tk 13,154,539/- has been made this year @ 0.5% of the consumers amount outstanding at the balance sheet date, as per Company's policy.		
This balance has been arrived at as under:		
Balance at 01 July	164,389,919	152,382,656
Provision during the year	13,154,539	12,007,263
Balance at 30 June	177,544,458	164,389,919

7 ADVANCES & DEPOSITS

Advances

Against goods and services -Note 7.1	93,616,076	96,494,363
Advance against Office rent	10,859,118	5,462,306
Others (Note 7.2)	5,513,229	2,184,963
Sub-Total:	109,988,423	104,141,631
Security Deposits		
Telephone/ Mobile	669,621	670,621
Dhaka City Corporation (against road cutting)	18,407,335	28,169,959
Dhaka WASA	10,411	10,411
Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
Others	1,194,565	1,166,440
Sub-Total:	20,781,933	30,517,432
Total:	130,770,356	134,659,063

7.1 Advance against goods & services includes Tk. 15.91 million paid to Bangladesh Power Development Board (BPDB) against purchase of spun pre-stressed concrete (SPC) poles, Tk. 61.16 million paid to GEMCO for purchase of transformers, Tk.9.73 million paid to BRTC, BUET against E-Governance Project and Tk 8.61 million paid to Gazi Wire ltd against enamel wire purchased for repair and maintenance of transformer.

7.2 Advance to others include Tk 1.01 million against CFL bulb distribution.

8 ADVANCE INCOME TAX

This is arrived at as under:

Balance at 01 July	438,322,022	386,901,394
Deducted at source (on interest on FDR & STD) during the year	64,290,882	79,149,766
Deducted at source (on imported materials) during the year	25,465,594	2,272,256
Income tax paid for FY 2010-11, (AY-2011-12)	233,200,000	356,900,000
Adjustment made during the year (Note-8.1)	(361,808,694)	(386,901,394)
Balance at 30 June	399,469,804	438,322,022

8.1 As the company's assessment has been finalized up to FY 2009-10 (AY 2010-11), after adjusting carried forward tax losses of previous years, the excess provision has been adjusted against this head.

9 CASH & BANK BALANCES

Cash in hand	2,323	44,734
Imprest Cash with S&D Divisions	423,405	438,405
Cash at banks -Note-9.1	12,383,311,611	9,668,058,483
Total:	12,383,737,339	9,668,541,622



	2010-2011 Taka	2009-2010 Taka
9.1 Cash at Banks		
Current Account (Revenue collection) (Note 9.1.1)	2,109,009,992	2,039,403,386
Current Account (VAT)	97,842,678	87,644,242
STD Accounts	1,182,507,615	577,705,542
Fixed Deposits (Note 9.1.2)	8,993,951,325	6,963,305,313
Total:	12,383,311,611	9,668,058,483

9.1.1 This represents collection for the last two months, by the different collecting banks, which has been transferred to the Company's main account in the next month.

9.1.2 Fixed Deposits include Tk.88.88 million (2009-2010 : Tk 91.08) 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. An amount of Tk 2.20 million has been realized during the year. As per Bangladesh Bank reconstruction scheme a further amount of Tk 2.20 million will be realized in 2011-2012 and the balance amount will be realized by 2013.

10 ACCOUNTS PAYABLE

Bangladesh Power Development Board (BPDB)- Note 10.1	1,719,081,022	1,392,078,751
Power Grid Company of Bangladesh (PGCB)- Note 10.2	141,170,578	130,617,689
Dhaka Electric Supply Authority (DESA) - Note 10.3	242,922,742	342,611,639
Total:	2,103,174,342	1,865,308,079

10.1 Accounts Payable - BPDB

Balance at 01 July	1,392,078,751	1,320,904,826
Energy purchased during the year	8,093,250,153	7,173,531,702
	9,485,328,904	8,494,436,528
Payment made during the year	(7,766,247,882)	(7,102,357,777)
Balance at 30 June	1,719,081,022	1,392,078,751

10.2 Accounts Payable - PGCB

Balance at 01 July	130,617,689	123,949,136
Wheeling charge during the year	715,421,110	672,115,210
	846,038,799	796,064,346
Payment made during the year	(704,868,221)	(665,446,657)
Balance at 30 June	141,170,578	130,617,689

