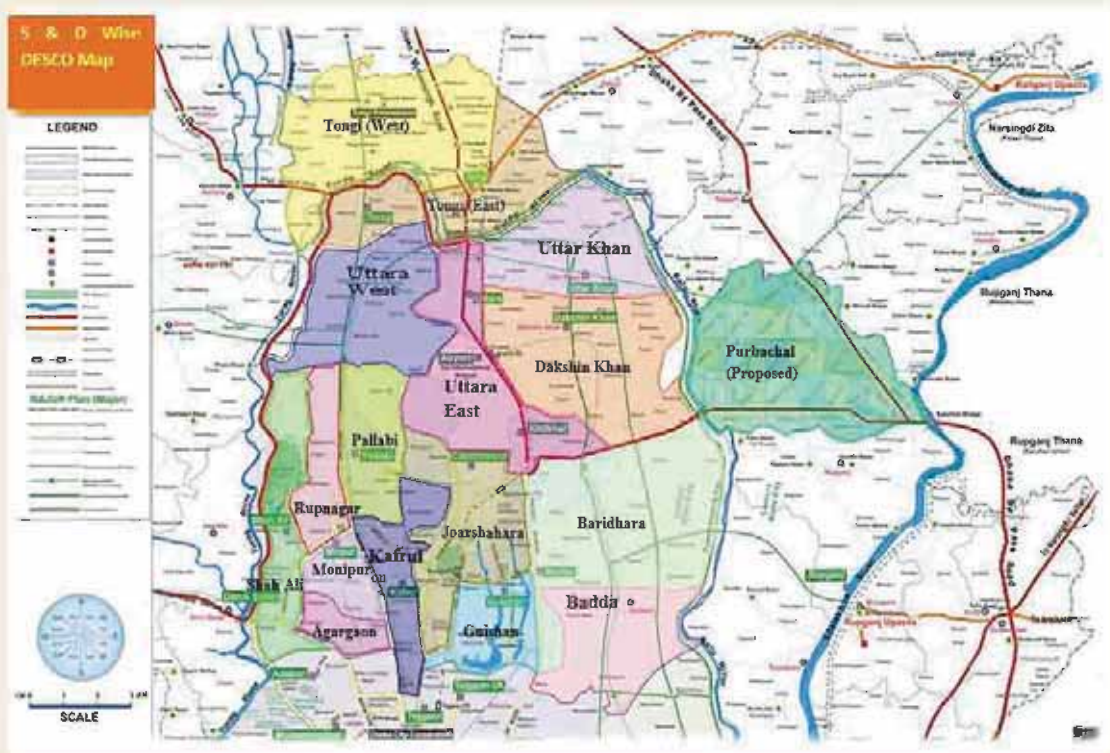


ANNUAL REPORT 2013

DHAKA ELECTRIC SUPPLY COMPANY LIMITED

DESCO AREA MAP



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DESCO

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Notice



**NOTICE OF
THE 17TH ANNUAL
GENERAL MEETING**



DHAKA ELECTRIC SUPPLY COMPANY LTD.

Registered Office:

22/B, Faruk Sarani, Nikunja-2
Khilkhet, Dhaka-1229.

Visit us at : www.desco.org.bd

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

This is for notification of all concerned that the 17th Annual General Meeting (AGM) of Dhaka Electric Supply Company Ltd. (DESCO) will be held on Saturday, January 04, 2014 at 10:00 a.m. at Trust Milonayoton, 545, Old Airport Road, Tejgaon, Dhaka-1206 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, 2013 together with the Auditors' Report thereon.
2. To declare Dividend for the year ended June 30, 2013 as recommended by the Board of Directors.
3. To elect/re-elect the Directors.
4. To appoint Auditors for the year 2013-14 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/-

Md. Shofiqul Islam

Company Secretary

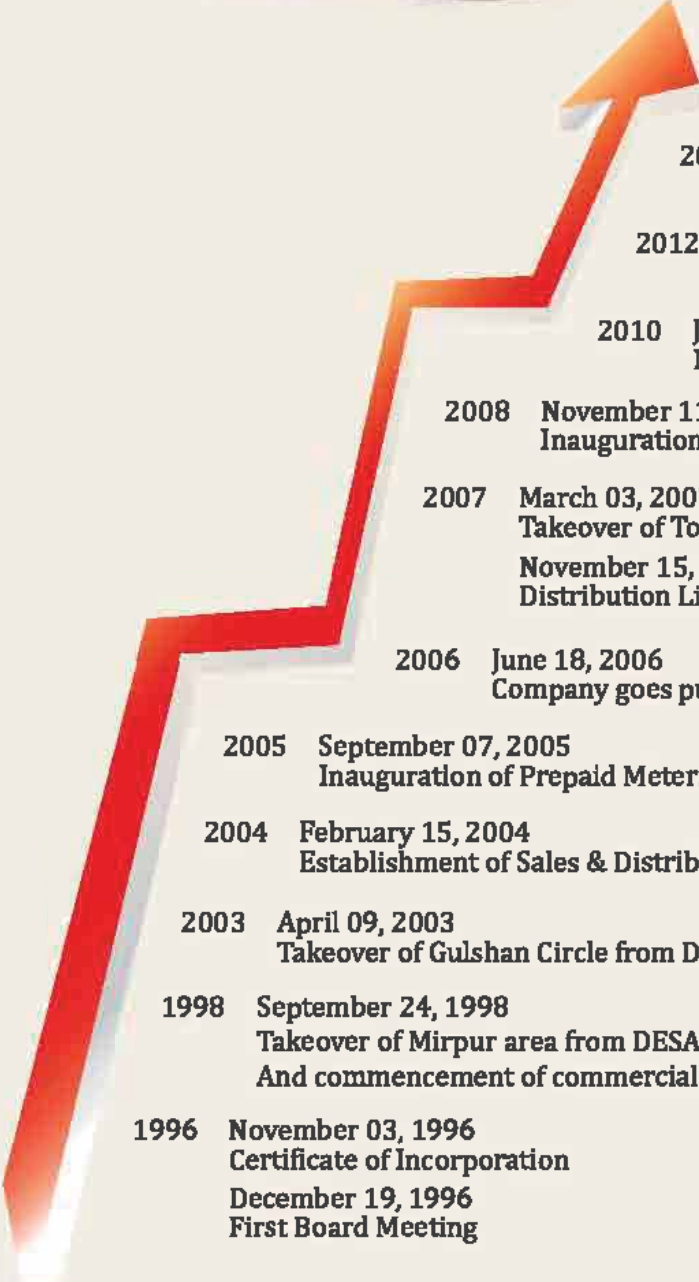
Date: December 10, 2013

Notes:

1. Members, whose names appear on the Members/Depository Register as on 'Record Date' i.e. 05/11/2013, 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-2013, duly filled, signed and stamped by revenue stamp of Tk. 20/- must be deposited at the Registered Office of the Company not later than 72 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 10:00 a.m. on the meeting day.



MILESTONES

- 
- 2013** July 22, 2013
Online Application for Recruitment
 - 2012** February 23, 2012
Online Application for New Connection
 - 2010** June 04, 2010
Introduction of Online Bill Payment System
 - 2008** November 11, 2008
Inauguration of Data Acquisition System
 - 2007** March 03, 2007
Takeover of Tongl Pourashava Area
November 15, 2007
Distribution License from BERC
 - 2006** June 18, 2006
Company goes public
 - 2005** September 07, 2005
Inauguration of Prepaid Metering System
 - 2004** February 15, 2004
Establishment of Sales & Distribution (S&D) Divisions
 - 2003** April 09, 2003
Takeover of Gulshan Circle from DESA
 - 1998** September 24, 1998
Takeover of Mirpur area from DESA
And commencement of commercial operation
 - 1996** November 03, 1996
Certificate of Incorporation
December 19, 1996
First Board Meeting



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 of 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 2012-2013

Chairman and Managing Director



Md. Mofazzel Hossain
Chairman, DESCO Board



Engr. Md. Arjad Hossain
Managing Director

Directors



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



Foiz Ahmed
Additional Secretary
Power Division, Ministry of
Power Energy and
Mineral Resources (Till: 11/09/2012)



Begum Salma Benthe Kadir
Joint Secretary, Legislative &
Parliamentary Affairs Division
Ministry of Law, Justice &
Parliamentary Affairs



Dr. M. M. Shahidul Hassan
Professor
Dept. of Electrical and
Electronics Engineering, BUET
(Till 14/11/2012)



Engr. S. R. Akhter
Superintending Engineer (Retd.)