10.3 Accounts Payable - DESA

Energy Purchase and other costs	336,361,419	411,361,419
Payment made during the year	(100,000,000)	(75,000,000)
Consumer bill collection	6,561,323	6,250,220
Balance at 30 June	242,922,742	342,611,639

11 CREDITORS FOR GOODS/ WORKS

Equipment & materials (Note-11.1)	10,061,919	18,096,103
Imported Materials against ADB loan (Note 11.2)	822,279,759	1,010,896,092
Total:	832,341,678	1,028,992,195

11.1 This includes Tk 2.69 million to M/s. Wahid Trader and M/s. Sunrise International Ltd. against purchase of pole fittings materials, Tk 1.50 million payable to M/s.Sadia Ltd against purchase of pole fittings materials and Tk 0.55 million against purchase of energy meters.

2010-2011

Taka

2009-2010

Taka

11.2 This includes provision of Tk 791.16 million for LME price adjustment against imported materials under ADB loan. It is also noted that the above provision amount (Tk.791.16 million) is against five (5) parties among them two (2) parties sued in favor of their claim.

12 CREDITORS FOR OTHER FINANCE

Vat collected against electricity bills	100,005,541	89,561,893
Tax / Vat deducted from contractors, suppliers & others	2,427,066	8,650,473
Retention money (contractors & suppliers)	28,444,822	28,683,883
Receipts against Deposit Works	660,665,000	410,665,000
Unpaid Dividend	350,958,286	205,322,172
Others	4,476,144	5,037,388
Total:	1,146,976,859	747,920,808

13 CREDITORS FOR EXPENSES

Audit Fees	194,025	172,025
Contribution to Provident Fund	-	3,722,666
Contribution to Gratuity Fund	251,078	(223,819)
Line maintenance & commercial services and others	98,450,937	60,520,359
BERC sales charge	21,049,916	14,904,525
Total:	119,945,956	79,095,756

14 CURRENT MATURITY OF LONG TERM LOANS

ADB Loan No-1505 (Note-14.1)	122,633,253	55,098,135
ADB Loan No-1731 (Note-14.2)	175,994,696	170,931,146
GOB Loan No- 2332 (Note-14.3)	64,778,527	31,250,480
Total:	363,406,475	257,279,761

14.1 ADB (Loan No 1505)

	2010-2011		2009-2010	
	\$	Taka	\$	Taka
Balance at 01 July	792,779	55,098,135	768,927	53,102,098
Transferred from long term loan	1,934,222	144,969,970	899,490	62,514,528
	2,727,001	200,068,105	1,668,417	115,616,626
Paid during the year	(1,090,801)	(78,101,321)	(900,786)	(62,514,528)
	1,636,201	121,966,784	767,631	53,102,098
Adjustment as per ADB Schedule			25,148	1,747,788
Exchange loss/(gain)	-	666,469	-	248,249
Balance at 30 June	1,636,201	122,633,253	792,779	55,098,135

14.2 ADB (Loan No 1731)

	2010-2011		2009-2010	
	\$	Taka	\$	Taka
Balance at 01 July	2,459,441	170,931,146	2,463,795	170,149,705
Transferred from long term loan	2,236,882	167,654,288	1,781,078	123,785,020
	4,696,323	338,585,434	4,244,874	293,934,725
Paid during the year	(2,348,161)	(168,128,355)	(1,783,646)	(123,785,020)
	2,348,161	170,457,079	2,461,228	170,149,705
Adjustment as per ADB Schedule	-	-	(1,787)	(124,195)
Exchange loss/(gain)	-	5,537,617	-	905,636
Balance at 30 June	2,348,161	175,994,696	2,459,441	170,931,146