Engineer Mohammad Harun
Proprietor, Regal Enterprise



Big.Gen.(Retd) Md. Nazrul Hasan
Managing Director
Dhaka Power Distribution
Company Limited (DPDC)



Dr. M. Mahfuzul Islam
Professor, Department of
Computer Science and Engineering, BUET
(From: 15/11/2012)



Md. Nurul Alam
Personal Secretary (Deputy Secretary)
to the Hon'ble State Minister,
Ministry of Power, Energy &
Mineral Resources
(From: 12/09/2012)



A. K. M. Humayun Kabir
Deputy Secretary (Company Affairs)
Power Division, Ministry of Power,
Energy & Mineral Resources.



Engr. Shah Khaled Reza
Retired Lt. Colonel

CORPORATE DIRECTORY

Managing director	Engr. Md. Arjad Hossain
Executive director (Finance & Accounts)	Mr. Md. Rofi Uddin
Company secretary	Engr. Md. Shofiqul Islam
Tax advisor	Rahman Mostafa Alam & Co. Chartered Accounts
Legal advisor	Sheikh & Chowdhury Barristers. Advocates
Auditors	M/s. Saha Mazumder & Company Chartered Accounts

CORPORATE HEAD OFFICE

22/B Faruk Sarani, Nikunja-2
Khilkhet, Dhaka-1229
PABX: 8900110-11, 8900220-23
Fax: 8900100
E-mail: info@desco.org.bd
www.desco.org.bd



MIRPUR ZONE

AGARGAON :	E-10, Agargan, Sher-E-Bangla Nagar, Dhaka- 1207 Phone: 8181485, 8181486 Fax: 8181484 E-mail: agargaon.sdd@desco.org.bd Complain: 9144714, 9101340
KAFRUL :	House # 4, Road # 17, Block # C, Section # 10, Mirpur, Dhaka-1216 Phone: 8021344, Fax: 8035068 E-mail: kafrul.sdd@desco.org.bd Complain: 9001119
MONIPUR :	House # 4, Road # 17, Block # C, Section # 10, Mirpur, Dhaka-1216 Phone: 9007709, 9014846 E-mail: monipur.sdd@desco.org.bd Complain: 9001119
PALLABI :	House # 4, Road # 17, Block # C, Section # 10, Mirpur, Dhaka-1216 Phone: 9002026, Fax: 8035657 E-mail: pallabi.sdd@desco.org.bd Complain: 9001051
SHAH ALI :	As-salam Tower, Plot # 82 & 83, Dhaka National Zoo Road Block # A, Section # 2, Mirpur, Dhaka-1216 Phone: 9016619, 8034059 Fax: 8054182 E-mail: shahali.sdd@desco.org.bd Complain: 9144714
RUPNAGAR :	Plot # 1/1, Road # 7, Section # 7, Pallabi, Mirpur, Dhaka-1216 Phone: 8055527, 8050080 Fax: 9020136 E-mail: rupnagar.sdd@desco.org.bd Complain: 9001051

GULSHAN ZONE

GULSHAN :	House # 47, Road # 134, Gulshan-1, Dhaka-1212 Phone: 8859493, 8825759 Ext. 101 Fax: 9859397 E-mail: gulshan.sdd@desco.org.bd Complain: 9895045, 9895120
BARIDHARA :	Plot # 4, Road # 1/A, Block # J, Notun Bazar, Baridhara, Dhaka Phone: 9895117, 9882521 Ext. 222, Fax: 8855244 E-mail: baridhara.sdd@desco.org.bd Complain: 9883598, 9888965
JOAR SHAHARA :	House # 47, Road # 134, Gulshan-1, Dhaka-1212 Phone: 8859493, 8825759 Ext. 111 Fax: 9859397 E-mail: joarshahara.sdd@desco.org.bd Complain: 9895045, 9895120
BADDA :	Plot # 4, Road # 1/A, Block # J, Notun Bazar, Baridhara, Dhaka Phone: 9895117, 9882521 Ext. 310, Fax: 8855244 E-mail: badda.sdd@desco.org.bd Complain: 9883598, 9888965

UTTARA ZONE

UTTARA (East) :	20/21, Shahjalal Avenue, Sector # 6, Uttara, Dhaka-1230 Phone: 8959146, 8957656, 7911262 Ext. 101, 105 Fax: 8959145 E-mail: uttara.sdd@desco.org.bd Complain: 8914265, 8919574
UTTARA (West) :	20/21, Shahjalal Avenue, Sector # 6, Uttara, Dhaka-1230 Phone: 8959146, 8957656, 7911262 Ext. 124 Fax: 8959145 E-mail: uttara.sdd@desco.org.bd Complain: 8914265, 8919574
DAKKHIN KHAN :	Dag # 3504, Mollah Para, Dakkhinkhan, Dhaka-1230 Phone: 8911289, 8912389 Ext. 101 Fax: 8912309 E-mail: dakkhinkhan.sdd@desco.org.bd Complain: 8912398, 8999470
UTTAR KHAN :	Dag # 3504, Mollah Para, Dakkhinkhan, Dhaka-1230 Phone: 8911289, 8912389 Ext. 121 Fax: 8912309 E-mail: uttarkhan.sdd@desco.org.bd Complain: 8912398, 8999470
TONGI (East) :	Squib Road, Cherag Ali, Tongi, Gazipur Phone: 9815903, Fax: 9810162 E-mail: tongieast.sdd@desco.org.bd Complain: 9815904
TONGI (West) :	Squib Road, Cherag Ali, Tongi, Gazipur Phone: 9815921, Fax: 9815922 E-mail: tongiwest.sdd@desco.org.bd Complain: 9817637, 9811083

TECHNICAL & COMMERCIAL HIGHLIGHTS



TECHNICAL HIGHLIGHTS

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
33/11 KV Sub-station (No.)	21	21	22	25	26
Capacity of 33/11 KV Sub-Station	760/1064	770/1078	880/1232	980/1372	1080/1512
Maximum Demand (MW)	545	622	640	715	726
33KV Overhead Line (KM)	82.8	82.8	82.8	82.8	82.8
33KV Underground Line (KM)	184.84	208.37	215.88	294.61	316.19
11KV Overhead Line (KM)	959.25	1,017.86	1,044.55	1,084.05	1,122.46
11KV Underground Line (KM)	318.72	350.12	360.54	390.29	433.85
LT Line	1,591.39	1,671.88	1,717.35	1,774.73	1,838.46
Distribution Transformer (No.)	4,563	4,810	4,938	5,227	5,215*

* Due to load increase a number of single phase bank (3x1 ϕ) transformers were replaced by three phase transformers and some three phase transformers were removed under renovation.

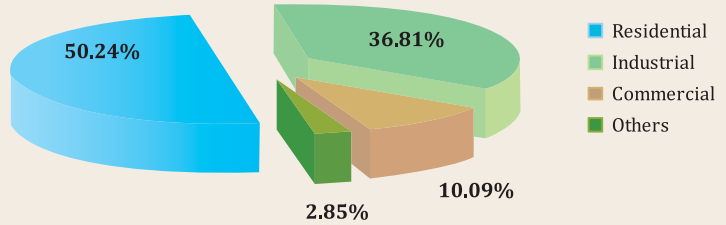
COMMERCIAL HIGHLIGHTS

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Energy Import (MKWh.)	2,742.96	2,933.72	3,122.75	3,401.59	3,726.31
Energy Import (MTk.)	7,117.53	7,845.65	8,801.83	13,327.74	20,393.48
Energy Sales (MKWh.)	2,474.51	2,673.69	2,848.38	3,111.12	3,411.91
Energy Sales (MTk.)	9,888.30	10,911.20	12,400.18	15,961.96	21,951.48
System Loss (%)	9.79	8.86	8.79	8.54	8.44
Collection Ratio (%)	98.18	98.75	98.96	98.54	100.93
C.I. Ratio (%)	88.57	90.00	90.26	90.13	92.40
Consumer Nos.	4,15,842	4,46,129	4,49,063	5,04,723	5,73,356
Receivable/Sales (%)	22.48	20.69	19.96	18.54	14.49

PERFORMANCE

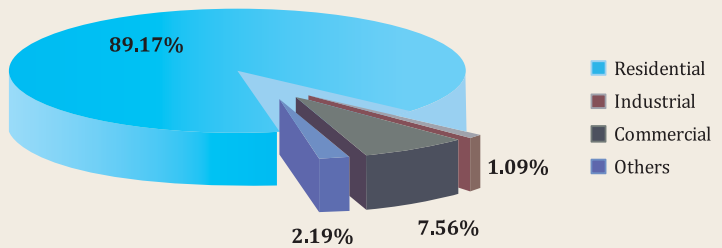
Consumption Pattern

Category	Consumption (MKWh)	(%)
Residential	1714.172	50.24
Industrial	1256.036	36.81
Commercial	344.413	10.09
Others	97.292	2.85