	2010-2011 Taka	2009-2010 Taka
14.3 GOB Loan		
Balance at 01 July	31,250,480	31,250,481
Transferred from long term loan	98,306,577	48,890,965
	129,557,057	80,141,446
Paid during the year	(64,778,530)	(48,890,966)
Balance at 30 June	64,778,527	31,250,480
15 ACCRUED INTEREST ON LOANS		
Interest payable on ADB Loan (15.1)	509,637,605	345,496,869
Interest payable on 40% (Debt Portion) of GOB Loan(15.2)	6,994,537	13,990,324
Total:	516,632,143	359,487,193
15.1 Interest on ADB loan		
Balance at 01 July	345,496,869	454,592,505
Interest accrued during the year	265,064,912	204,070,868
	610,561,781	658,663,373
Paid during the year	(100,924,176)	(158,638,591)
Adjustment against DSL	-	(154,527,913)
Balance at 30 June	509,637,605	345,496,869
15.2 Interest on GOB Loan		
Balance at 01 July	13,990,324	34,084,675
Interest accrued during the year	12,786,355	17,129,177
	26,776,679	51,213,852
Paid during the year	(19,782,142)	(37,223,528)
Balance at 30 June	6,994,537	13,990,324
16 PROVISION FOR INCOME TAX		
Balance at 01 July	405,311,657	718,119,385
Provided during the year -Note-35.1	501,296,533	149,037,371
	906,608,190	867,156,756
Payment/Adjustment during the year (Note-16.1)	(361,808,694)	(461,845,099)
Balance at 30 June	544,799,496	405,311,657
16.1 As Assessment upto FY- 2009-2010 (AY- 2010-2011) has been finalized the excess provision of Tk. 361,808,694 has been adjusted against advance income tax.		
17 SHARE CAPITAL		
Authorized		
50,000,000 Nos ordinary shares @ Tk. 100 each	5,000,000,000	5,000,000,000
Issued , subscribed and paid up		
750,000 Nos Ordinary shares @ Tk 100 each, fully paid up in cash	75,000,000	75,000,000
11,961,940 Nos. Ordinary shares @ Tk. 100 each for consideration against Mirpur area assets taken over from DESA	1,196,194,000	1,196,194,000
8110217 Nos.Ordinary shares @ Tk.100 each issued as Bonus	811,021,772	330,510,440
20,822,157 Nos. of shares @ Tk. 100 each	2,082,215,772	1,601,704,440

As per SEC notification no.SEC/CM RRCD/2009-193/109, dated: 15/09/2011, the face value of shares of the company will be changed from Tk. 100/- per share to Tk. 10/- per share with effect from 30 November, 2011.



2010-2011
Taka

2009-2010
Taka

17.1 Composition of Shareholding

The composition of Share holding as of 30th June 2011 is as follows:

	No of Share Holders	Number of Share	% of Share
Sponsors (DESA)	7	15,616,611	75.00%
General Public	5252	1,510,068	7.25%
Investor A/C	53	1,312,375	6.30%
Mutual Fund	29	270,233	1.30%
Unit Fund	3	427,029	2.05%
Local Company	309	1,560,366	7.49%
Foreign Company	7	125,475	0.60%
	5660	20,822,157	100.00%

17.2 Distribution Schedule

The distribution Schedule as of 30 June,2011 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 500	4910	86.75%	478,868	2.30%
501 to 5000	641	11.33%	907,620	4.36%
5001 to 10000	43	0.76%	302,254	1.45%
10001 to 20000	29	0.51%	413,165	1.98%
20001 to 30000	13	0.23%	319,621	1.54%
30001 to 40000	5	0.09%	175,537	0.84%
40001 to 50000	4	0.07%	194,354	0.93%
50001 to 100000	8	0.14%	646,125	3.10%
100001 to 1000000	6	0.11%	1,768,026	8.49%
1000001 to 10000000	1	0.02%	15,616,587	75.00%
	5660	100%	20,822,157	100%

18 SHARE MONEY DEPOSIT

75,000,000

75,000,000

The amount was received from erstwhile DESA against shares of the company which have not yet been issued.

19 GOB EQUITY

1,552,140,000

1,552,140,000

This represents loan received from the Government from time to time under Annual Development Program (ADP) of which 60% is "Govt. Equity" the balance 40% is soft loan. In the absence of any Govt. directive, no share have been issued against such equity.

20 RETAINED EARNINGS

Balance at 01 July	5,531,011,195	3,757,874,232
Prior year's adjustment - Note-37	(78,598,146)	(15,593,672)
Net Profit for the year	1,478,338,572	1,788,730,635
	6,930,751,621	5,531,011,195
Dividend paid/ Bonus issued for FY 2009-2010	(720,766,998)	-
Balance at 30 June	6,209,984,623	5,531,011,195



21 LONG TERM LOANS

(a) Loan from Asian Development Bank (ADB)

	2010-2011 Taka	2009-2010 Taka
Loan No 1505 - Note 21.1	776,677,288	854,629,533
Loan No 1731 - Note 21.2	1,319,045,927	1,378,594,566
Loan No 2332 - Note 21.3	5,095,592,262	3,825,305,866
Sub-Total:	7,191,315,478	6,058,529,964

(b) Loan from Government of Bangladesh (GOB)

	2010-2011 Taka	2009-2010 Taka
Loan No (1505 & 1731) Note 21.4	173,926,678	272,233,255
Loan No 2332: Note 21.5	151,745,344	151,745,344
Sub-Total:	325,672,022	423,978,599
Total	7,516,987,500	6,482,508,563

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

This has been arrived at as under

	2010-2011		2009-2010	
	\$	Taka	\$	Taka
Balance at 01 July	12,296,828	854,629,533	14,678,600	1,013,704,086
Drawn	-	-	-	-
	12,296,828	854,629,533	14,678,600	1,013,704,086
Adjustment against DSL	-	-	(1,482,282)	(103,018,609)
Transferred to Current Liability	(1,934,222)	(144,969,970)	(899,490)	(62,514,528)
	10,362,605	709,659,563.0	12,296,828	848,170,949
Adjustment as per ADB Schedule	-	-	-	-
Exchange loss	-	67,017,725	-	6,458,584
Balance at 30 June	10,362,605	776,677,288	12,296,828	854,629,533

- (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.
- (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 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 semi-annually on June 15 and December 15, 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

	2010-2011		2009-2010	
	\$	Taka	\$	Taka
Balance at 01 July	19,835,893	1,378,594,566	21,616,972	1,492,868,118
Add Drawn	-	-	-	-
	19,835,893	1,378,594,566	21,616,972	1,492,868,118
Transferred to Current Liability	(2,236,882)	(167,654,288)	(1,781,079)	(123,785,020)
	17,599,011	1,210,940,278	19,835,893	1,369,083,098
Exchange loss	-	108,105,649	-	9,511,468
Balance at 30 June	17,599,011	1,319,045,927	19,835,893	1,378,594,566

- 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.
- 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.
- DESCO shall pay interest to the Government in local currency interest at the rate of 4% per annum 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 on semi-annual basis, (i.e. January 15 and July 15, in each year).
- The term of the project under which the loan was sanctioned expired on 30th June, 2006.

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

This has been arrived at as under

	2010-2011		2009-2010	
	\$	Taka	\$	Taka
Balance at 01 July	55,040,372	3,825,305,866	34,248,949	2,365,232,429
Add Drawn	12,946,183	935,249,684	20,791,423	1,445,003,887
	67,986,555	4,760,555,549	55,040,372	3,810,236,316
Exchange loss	-	335,036,713	-	15,069,550
Balance at 30 June	67,986,555	5,095,592,262	55,040,372	3,825,305,866

- 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.
- 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 rate 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 (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.



	2010-2011 Taka	2009-2010 Taka
(iii) DESCO shall pay interest to the Government in local currency at the rate of 4% per annum. Such interest shall be calculated on the total principal amount outstanding of the subsidiary loan. The interest is payable on semi-annual basis, (i.e. May 1 and November 1, in each year).		
(iv) 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

	2010-2011	2009-2010
Balance at 01 July	272,233,255	321,124,219
Received during the year	-	-
	272,233,255	321,124,219
Transferred to Current Liability	(98,306,577)	(48,890,965)
Balance at 30 June	173,926,678	272,233,255

- (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, and is repayable as per Debt Service Liability (DSL) schedule provided by the Government.

21.5 Loan from GOB (2332)

	2010-2011	2009-2010
Balance at 01 July	151,745,344	175,708,184
Received during the year	-	-
	151,745,344	175,708,184
Unutilized fund refunded during the year	-	(23,962,840)
Balance at 30 June	151,745,344	151,745,344

- (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, and is repayable as per Debt Service Liability (DSL) schedule provided by the Government.

22 DUE TO DESA FOR ASSETS TAKEN OVER

	2010-2011	2009-2010
22.1 Area wise break-up is as under:	4,039,671,539	4,039,671,539
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
Balance at 30 June	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 is under finalization.