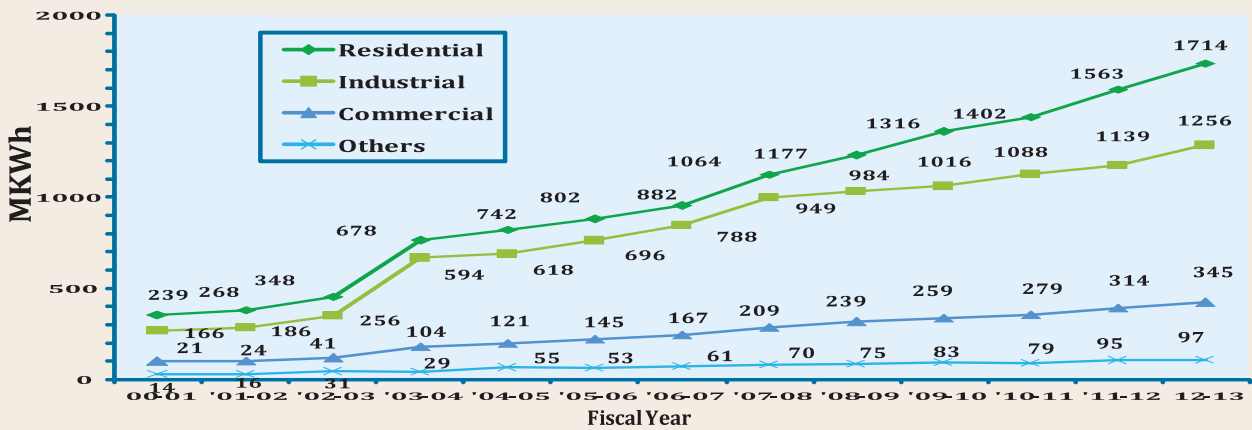


Consumer Mix

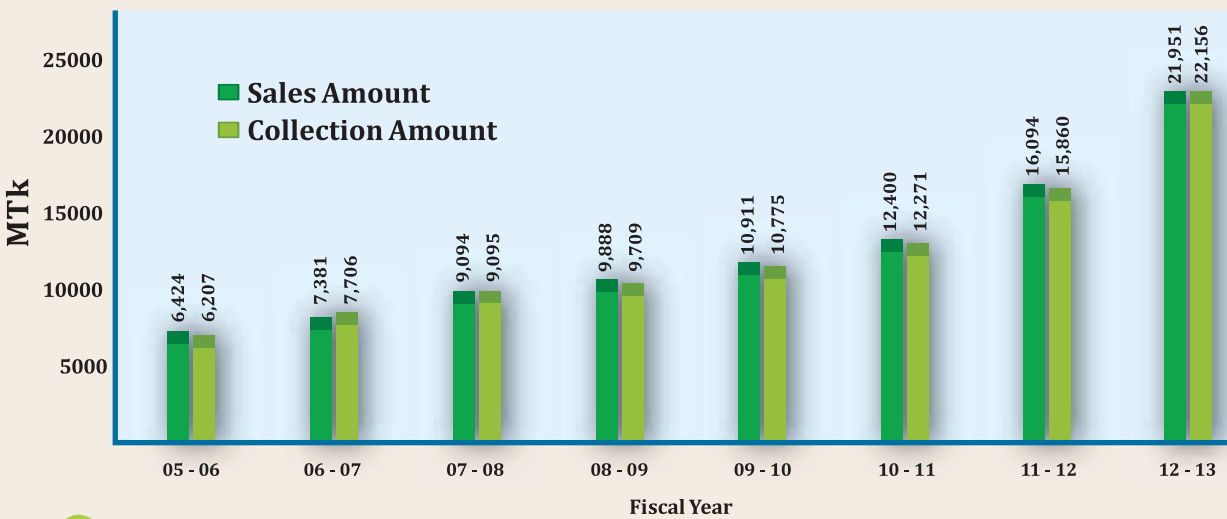
Category	Consumer Number	(%)
Residential	511240	89.17%
Industrial	6236	1.09%
Commercial	43338	7.56%
Others	12542	2.19%



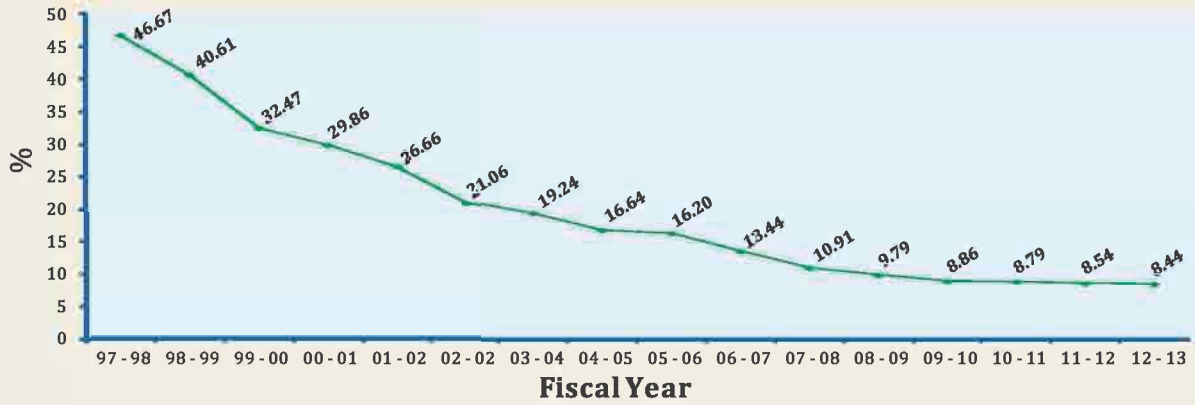
Category wise Consumption Growth



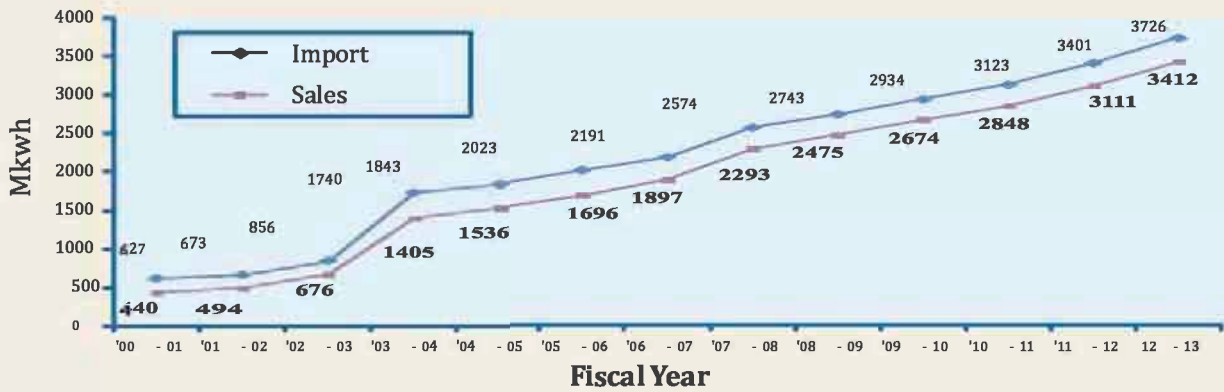
Sales and Collection



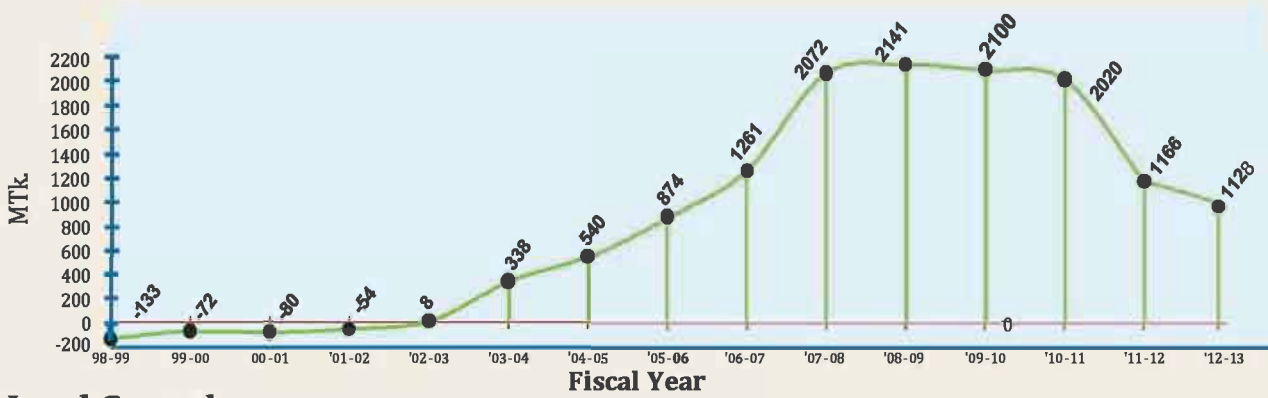
System Loss



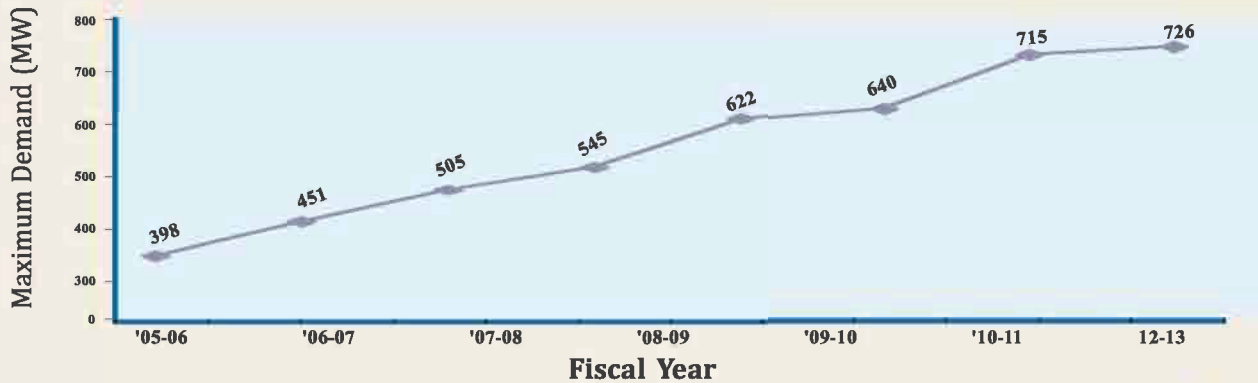
Import & Sales



Profit Loss



Load Growth



DIRECTORS' REPORT



Md. Mofazzel Hossain
Chairman, DESCO Board

Dear Honorable Shareholders,

I welcome you, on behalf of the Board of Directors, to the 17th Annual General Meeting of Dhaka Electric Supply Company Limited (DESCO), and place before you the Audited Accounts for the year ended June 30, 2013 along with the Auditors' and the Directors' Reports thereon.



Do Directors Report To The Shareholders

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 5,73,356 as of 30th June, 2013 with a maximum load demand of 726 MW as on that date.

TERRITORY

The area, about 250 square kilometers under service of the Company, comprises the area bounded by the Mirpur Road, Agargaon Road, Rokeya Sarani, Bijoy 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 areas under Tongi Pourashava in the North and “Purbachal Model Town” a Rajuk Project, situated on the east side of Balu River adjacent to Dakkhinkhan area.

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 5,73,356 consumers as of June 30, 2013. The shareholders equity increased from Tk. 10,553 million last year to Tk. 10,766 million, recording a growth of 2.02% 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 16 (sixteen) Sales & Distribution (S&D) Divisions.

The major field level technical activities like scheduled maintenance, trouble shooting and breakdown maintenance of substation 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 electric 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 in several experienced contractors through competitive bidding process. With the proper maintenance of the distribution system, service complaints from consumers have been 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 2012-13 are highlighted below:

Substation:

DESCO always feels to be consistent with load growth and capacity enhancement. As such it took various projects for capacity building. In FY 2012-13, the company has installed followings 2 (Two) 33/11KV substation within its jurisdiction:

Sl. No.	Name of the Substation	Date of Completion	Capacity (MVA)
01	Bashundhara	July 23, 2012	3x20/28
02	DhamalKote	June 11, 2013	2x20/28
Total Capacity Increased			100/140

Substations under construction:

DESCO has taken further development work of 8nos (5 nos. new) of 33/11KV substation in different locations, which will enhance about 252 MW distribution capacity to the system.

Sl. No.	Name of the Substations	Capacity (MVA)
01	Agargoan-2	2x20/28
02	Mirpur-6	2x20/28
03	Banani-2	2x20/28
04	Purbachal	2x20/28
05	Niketon	2x20/28
Capacity will be Increased		200/280 (~252MW max.)

Construction works of all above mentioned substation are going on and will be completed by March, 2014. Moreover, 3nos. of new and 1 no upgrading of 33/11 KV substation development project under turnkey basis is under process. The project will be completed within 18 (eighteen) months from the date of signing contract.

Sl. No.	Name of the Substations	Capacity (MVA)
01	BIHS Mirpur	3x 20/28
02	Mohakhali Health Complex, Mohakhali	3x20/28
03	United City Centre, Gulshan Avenue	2x10/14
04	Augmentation of Baridhara 33/11 KV substation 10/14 MVA to 20/28 MVA	1x20/28 (10/14)
Capacity will be Increased		150/210 (~189MW max.)

Electric Line Construction:

Every year DESCO expands its source line and distribution network. The following table shows a true picture of electric line construction in the financial year 2011-12 & 2012-13.

SL. no	Type of Line	Level	Length	
			2011-12	2012-13
1.	Underground (Source)	33 KV	78.02 Circuit KM	21.58 Circuit KM
2.	Underground	11 KV	30.33 Circuit KM	43.562 Circuit KM
		Total	106.17 Circuit KM	65.142 Circuit KM
3.	Overhead	11 KV	30.27 KM	25.435 KM
4.	Overhead	11/0.4 KV	4.55 KM	12.980 KM
5.	Overhead	0.4 KV	51.39 KM	63.732 KM
		Total	86.21 KM	102.147 KM
6.	Renovation		19.33 KM	64.972 KM

Distribution Transformer:

In order to cater the increasing load demand and enhance distribution capacity DESCO installed as many as 166 nos. of 11/0.4 KV Three phase 200 KVA and 58 nos. Single phase transformers, in addition to consumer's own transformers.



Infrastructure

Particulars	As on June 2013
Source line	398.99 KM
Distribution line	3394.78 KM
No of substation	26 Nos.
Installed capacity	1080/1512 MVA
Max demand	726 MW
Load factor	58.59%
Distribution Transformer	5215 Nos
No of feeder	266 Nos
132/33 KV Grid SS	02 Nos

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 up gradation of some existing sub-stations. To meet the demand up to 2015. DESCO has taken initiative to construct 03 (three) nos. of new 33/11 KV substation and rehabilitate 01 no of 33/11KV substation under DESCO's own fund.
- 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 already been 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 also been added to 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 2025, DESCO has taken up 2 (two) separate projects namely “Augmentation and Rehabilitation of Distribution System in DESCO Area” and “Construction of 132/33/11KV Grid Substations in DESCO” which has already been approved in ECNEC. The estimated cost requirement for these projects is about Tk. 3,000 crore. The projects are expected to be completed by 2017.

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 50,433 defaulting consumers’ services were disconnected during the year. Moreover, 18,084 illegal consumer services were traced and disconnected during the year.

During the year, 42,743 consumers were given re-connection on recovery of their outstanding dues and realization of penalty as applicable. An aggregate amount of Tk. 25,293,067 was realized from the defaulting consumers and Tk. 25,204,065 against penal/supplementary bills.

New Connections:

This year 62,782 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 5,73,356.

Energy Saving & Use Of Alternative Energy:

Power saving means Power generation. Aiming this motto, DESCO has undertaken different steps to encourage the consumers for using energy efficient appliances in their homes/offices, turning off lights and fans when not in use and replacing the older incandescent lamp by CFL (Compact Florescent Lamp) etc. by means of distributing leaf-let, displaying poster and festoons.

To encourage the use of renewable energy, DESCO ensured installation of eco-friendly Solar Panel of capacity around 5.25 MW by 4,808 nos. of consumers at their premises up to June 30, 2013 in line with the Government policy. DESCO installed solar panel of capacity 25.04 KW at its 48 nos. own installations up to June 30, 2013.

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 43,016 defective meters were changed, 3,671 meters were sealed and 58,430 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. During the year, 11,849 bills were corrected and records of 3,610 names and addresses were rectified 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 potency of the company is achieved by constant efforts to uphold a vigorous billing/collection ratio.

Considering sales at Tk. 21951.48 million and collection at Tk. 22,155.60 million, the billing collection ratio works out at 100.93 % and the Collection/Import (C.I.) ratio to 92.41% this financial 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 14.49% this year as against 15.37% 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 8.44% this year as against 8.54% in the previous year.

Prepaid Metering:

The Principle of Pre Payment is to buy energy in advance and inform the meter in some ways. The credit stored in meter is deducted as per energy usages and the meter will prevent continuation of energy supply as the credit reaches zero. If the consumers buy more credit and recharges, he/she can enjoy energy usage without any interruption. Pre-payment metering system can reduce accounts receivable and non-technical losses up to zero per cent.

A modern consumer friendly pre-paid metering system has been introduced for the valued consumers of the capital by DESCO since 2005. The Smart Card Base Prepaid metering system which is manufactured and introduced by DESCO is smart card based technology with facilitated by Bi-directional communication, allow the customers to pay their electricity bill in advance through DESCO's vending station and provide utility to acquire all the consumer usages related data through an automated system.

In order to facilitate continuous supply of pre-paid meter in future, DESCO has set up a "Pre-paid meters Production Unit" currently named as "Meter Plant" with the technical assistance of IICT, BUET at Mirpur in 2007.

DESCO has produced and deployed 20,000 Single Phase and 1,000 Three Phase Pre paid Meters. Another 2,000 Three phase Pre Paid Meter production Process is going on. Over 14,000 valued consumers are enjoying Pre Paid Metering facilities at Uttara, Dhaka up to 30th June 2013. DESCO has collected BDT 238,595,860.00 through prepaid meter in the fiscal Year 2012-13.

KEY PERFORMANCE INDICATOR (KPI) TARGETS

Key Performance Indicator (KPI) is a set of quantifiable measures that an organization uses to measure or compare performance in terms of meeting their strategic and operational goals. An organization may use KPIs to evaluate its success, or to evaluate the success of a particular activity in which it is engaged.

A Memorandum of Understanding (MOU) was signed between Power Division, Ministry of Power, Energy & Mineral Resources (MPEMR) and DESCO with a view to achieve some Key Performance Targets by the company for the Fiscal Year 2012-13 which included System Loss, Accounts Receivable, Collection Bill Ratio, Collection Import Ratio, Current Ratio, Quick Ratio, Debt Service Coverage Ratio, Annual Average Power Factor (minimum), System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), Average Training Hour per Employee and Implementation of Annual Development Program (Physical & Financial). DESCO attained all the targets for 2012-13 FY successfully.