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



	2010-2011 Taka	2009-2010 Taka
23 CONSUMER SECURITY DEPOSITS		
Balance at 01 July	854,525,049	734,013,930
Received during the year	101,047,208	137,853,471
	955,572,258	871,867,401
Refunded during the year	(4,638,318)	(17,342,352)
Balance at 30 June	950,933,940	854,525,049

24 ENERGY SALES: TAKA

	Tariff	%		
Domestic	A	43.52	5,349,808,431	4,734,475,071
Agricultural Pump	B	0.003	368,723	441,669
Small Industries	C	4.24	521,129,132	478,784,701
Non-Residential	D	0.62	76,202,845	130,852,013
Commercial & Office	E	13.15	1,616,237,757	1,422,955,378
Medium Voltage	F	34.77	4,273,504,701	3,717,263,712
High Voltage (33kv & above)	H	0.05	6,145,391	8,009,733
REB High Voltage	I	0.33	40,559,579	33,781,348
Street Light, Pump	J	0.31	38,101,422	33,977,519
Construction & others	2E	3	368,723,443	250,433,082
Total		100%	12,290,781,425	10,810,974,226

24.1 Energy Sales -Unit

	Tariff	%	Unit (Mkwh)	Unit (Mkwh)
Domestic	A	49.24%	1,402.45	1,315.77
Agricultural Pump	B	0.01%	0.16	0.19
Small Industries	C	4.19%	119.30	117.52
Charitable Organization	D	0.79%	22.39	38.83
Commercial & Office	E	9.80%	279.18	258.42
Medium Voltage	F	34.01%	968.60	898.77
Very High Voltage	H	0.04%	1.12	1.54
REB High Voltage	I	0.54%	15.51	12.81
Street Light, Pump	J	0.30%	8.53	8.14
Construction & others	2E	1.09%	31.14	21.70
Total		100%	2,848.38	2,673.69

25 OTHER OPERATING REVENUE

	2010-2011	2009-2010
	184,827,800	178,217,188

This represents application fee, disconnection / reconnection fees, cost of materials realized, meter testing fees, meter rent etc.

26 ENERGY PURCHASE

2010-2011		2009-2010	
Unit (KWH)	Taka	Unit (KWH)	Taka
3,122,746,012	8,801,828,794	2,938,444,536	7,845,646,912

26.1 Electricity is purchased solely from Bangladesh Power Development Board (BPDB) at the rate of Tk. 2.4452 per kwh which has been enhanced to tk 2.7825/ kwh effective from 1 February-2011. The company also pays wheeling charge to Power Grid Co. Ltd (PGCB) at Tk 0.2291 per kwh.



	2010-2011 Taka	2009-2010 Taka
27 OPERATING EXPENSES		
Commercial operation support services	83,739,170	94,690,644
Schedule & preventive maintenance	106,353,877	87,824,336
Special Action Team & Collection Drive	519,686	491,310
Consultancy Fees for staking sheet	2,002,545	1,839,355
Maintenance of distribution of line & equipment	88,863,134	53,076,253
R&M of Grid Sub-station/sub-station	33,465,945	18,218,015
Repair & Maintenance of Transformer	26,930,735	28,702,913
Meter & Service cable issue	7,362,058	6,625,790
Revenue Stamp Charge Against Consumer Bill	20,730,331	15,344,756
System Operating Fee BEREC (Note 27.1)	6,145,391	7,506,896
	376,112,872	314,320,268
Less: Receipt against Deposit Work	158,281,958	70,339,050
Total	217,830,914	243,981,218

27.1 This represents provision at 0.05% of net sales value as "annual system operating fees" payable to Bangladesh Energy Regulatory Commission (BERC) as per BERC rules.