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	2012-13 (Million Taka)	2011-12 (Million Taka)	2010-11 (Million Taka)	2009-10 (Million Taka)	2008-09 (Million Taka)
Revenue from Operations	22,242	16,251	12,475	10,989	10,005
Cost of Sales	21,646	14,388	(9,679)	(8,656)	(7,860)
Gross Profit	595	1,863	2,796	2,333	2,145
Expenses	(1,090)	(878)	(795)	(798)	(487)
Operating Profit	(495)	985	2,001	1,534	1,658
Financial Expenses	(325)	(343)	(278)	(221)	(170)
Exchange Fluctuation (loss)	274	(758)	(516.36)	(32.19)	(10.58)
Non-Operating Income	1,948	1,282	813	880	669
Taxation	(323)	(328)	(542)	(373)	(533)
Net Profit for the year	805	839	1,478	1,789	1,607
Dividend (proposed)	748	650	729	721	601
Un appropriated profit carried forward	6146	6,324	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 :-

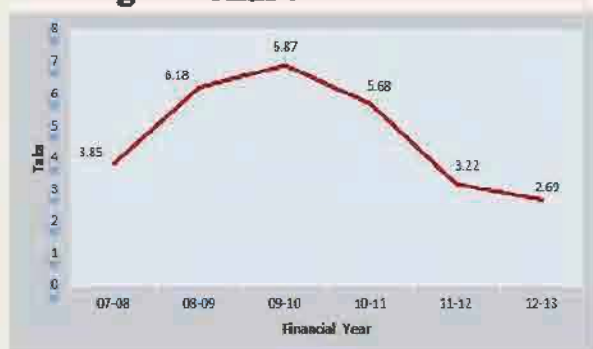
Particulars	2012-13 (Million Taka)	2011-12 (Million Taka)	2010-11 (Million Taka)	2009-10 (Million Taka)	2008-09 (Million Taka)
VAT from Electricity Bills	1148.44	682.33	584.30	514.84	474.48
VAT from contractors / suppliers Bills	51.23	31.70	26.79	15.11	52.40
Income Tax deduction at Source	95.90	73.06	81.63	81.11	45.97
Corporate Income Tax	219.82	583.30	322.96	438.32	459.74
Total	1515.39	1,370.39	1,015.68	1,049.38	1,032.59

FINANCIAL RATIOS

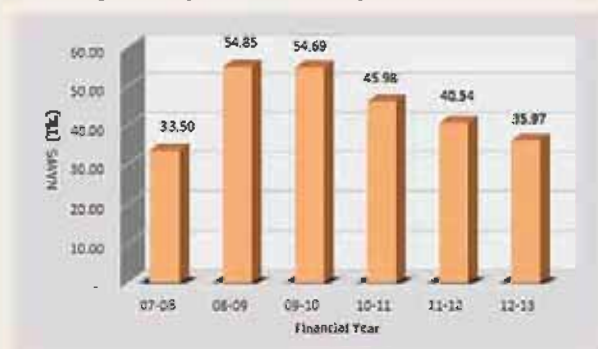
Financial ratios are indicators of financial strength/weakness of an organization. Some of these are presented below to reflect DESCO's financial position

Financial Ratio	2012-13	2011-12	2010-11	2009-10	2008-09
Current Ratio	2.73	3.02	3.49	3.65	3.23
Quick Ratio	2.43	2.60	2.78	2.66	2.25
Debt /Equity Ratio	58:42	59:41	58:42	59:41	60:40
Accounts Receivable (Months Equivalent to Sales)	1.95	2.05	2.43	2.74	2.73
Operating Expenses to Operating Revenue	97.32	88.54	77.58	78.77	78.55
Gross Margin / Sales Ratio	2.71	11.46	22.75	21.58	21.89
Operating Margin / Sales Ratio	(2.26)	6.06	16.28	14.19	16.86
Net Income / Sales Ratio	3.67	5.16	12.03	16.55	16.40
Return on Asset	7.20	8.86	16.01	20.31	21.89
Return on Equity	7.47	7.95	14.90	20.42	21.96
Net Asset Value Per Share (Tk.)	35.97	40.54	45.98	54.69	54.85
Net Operating Cash Flow Per Share (Tk.)	10.76	14.04	16.50	11.82	11.88
Earnings Per Share (Tk.)	2.69	3.22	5.68	6.87	6.18

Earning Per Share



Net Asset Value Per Share



SHARE INFORMATION

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

General

Authorized Capital	:	Tk. 500 crore
Paid up Capital	:	Tk. 299.32 crore
Total Shares	:	299,318,506 nos.
Class of Share	:	Ordinary Shares of Tk.10/- 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 on 30th June, 2013 stood at 9,265 nos.

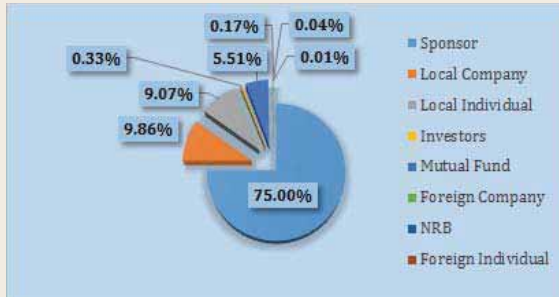
Range of holding in numbers of shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Share Capital
less than 501 Shares	3,249	35.07	739,145	0.25
501 to 5,000 shares	4,817	51.99	8,253,721	2.76
5,001 to 10,000 shares	491	5.30	3,607,469	1.21
10,001 to 20,000 shares	313	3.38	4,344,220	1.45
20,001 to 30,000 shares	129	1.39	3,160,621	1.06
30,001 to 40,000 shares	48	0.52	1,702,895	0.57
40,001 to 50,000 shares	42	0.45	1,892,279	0.63
50,001 to 100,000 shares	85	0.92	5,950,129	1.99
100,001 to 1,000,000 shares	84	0.91	26,374,240	8.81
1,000,001 to 5,000,000 shares	5	0.05	13,500,493	4.51
Over 5,000,000 Shares	2	0.02	229,793,294	76.77
Total	9,265	100.00	299,318,506	100.00

SHAREHOLDING COMPOSITION

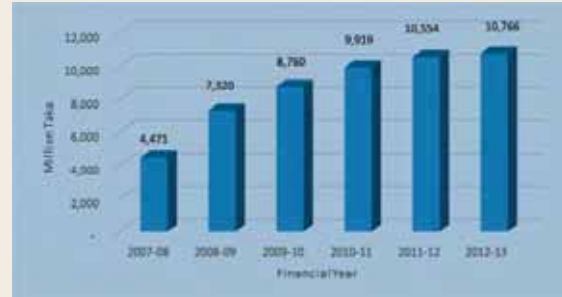
as on 30th June, 2013

Category	Number of Shareholders	Number of Shares	% of Total Shares
Sponsor	7	224,488,776	75.00
Local Company	413	30,232,381	10.10
Local Individual	8,703	27,126,180	9.06
Mutual Fund	50	16,792,271	5.61
NRB	66	140,644	0.05
Foreign Company	7	497,417	0.17
Foreign Individual	19	40,837	0.01
Total	9,265	299,318,506	100.00

Shareholding Pattern



Shareholders' Equity



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 on 30 June, 2013 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, ATTENDANCE AND REMUNERATION

During the year 22 (twenty two) Board Meetings were held. As per corporate governance guidelines the Company Secretary and CFO attended all meetings. The attendance record of the Board Meeting is shown at Annexure- III of this report.

AUDIT COMMITTEE

Company has formed a 4-member Audit Committee of the Board headed by Mr. Md. Fazlul Hoque, Member (Finance), Bangladesh Power Development Board (BPDB). The other members of the Committee were (i) Begum Salma Benthe Kadir, Joint Secretary, Legislative & Parliamentary Affairs Division, Ministry of Law, Justice & Parliamentary Affairs (ii) Mr. A. K. M. Humayun Kabir, Deputy Secretary (Company Affairs), Power Division, Ministry of Power, Energy & Mineral Resources and (iii) Mr. Md. Rofi Uddin, Executive Director, Finance and Accounts, DESCO. The attendance record of the Audit Committee is shown at Annexure-IV. During the Financial Year 2012-2013, the Audit Committee held 09 (Nine) meetings in which, among other things, reviewed the followings:

- Draft Auditors Report & Audited Accounts of the Company for the fiscal year 2011-12.
- Review the activities of the Internal Audit Department of the company.
- Un-audited 1st Quarter Statement of Accounts for the fiscal year 2012-13.
- Un-audited half yearly Statement of Accounts for the fiscal year 2012-13.
- Un-audited 3rd Quarter Statement of Accounts for the fiscal year 2012-13.
- Review vehicle management system of the company.
- Review Revised Budget for the fiscal year 2012-13.
- Review Draft Budget for the fiscal year 2013-14

HUMAN RESOURCE DEVELOPMENT

Training improves the knowledge, skills and attitude 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 60 hours training on different topics round the year. Targeted 1,345 employees received 90,571 Man-hours of In-house & Out-house training under the supervision of Human Resource Management Division. The training achievement against the target was 118.01% during the year 2012-13.

Besides In-house trainings, participation of the employees in trainings/seminars/workshops in outside organizations like Institution of Engineers Bangladesh, Engineering Staff College of Bangladesh, Institute of Information and Communication Technology (IICT) of Bangladesh, Bangladesh University of Engineering and Technology (BUET), Bangladesh Power Development Board (BPDB), Institute of Chartered Secretaries of Bangladesh (ICSB), Bangladesh Institute of Administration Management (BIAM), Bangladesh Institute of Management (BIM) & Abroad.



E-GOVERNANCE

The term E-Governance can be defined as efficient and effective use of modern ICT technology for good governance in any country. E-governance can also be defined as Electronic State Management System based on information and communication technologies (ICT), including the Internet technology. The ultimate objective of e-Governance is to establish good governance. The attributes of good governance can be identified as follows: honesty, efficiency, effectiveness (in terms of time, space and money), reliability, participatory democracy, accountability, accessibility, transparency, equity and vision in decision making. All these can be achieved through proper implementation of e-governance using the state of the art technologies.

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. In this regard Institute of Information and Communication Technology (IICT), BUET is constantly providing utmost assistance and support to DESCO. As a consequence 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 has been successfully developed and implemented.

ON-LINE APPLICATION FOR NEW CONNECTION

To achieve "Vision 2021" for making digital Bangladesh DESCO has introduced internet based application system for New Electricity Connection on Feb 23, 2012. This system enables an applicant to apply in the concern Division and can to get the required information from DESCO web site. An applicant is allowed to know the updated and recent status of his / her application as well. This system enables them to get electricity connection within the shortest possible time. From opening date of this on-line system to till date 72,457 applicants registered their application for new connection. In this 2012-2013 fiscal year 67,312 applicants applied for their new connection through this on-line system.

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 launched the facility of bill payment through internet under NEXUS gateway of Dutch-Bangla Bank on June 04, 2010.



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.

In this 2012-2013 fiscal year, 3,350 consumers have paid their amounted net bill 2,85,47,325 taka through this internet payment gateway.

BILL PAYMENT THROUGH MOBILE PHONE

Mobile phone service providers have introduced several value added services for public. One of them is utility bill payment through Mobile phone or through retail seller of the phone operator. DESCO has implemented the system with help of GrameenPhone on Mar 15, 2009 for its consumers to assure the easy and hassle free payment of bill. Now DESCO consumers can pay their electricity bill through mobile phone operators GrameenPhone, Banglalink, Robi and Citycell.

In this 2012-13 fiscal year, 67,452 consumers choose to enjoy payment of their net bill amount 94,48,83,128 taka through mobile payment system services facility.

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:

- DESCO has adjusted 97 (Ninety Seven) listed Shaheed/Injured Freedom Fighters 5,21,451 units outstanding bill of taka 14,04,406 for the period of 2000-05. 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.
- As a part of Corporate Social Responsibility DESCO has provided 05 (Five) lac taka for the development of Officer's Club.
- DESCO provided one third of taka 10 (Ten) lac along with DPDC and PGCB on the occasion of Electricity Week-2011.
- Officials and Employees of DESCO donated one day's salaries and 10,23,030 taka from CSR to the Prime Minister's Relief and Welfare fund for the savar Rana Plaza collapse victims.
- 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.
- 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.

DIVIDEND

Based on the performance of the Company, the Board of Directors recommends 10% cash dividend and 15% stock dividend (i.e. 3 bonus shares for every 20 shares held on Record Date), for the financial year 2012-13.

Since listing with the exchanges the company paid dividend to its valued shareholders in the following manner:

Financial Year	Dividend	
	Cash	Stock/Bonus Shares
2005-06	20%	-
2006-07	25%	-
2007-08	25%	5%
2008-09	25%	20%
2009-10	15%	30%
2010-11	10%	25%
2011-12	10%	15%

ELECTION OF DIRECTORS

In terms of Article 86 of the Articles of Association of the Company, (i) Mr. Md. Mofazzel Hossain, Additional Secretary, Power Division, Ministry of Power, Energy and Mineral Resources, Government of Bangladesh, (ii) Sultana Nasira Khan, Joint Secretary, Legislative & Parliamentary Affairs Division, Ministry of Law, Justice & Parliamentary Affairs, Government of Bangladesh, (iii) Engr. S. R. Akhter, Superintending Engineer (Retd.) and (iv) Brig. Gen. (Retd.) Md. Nazrul Hassan, Managing Director of Power Distribution Company Ltd. will retire by rotation. However, as per article 87, the retiring Directors are eligible to be re-elected as Directors of the Company.

On contrary, (i) Mr. Md. Fazlul Hoque, Member (Finance), Bangladesh Power Development Board, (ii) Dr. Md. Mahfuzul Islam, Professor, Computer Science and Engineering, BUET, (iii) Engr. Mohammad Harun, Proprietor, Regal Enterprise, (iv) Mr. Md. Nurul Alam, Personal Secretary to the Hon'ble State Minister, Ministry of Power, Energy and Mineral Resources, Government of Bangladesh, (v) Mr. A. K. M. Humayun Kabir, Deputy Secretary, Power Division, Ministry of Power, Energy and Mineral Resources, Government of Bangladesh, (vi) Lieutenant Colonel (Retd.) Engr. Shah Khaled Reza (vii) Mr. Md. Arjad Hossain, Managing Director of DESCO shall continue to act as Directors of the Board.

BRIEF RESUMES OF DIRECTORS NEW/PROPOSED TO BE ELECTED/RE-ELECTED

Sl No.	Name of Designation	Age	Qualification	Experience and Specialization	Directorship other Than DESCO
1.	Mr. Md. Mofazzel Hossain	52 years	MSS (Economics) Dhaka University	27 years and Govt. service	Coal Power Generation Company Ltd.
2.	Sultana Nasira Khan	-	-	-	-
3.	Engr. S. R. Akhter	68 years	B.Sc (Engr.), EEE, BUET	30 years and Distribution Engineering	-
4.	Brig. Gen. (Retd.) Md. Nazrul Hassan	53 years	MBA, B.Sc (Engr.), EEE, BUET	34 years and Distribution System	Dhaka Power Distribution Company Ltd.

AUDITORS

M/s. Saha Mazumder & Company, Chartered Accountants, 21, Purana Paltan Line (4th and 7th floor), Dhaka-1000, the existing statutory auditors of the Company shall retire in the AGM upon accomplishment of audit of the company. They have expressed their willingness vide letter dated 26/10/2013 to continue as Auditor to the Company in the changed name of their firm as MABS & J Partners, Chartered Accountants for further period.

On the other hand M/s. Aziz halim Khair Chowdhury, Chartered Accountants, Building # 2, (3rd and 4th floor), House # 79, Road # 12A, Dhanmondi, Dhaka-1209 vide its letter dated 14/11/2013 has expressed its intention to be appointed as statutory auditors of the company for the financial year 2013-2014.



ACKNOWLEDGEMENT

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, Bangladesh Securities and Exchange Commission (BSEC), 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. Mofazzel Hossain

Chairman

ANNEXURE-1 : CORPORATE GOVERNANCE GUIDELINES COMPLIANCE

i) Parent / Subsidiary / Associated Companies and other related parties:

Name	Number of Shares	% of shares as on June 30, 2013
Dhaka Electric Supply Authority (DESA)	224,488,437	75.00

ii) Directors' Shareholding

Sl. No.	Name	Designation	% of shares as on June 30, 2013
01.	Mr. Md.Mofazzel Hossain Additional Secretary, Power Division, MPEMR Govt. of the People's Republic of Bangladesh	Chairman	Nil
02.	Mr. Md. Arjad Hossain Managing Director, DESCO	Director	Nil
03.	Mr. Md. Fazlul Hoque Member (Finance) Bangladesh Power Development Board (BPDB)	Director	Nil
04.	Begum Salma Benthe Kadir Joint Secretary Legislative & Parliamentary Affairs Division Ministry of Law, Justice & Parliamentary Affairs Govt. of the People's Republic of Bangladesh	Director	Nil
05.	Mr. S R Akhtar Superintending Engineer (Retd.)	Director	Nil
06.	Engineer Mohammad Harun Proprietor Regal Enterprise	Director	Nil
07.	Brig. Gen. (Retd.) Nazrul Hasan Managing Director Dhaka Power Distribution Company Limited (DPDC).	Director	Nil
08.	Dr. M. Mahfuzul Islam Professor, Department of Computer Science and Engineering, BUET, Dhaka.	Director	Nil
09.	A.K. M. Humayun Kabir Deputy Secretary (Company Affairs) Power Division, Ministry of Power, Energy & Mineral Resources	Director	Nil
10.	Mr. Md. Nurul Alam Deputy Secretary Power Division, Ministry of Power, Energy & Mineral Resources	Director	Nil
11.	Engr. Shah Khaled Reza Retired Lt. Colonel	Director	Nil

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

Name	Number of Shares	% of shares as on June 30, 2013
Chief Executive Officer and his spouse and minor children	Nil	-
Chief Financial Officer and his spouse and minor children	41,183	0.01376
Company Secretary and his spouse and minor children	221	0.00007
Head of Internal Audit and his spouse and minor children	Nil	-

iv) Shareholding of Senior Executives (Top five salaried persons other than CEO, CFO, CS, HIA)