	2010-2011 Taka	2009-2010 Taka
28 ADMINISTRATION EXPENSES		
Audit Fees	195,000	150,000
Advertisement & Notices	19,281,013	8,027,742
Annual Picnic	1,076,895	817,130
Annual General Meeting	3,678,928	2,776,247
Bank charges	2,606,411	2,637,217
Conveyance	1,362,981	1,479,238
Cleaning Expenses	729,322	712,814
Directors' Fees(Note 28.1)	1,782,500	661,250
Electricity, gas & water	14,010,236	12,120,722
Entertainment	5,126,967	3,721,508
Fuel for Vehicles	12,651,455	12,084,951
Honorarium to various committee members	2,446,400	2,278,320
Insurance of vehicles	1,201,344	992,857
Legal & Professional fees	2,080,295	1,488,750
Newspaper & Periodicals	355,955	363,732
Office maintenance	2,506,410	3,097,642
Office Rent	14,907,125	11,393,848
Office Security	17,419,141	15,978,818
Postage , telephone & internet	5,362,510	5,571,846
Printing & Stationery	11,165,993	10,732,975
Rates & Taxes	964,431	688,280
Repair & Maintenance of Non operating Assets	7,284,103	6,538,072
Repair & Servicing of Vehicle	5,810,927	5,069,386
Recruitment Expenses	1,587,770	-
Inspection ,Survey & Consultancy fees	2,258,814	1,670,661
Staff Training	1,734,462	2,171,783
Listing Fee & annual charges	2,815,034	2,063,513
Transport (hired)	12,640,152	8,140,645
Corporate Social Expenses	3,775,400	2,318,608
BERC license fee	2,500,000	-
Miscellaneous	258,344	411,422
Total	161,576,317	126,159,977

28.1 Directors are entitled to a fee of Tk 5,000 for attending each Board meeting.



	2010-2011 Taka	2009-2010 Taka
29 EMPLOYEES EXPENSES		
Salary & allowances (Note - 29.1)	388,268,343	388,071,953
Festival Bonus	34,766,594	23,853,677
Incentive Bonus	56,512,794	87,651,577
Company's Contribution to provident fund	23,741,917	19,836,915
Company's Contribution to gratuity fund	32,896,502	84,754,951
Group Insurance premium	1,957,546	533,389
Electricity/ telephone expense reimbursed (Note - 29.2)	5,797,443	2,877,166
Medical Expense reimbursed (Note - 29.2)	30,976,876	11,249,076
Uniform	96,485	189,825
Total:	575,014,500	619,018,529

29.1 Remuneration of Directors and Executives:

	2010-2011 Taka		2009-2010 Taka	
	Directors	Executives	Directors	Executives
Salary and Bonus	4,620,733	99,511,533	5,876,619	108,611,861
House rent	1,815,355	44,921,021	1,925,236	42,847,380
Provident Fund	347,974	12,288,000	385,048	7,902,638
Total:	6,784,062	156,720,554	8,186,903	159,361,879

29.2 Electricity bills and medical expense are reimbursed on actual basis to employees, subject to ceiling.

30 INTEREST INCOME

Interest earned on STD/FDR	672,679,261	803,683,195
Late Payment Charge	108,419,633	68,400,295
Total:	781,098,894	872,083,490

31 INTEREST EXPENSES

Interest Expense against ADB loan	265,064,912	204,070,868
Interest Expense against GOB loan	12,786,355	17,129,177
Total:	277,851,267	221,200,045

32 EXCHANGE (LOSS)

(516,364,173)	(32,193,487)
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Exchange fluctuation loss of Tk.516,364,173/- has arisen out of translation of foreign currency loan (in dollar) into taka at balance sheet date at the rate of Tk.74.95/\$1 (2009-10: at Tk.69.50/\$1) and has been recognized as expenses as per BAS-21.

33 MISCELLANEOUS INCOME

Sale of tender documents	862,000	445,600
Sale of obsolete store materials	434,793	2,157,685
Total:	1,296,793	2,603,285

34 DEPRECIATION

Depreciation (Operating)	659,587,005	566,749,957
Depreciation (Non operating)	45,337,476	41,347,127
Total:	704,924,481	608,097,084



35 INCOME TAX

	2010-2011 Taka	2009-2010 Taka
Current Tax Provision (35.1)	501,296,533	149,037,371
Deferred Tax Provision (35.2)	40,961,421	223,544,475
Tax Expenses	542,257,954	372,581,846

35.1 The Company's income tax assessment up to the FY 2009-2010 (AY 2010-2011) has been completed and agreed upon. The details of current tax calculation are given below:

Profit before tax as per income statement	2,020,596,526	2,161,312,481
Add: Accounting depreciation	704,924,481	608,097,084
Add: Bad debt Provision	13,154,539	12,007,263
Add: Corporate Social Expenses	3,775,400	-
	2,742,450,945	2,781,416,828
Less: Depreciation as per 3rd Schedule of Tax Ordinance, 1984.	(899,740,262)	(1,307,556,256)
Less: Capital Gain on sale of Investment.	(31,136,600)	-
	1,811,574,083	1,473,860,572
Current Tax (at 27.5%)	498,182,873	405,311,657
Capital Gain Tax (at 10%)	3,113,660	-
	501,296,533	405,311,657
Less: Previous year excess provision written back	-	(256,274,286)
Current tax expenses	501,296,533	149,037,371

35.2 Deferred Tax Provision

Balance at 01 July	1,213,835,706	990,291,231
Provision for the year	40,961,421	223,544,475
Balance at 30 June	1,254,797,127	1,213,835,706
Deferred tax provision has been arrived as under		
Carrying amount of assets	8,352,974,008	8,440,892,392
Tax base amount of assets	3,790,075,365	4,026,944,367
Temporary Difference	4,562,898,643	4,413,948,025
Effective Tax Rate @ 27.50%		
Total Deferred tax Provision required	1,254,797,127	1,213,835,706
Already provided up to last year	1,213,835,706	990,291,231
Deferred tax Provision during the year	40,961,421	223,544,475

36 EARNING PER SHARE (EPS)

Earning Per Share

Earning attributable to Ordinary Shareholders (Tk)	1,478,338,572	1,788,730,635
Number of shares outstanding	20,822,158	20,822,158
Basic Earning Per Share (Tk)	71.00	85.91

37 ADJUSTMENT RELATED TO PREVIOUS YEAR

Energy purchase for previous year payable to DESA	-	(18,221,560)
Interest income of ICB Islamic Bank (former Oriental Bank Ltd.)	-	4,251,481
Employee (Salary & Others Benefits) (Note: 37.1)	(40,278,232)	-
Operating & Administrative Expenditure of previous year adjusted	(185,722)	-
Annual License fee of BERC for 2009	(2,500,000)	-
Utility Expenses for previous year paid this year	(14,614,304)	-
Loss for stolen Transformer in previous year accounted for this year	(14,559,608)	-
PFC Charge of previous year paid to PDB	(6,842,469)	-
Bank Interest accounted for	382,189	-
Exchange fluctuation loss of prior year	-	(1,623,593)
Total	(78,598,146)	(15,593,672)

2010-2011
Taka

2009-2010
Taka

37.1 Employee arrear Salary and fringe benefits arising from revised Salary structure effective from 1st July, 2009, was paid this year.

38 SUBSEQUENT EVENTS-DISCLOSURES UNDER BAS 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 27, 2011 recommended cash dividend of Tk 10/- per share and stock dividend @ 25%, i.e. 01 bonus share for every 04 existing shares held at record date for the year ended June 30, 2011. Thus, total amount of cash and stock dividends is Tk 728,775,520/-. The dividend proposal is subject to shareholders' approval at the forthcoming 15th 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

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

39.2 An aggregate amount of Tk.49,110,724 claimed by BPDB as shown below is disputed by the company.

Particulars	(Tk.)
Arrear Energy bill (November, '05 to May '07)	13,198,386
Arrear Surcharge	26,160,734
PFC Charge (March'11 to June'11)	9,751,604
Total	49,110,724

39.3 The tax authority has claimed an additional tax amount of Tk 40.08 crore for non deduction of tax at source from PGCB bills for the FY 2005-06, 2006-07 and 2007-08 which has yet to be settled.

40 CREDIT FACILITY AVAILED

No credit facility existed under any contract as on June 30, 2011 other than trade credit available in the ordinary course of business.

41 CAPITAL COMMITMENT

41.1 The Company has entered into various contracts for construction works, substations, land development, installation, renovation dismantling O/H and U/G cables, etc. amounting to Tk 2,983 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