Sl. No.	Name	Designation	Number of Shares	% of shares as on June 30, 2013
1.	Engr. Md. Shah Alam	Executive Director (Engineering)	48,026	0.01605
2.	Engr. AKM Mostofa Kamal	Executive Director (Procurement)	7,618	0.00255
3.	Md. Shafiqul Islam Chowdhury	GM, Administration	11,988	0.00401
4.	Engr. Noor Mohammad	CE, Network Operation	Nil	-
5.	Engr. S.M. Habibur Rahman	CE, Development and Projects	1,897	0.00063
6.	Mr. A. H. M Nurul Huda	GM, Procurement	3450	0.00115
7.	Engr. A.K.M Mahiuddin	Superintending Engineer	Nil	-
8.	Engr. Md. Zakir Hossain	Superintending Engineer	28	0.00001
9.	Engr. Md. Mafizul Islam Bhuiyan	Superintending Engineer	1,753	0.00059
10.	Engr. Md. Shariful Islam	Superintending Engineer	Nil	-
11.	Engr. Shamim Ahsan Chowdhury	Superintending Engineer	475	0.00016
12.	Mr. Md. Taufique Abdullah	DGM	71	0.00002
13.	Engr. Md. Monjurul Hoque	Superintending Engineer	Nil	-
14.	Engr. Zulfiquar Tahmid	Superintending Engineer	Nil	-
15.	Engr. Md. Rashidur Rahman	Superintending Engineer	Nil	-
16.	Engr. Jyotish Chandra Roy	Superintending Engineer	143	0.00005
17.	Engr. Abdus Salam	Superintending Engineer	Nil	-
18.	Mr. Md. Mominul Islam	DGM	13,526	0.00452
19.	Engr. Md. Enamul Haque	Superintending Engineer	Nil	-
20.	Engr. Jagodish Chandra Mandol	Superintending Engineer	531	0.00018

Sl. No.	Name	Designation	Number of Shares	% of shares as on June 30, 2013
21.	Mr. Khandaker Najibul Alam	Manager	Nil	-
22.	Engr. Md. Akharul Islam	Executive Engineer	330	0.00011
23.	Engr. Md. Golam Rabbani	Executive Engineer	Nil	-
24.	Engr. Md. Mustafizur Rahaman	Executive Engineer	Nil	-
25.	Engr. Md. Sadequl Islam	Executive Engineer	215	0.00007
26.	Engr. Md. Kamruzzaman	Executive Engineer	Nil	-
27.	Mr. M.A. Rouf	Manager	25,415	0.00849
28.	Engr. Md. Nazrul Islam	Executive Engineer	201	0.00007
29.	Mr. Md. Alamgir Hossain	Manager	Nil	-
30.	Mr. A. S. M. Chenghize	Manager	Nil	-

v) Shareholders Holding 10% or more voting right

Name	Number of Shares	% of shares as on June 30, 2013
Dhaka Electric Supply Authority (DESA)	224,488,437	75.00

vi) Twenty Largest Shareholders as on June 30, 2013

Serial No.	Name of the Shareholder	Category	Number of Shares held	% of total Share outstanding
1	Dhaka Electric Supply Authority	Company	224,488,437	75.00
2	ICB Unit Fund	Company	5,304,857	1.77
3	Bangladesh Fund	Company	4,783,487	1.60
4	AB Bank Ltd.	Company	4,581,500	1.53
5	Premier Bank Securities Ltd.	Company	1,455,900	0.49
6	ICB	Company	1,423,275	0.48
7	SONALI BANK	Company	1,256,331	0.42
8	Union Capital Ltd Investor Acc	Company	999,115	0.33
9	Prime Fin. Capital Mang. Ltd.	Company	910,000	0.30
10	Agrani Equity & Invest. Ltd.	Company	848,556	0.28
11	DHAKA BANK LIMITED	Company	805,500	0.27
12	ABIL - MDA	Company	780,303	0.26
13	Prime Bank Invest Ltd. 2nd MKT	Company	767,625	0.26
14	ICB AMCL Unit Fund	Company	737,420	0.25

Serial No.	Name of the Shareholder	Category	Number of Shares held	% of total Share outstanding
15	Premier Bank Ltd(Islamic Bank)	Company	722,906	0.24
16	PRIME BANK INVEST LTD P-1653	Individual	704,375	0.24
17	Janata Bank	Company	669,375	0.22
18	First Security Islami Bank Ltd	Company	569,962	0.19
19	Alarafah Islami Bank Ltd Folio	Company	562,750	0.19
20	ICB CAPITAL MANAGEMENT LTD.	Company	516,125	0.17
	Total		252,887,799	84.49

ANNEXURE II : REPORT UNDER CONDITION NO. 7 OF THE SEC

Status of compliance with the conditions imposed by the Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of Securities and Exchange Ordinance 1969:

(Report under condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.1	Board's size: shall not be less than 5(five) and more than 20(twenty)	✓	-	-
1.2(i)	Independent Director (ID): at least 1/5 i.e. minimum 3 (three)	✓	-	-
1.2(ii)(a)	ID holds less than 1% shares of total paid-up capital	✓	-	-
1.2(ii)(b)	ID is not a sponsor and not concerned with any sponsor or Director or shareholder who holds 1 % shares	✓	-	-
1.2(ii)(c)	ID does not have other relation with the company or its subsidiary/associated companies	✓	-	-
1.2(ii)(d)	ID is not a member, Director or officer of any Stock Exchange	✓	-	-
1.2(ii)(e)	ID is not a shareholder, Director or Officer of any member of stock exchange or an intermediary of the capital market	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2(ii)(f)	ID is not a partner or an executive during the preceding 3 years of company's statutory audit firm	✓	-	-
1.2(ii)(g)	ID is not an Independent Director in more than 3 listed companies	✓	-	-
1.2(ii)(h)	ID has not been convicted by a court as a loan defaulter	✓	-	-
1.2(ii)(i)	ID has not been convicted for criminal offence involving moral turpitude	✓	-	-
1.2(iii)	ID appointed by Board of Directors	✓	-	-
1.2(iv)	Post of ID was not vacant for more than 90 days	✓	-	-
1.2(v)	Code of conduct for all Board members and annual compliance thereof	✓	-	-
1.2(vi)	Tenure of office of ID shall be 3 years	✓	-	-
1.3(i)	ID shall be a knowledgeable individual with integrity and able to ensure compliance with financial, regulatory and corporate law.	✓	-	-
1.3(ii)	ID should be Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like CA, CMA, CS having 12 years corporate management/ professional experiences	✓	-	-
1.3(iii)	Qualification of ID relaxed subject to prior approval of SEC	-	-	No such case raised
1.4	Separate Chairman of the Board and Chief Executive and clearly defined roles and responsibilities	✓	-	-
1.5(i)	Industry outlook and future development	✓	-	-
1.5(ii)	Segment-wise/product-wise performance	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(iii)	Risks and concerns	-	-	No such case raised -
1.5(iv)	Discussion on cost of goods sold, Gross profit margin and net profit margin	✓	-	-
1.5(v)	Discussion on continuity of any extraordinary gain or loss	✓	-	-
1.5(vi)	Related party transaction statement	-	-	No such case raised
1.5(vii)	Utilization of sale proceeds from public issue, right issue and/or other instrument	-	-	No such case raised
1.5(viii)	Explanation in case of deterioration of financial results after IPO, RPO, RO or Direct Listing	-	-	No such case raised
1.5(ix)	Statement on variance between Quarterly Financial performance and Annual Financial Statements	-	-	No significant variance found
1.5(x)	Remuneration of Directors	✓	-	-
1.5(xi)	Fairness of Financial Statements	✓	-	-
1.5(xii)	Maintenance of proper books of account	✓	-	-
1.5(xiii)	Adoption of appropriate accounting policies and estimates	✓	-	-
1.5(xiv)	Compliance with International Accounting Standard	✓	-	-
1.5(xv)	Soundness of Internal Control System	✓	-	-
1.5(xvi)	Ability to continue as a going concern	✓	-	-
1.5(xvii)	Significant deviations in operating results from last year and explanation thereof	✓	-	-
1.5(xviii)	Presentation of at least preceding three years key operating and financial data	✓	-	-
1.5(xix)	Declaration of Dividend	✓	-	-
1.5(xx)	Details of Board meeting	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(xxi)(a)	Shareholding pattern of parent/subsidiary/associated companies and other related parties	✓		
1.5(xxi)(b)	Shareholding pattern of CEO, CFO, CS, HIA and their spouse and minor children	✓		
1.5(xxi)(c)	Shareholding pattern of Top five salaried executives	✓		
1.5(xxi)(d)	Shareholders holding of 10% or more voting interest	✓		
1.5(xxii)(a)	A brief resume of Director in case of appointment/re-appointment	✓		
1.5(xxii)(b)	Nature of the proposed Directors' expertise in specific functional areas	✓		
1.5(xxii)(c)	Proposed Directors' Directorship in other company/companies	✓		
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(i)	Audit Committee: As a subcommittee of the Board	✓	-	-
3(ii)	Role of the Audit Committee	✓		
3(iii)	Duties and responsibilities of the Audit Committee	✓		
3.1 (i)	Constitution of Audit Committee with at least 3 members	✓	-	-
3.1(ii)	Inclusion of at least 1 Independent Director in Audit Committee	✓	-	-
3.1(iii)	Financial literacy of the Audit Committee members and at least 1 Independent Director having accounting or related financial management experience	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.1(iv)	Filling of casual vacancy in the Audit Committee	√		
3.1(v)	CS as Secretary of the Audit Committee	√		
3.1(vi)	1 Independent Director is mandatory for quorum of the Audit Committee meeting	√		
3.2(i)	Chairman of the Committee shall be an Independent Director	√	-	-
3.2(ii)	Presence of Audit Committee Chairman in the AGM	√	-	-
3.3(i)	Oversee financial reporting process	√	-	-
3.3(ii)	Monitor Choice of accounting policies and principles	√		
3.3(iii)	Monitoring Internal Control Risk Management Process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review annual financial statements before submission to the Board	√		
3.3(vi)	Review quarterly and half-yearly financial statements before submission to the Board	√		
3.3(vii)	Review adequacy of internal audit functions	√		
3.3(viii)	Review significant related party transactions	-	-	No such case raised
3.3(ix)	Review weakness of internal control raised by the statutory auditors	-	-	No such case raised
3.3(x)	Review the utilization of money raised through IPO, RPO, Rights Issue	-	-	No such case raised
3.4.1(i)	Reporting activities of the Audit Committee before Board of Directors	√	-	
3.4.1(ii)(a)	Reporting conflict of interest to the Board of Directors	-	-	No such case raised