1024	993
Nil	Nil
1024	993

43 GENERAL

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

sd/-
Company Secretary

sd/-
Director (Finance)

sd/-
Director

sd/-
Managing Director

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

Dhaka, 31 October, 2011

sd/-
Aziz Halim Khair Choudhury
Chartered Accountants

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

As at 30 June 2011

ANNEXURE-1

Sl No.	Category of Assets	Note	COST			Rate	DEPRECIATION				Written down value as on 30-06-10	
			Balance as on 01-07-10	Addition during the year	Adjustment for disposal		Total as on 30-06-2011	Balance as on 01-07-10	Charged during the year	Adjustment for disposal		Total as on 30-06-11
1	Land	1	907,749,028	3,721,957	-	911,470,985	-	-	-	911,470,985	907,749,028	
2	Building	2	169,141,408	12,102,773	-	181,244,181	2.50%	5,773,759	-	43,014,800	138,229,381	131,900,367
3	Motor Vehicles	-	122,043,875	-	-	122,043,875	20%	24,408,775	-	120,729,525	1,314,350	25,723,125
4	Furniture & Fixture	-	25,006,945	2,697,573	-	27,704,518	10%	2,588,070	-	14,829,638	12,874,880	12,765,377
5	Office Equipment	3	114,537,643	11,101,845	(73,376)	125,566,112	15%-20%	18,340,631	(22,865)	94,029,788	31,536,324	38,825,621
6	Distribution Equipment	4	3,230,945,075	237,086,581	(30,783,722)	3,437,247,934	2%-10%	846,735,668	(11,963,877)	1,030,155,652	2,407,092,282	2,384,209,407
7	Distribution Line	5	7,366,113,618	369,165,724	-	7,735,279,342	2%-10%	2,426,394,151	-	2,884,823,536	4,850,455,806	4,939,719,467
	Total		11,935,537,592	635,876,453	(30,857,098)	12,540,556,947		704,924,481	(11,986,742)	4,187,582,940	8,352,974,008	8,440,892,392

Note:

- 1) Addition to land represents cost for land development at Dhamalkot and CAAB sub-station at Uttara.
- 2) Building includes Store Godown Sheds, Boundary Wall.
- 3) Office Equipment comprise Communication Equipment , Computer & Peripherals , Electric and Store Equipment etc.
- 4) Addition to Distribution Equipment includes installation of 752 Nos. of Distribution Transformer, 924.09 Km Conductor and 267.59 Km Service Cable etc.
- 5) During the year 70.04 Km of 11KV & 11/0.4 KV overhead and 14.69 Km of 33KV underground line was laid.

TARIFF

RETAIL TARIFF

Sl. No.	Tariff Category	Consumption Slab	Present Tariff (from February 01, 2011) Taka/KWH
1.	Domestic-A	i) from 00 to 100 units	2.60
		ii) from 101 to 400 units	3.46
		iii) above 400 units	5.93
2.	Agriculture-B		1.93
3.	Small Industries-C	i) Flat	4.56
		ii) Off-peak hour	3.67
		iii) Peak hour	6.24
4.	Non Residential-D (Charitable Industry)		3.35
5.	Commercial -E	i) Flat	5.85
		ii) Off-peak hour	4.25
		iii) Peak hour	8.87
6.	Medium Voltage-F (11 KV)	i) Flat	4.37
		ii) Off-peak hour	3.60
		iii) Peak hour	7.47
8.	High Voltage-H (33 KV)	i) Flat	4.11
		ii) Off-peak hour	3.49
		iii) Peak hour	7.16
9.	Street Light and Pump-J		4.17

BULK PURCHASE TARIFF

Sl. No.	Tariff Category	Present Tariff (from December 01, 2011) Taka/KWH
1.	BPDB to DESCO (for energy)	3.6050
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 15th Annual General Meeting of the Company to be held on Sunday, the 15th January, 2012
at 11.00 am. at Bashundhara Convention Center 2, Bashundhara Residential Area, Baridhara, Dhaka and at any adjournment thereof.
As witness my hand this day of, 2011.

Affix
Revenue
Stamp

(Signature of the Shareholder)

(Signature of the Proxy)

BO ID No. :

BO ID No. :

Date:

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 13th January, 2012 within office hours.

Signature Verified

Authorized Signatory

Dhaka Electric Supply Company Ltd. (DESCO)

ATTENDANCE SLIP

I hereby record my attendance at the 15th Annual General Meeting being held on Sunday, the 15th January, 2012 at 11.00 am. at Bashundhara Convention Center 2, Bashundhara Residential Area, Baridhara, Dhaka

BO ID No. :

Name of the Shareholder/Proxy

Signature

Date:

Note: Please present this slip at the Reception Desk.

DHAKA ELECTRIC SUPPLY COMPANY LIMITED

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