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4.1(ii)(b)	Reporting suspected or presumed fraud or irregularity or material defect in the internal control system to the Board of Directors	-	-	No such case raised
3.4.1(ii)(c)	Reporting suspected infringement of laws including securities related laws, rules and regulations to the Board of Directors	-	-	No such case raised
3.4.1(ii)(d)	Reporting of any other matter to the Board of Directors	-	-	No such case raised
3.4.2	Reporting of Qualified point to Commission	-	-	No such case raised
3.5	Reporting of activities of the audit committee to the Shareholders and General Investors	✓	-	-
4(i)	Non-engagement in appraisal of valuation	✓	-	-
4(ii)	Non-engagement in designing of Financial Information System	✓	-	-
4(iii)	Non-engagement in Book-Keeping	✓	-	-
4(iv)	Non-engagement in Broker-dealer service	✓	-	-
4(v)	Non-engagement in Actuarial Services	✓	-	-
4(vi)	Non-engagement in Internal Audit	✓	-	-
4(vii)	Non-engagement in any other services	✓	-	-
4(viii)	Prohibition of holding any shares of the company by any partner or employees of its external audit firms	✓	-	-
5(i)	Composition of the Board of the subsidiary company	-	-	Not applicable
5(ii)	Independent Director of a holding company shall be director in the board of the subsidiary company	-	-	Not applicable

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(iii)	Reviewing minutes of the Board meeting of the subsidiary company by the Board of Directors of holding company	-	-	Not applicable
5(iv)	Inclusion of the statement in the minutes of the holding company regarding reviewing the affairs of its subsidiary company	-	-	Not applicable
5(v)	Review of Financial Statements and Investment of the subsidiary company by the Audit Committee of the holding company	-	-	Not applicable
6(i)(a)	Certification of CEO and CFO that financial statements does not contain untrue or omit any material facts or any statement that may mislead	✓	-	
6(i)(b)	Certification of CEO and CFO that financial statements presents true and fair view of the company's affairs and complies existing accounting standard and applicable law	✓		
6(ii)	Certification of CEO and CFO regarding fair transaction by the company.	✓		
7(i)	Compliance Certificate from CA, CMA or CS on Corporate Governance Guidelines	✓		
7(ii)	Attachment of Annexure in the Directors report	✓		

ANNEXURE III: ATTENDANCE OF THE BOARD MEETING**Board Meeting and attendance during the year ended on June 30, 2013.**

Sl. no.	Name of the Directors	Meeting held while a member	No. of meeting attended in person/alternates	Total Director Fee (Excluding Vat)
01.	Mr. Md. Mofazzel Hossain	22	22	1,10,000/-
02.	Mr. Md. Fazlul Hoque	22	18	90,000/-
03.	Mr. Foiz Ahamed	05	04	20,000/-
04.	Begum Salma Benthe Kadir	22	18	90,000/-
05.	Prof. Dr. M. M. Shahidul Hassan	09	09	45,000/-
06.	Mr. S. R Akhtar	22	22	1,10,000/-
07.	Engineer Mohammad Harun	22	11	55,000/-
08.	Brig. Gen. (Retd) Md. Nazrul Hasan	22	18	90,000/-
09.	Dr. Md. Mahfuzul Islam	12	10	50,000/-
10.	Mr. Md. Nurul Alam	17	14	70,000/-
11.	A.K. M. Humayun Kabir	17	14	70,000/-
12.	Lt. Colonel (Retired) Engr. Shah Khaled Reza	17	16	80,000/-
13.	Mr. Md. Arjad Hossain	22	22	1,10,000/-

ANNEXURE IV: ATTENDANCE OF THE AUDIT COMMITTEE MEETING**Audit Committee meeting and Attendance during the year ended on June 30, 2013.**

Sl. no.	Name of the Directors	Meeting held while a member	No. of meeting attended in person/alternates
01.	Mr. Md. Fazlul Hoque	09	09
02.	Mr. Foiz Ahamed	01	01
03.	Begum Salma Benthe Kadir	09	09
04.	A.K. M. Humayun Kabir	08	08
05.	Mr. Md. Rofi uddin	09	07

EVENT HIGHLIGHTS

View of the 16th Annual General Meeting





Inaugural Ceremony of 33/11 KV CAAB Sub-Station



Inaugural Ceremony of 33/11KV Dhamalkot Sub-Station



Inauguration of comprehensive training of newly recruited officers of DESCO

EVENT HIGHLIGHTS



Secretary, Power Division exchanging views with the employees of DESCO



Consumer Service Centre at Gulshan S & D Division



Award for best unit of DESCO given to Baridhara S & D Division



Receipt of award by best employee of DESCO 2012



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) which comprise the Statement of Financial Position as at 30 June 2013, Statement of Comprehensive Income, Statement of Changes in shareholder's Equity and Statement of Cash Flows for the period from 1 July 2012 to 30 June 2013 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) / Bangladesh Accounting Standards (BAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified opinion:

1. Reference to Note No. 4 & 05.4

The amount of Tk. 17,222,383 shown as receivable from M/S Union Trade International, on account of Store-in-Transit lost during carrying by this carrying contractor. Legal action has been initiated against this firm for recovery of this amount.

2. Reference to Note No. 2

Due to improper maintenance of Fixed Assets Register total value of Property, Plant and Equipment which represents 32% of total assets of the company remain unverified.

3. Reference to Note No. 1.4.2.3

DESCO acquired assets from DESA, for an amount of Tk. 2,793,960,000, but the value of these assets were estimated by DESCOCO, not by any independent valuation firm .

Opinion:

In our opinion, except for the effects of the matter determined in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of Dhaka Electric Supply Company Limited (DESCO) as at 30 June 2013 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 section of companies Act, 1994, the Securities & Exchange Rule, 1987 and other applicable laws and regulations.

We also report that:

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

Dated : 26 October, 2013

SHAHA MAZUMDER & CO.
Chartered Accountants





FINANCIAL STATEMENTS

Dhaka Electric Supply Company Limited (DESCO)

For the year ended 30 June 2013

Dhaka Electric Supply Company Limited (DESCO)
Statement of Financial Position
As at 30 June 2013

Particulars	Note	Amount in Taka	
		30 June 2013	30 June 2012
Assets:			
Non Current Assets:			
Property, Plant & Equipment	2	10,923,573,557	10,570,433,799
Capital Work -in- Progress	3	247,687,051	429,752,752
		11,171,260,608	11,000,186,551
Current Assets:			
Stores and Spares	4	2,490,519,486	3,001,582,811
Accounts Receivable	5	3,254,315,568	3,215,952,473
Advances & Deposits	6	367,710,049	160,124,974
Advance Income Tax	7	449,061,216	714,318,380
Cash and Bank Balances	8	16,125,607,818	14,518,068,663
		22,687,214,138	21,610,047,301
Total Assets		33,858,474,746	32,610,233,852
Equity & Liabilities:			
Capital & Reserves:			
Share Capital	16	2,993,185,063	2,602,769,620
Share Money Deposit	17	75,000,000	75,000,000
GOB Equity	18	1,552,140,000	1,552,140,000
Retained Earnings	19	6,145,810,140	6,323,799,513
Equity		10,766,135,203	10,553,709,133
Long Term Liabilities:			
Long Term Loans (ADB & GOB)	20	7,727,196,345	8,187,206,150
Deferred Tax Liability	34.2	1,695,893,831	1,540,567,703
Due to DESA / DPDC (for assets taken over)	21	4,039,671,539	4,039,671,539
Consumer Security Deposits	22	1,315,302,695	1,134,188,068
		14,778,064,410	14,901,633,460
Current Liabilities:			
Accounts Payable	9	4,425,340,290	3,406,660,907
Creditors for Goods/Works	10	828,530,072	948,335,135
Creditors for Other Finance	11	1,246,238,997	1,264,084,918
Creditors for Expenses	12	248,025,990	203,281,841
Current Maturity of Long Term Loans	13	382,332,196	393,488,410
Accrued Interest on Loans	14	973,803,262	739,943,582
Provision for Income Tax	15	210,004,326	199,096,465
		8,314,275,133	7,154,891,259
Total Equity & Liabilities		33,858,474,746	32,610,233,852

The accounting policies and other notes from pages 1 to 42 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 26 October, 2013 and signed on its behalf by :

Sd/- Company Secretary	Sd/- Executive Director (F & A)	Sd/- Director	Sd/- Managing Director
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Signed in terms of our separate report of even date annexed.

Dhaka Electric Supply Company Limited (DESCO)
Statement of Comprehensive Income
For the year ended 30 June 2013

Particulars	Note	Amount in Taka	
		30 June 2013	30 June 2012
Operating Revenue:			
Energy Sales (Net of VAT)	23	21,951,477,832	15,961,959,226
Other Operating Revenue	24	290,728,421	289,983,640
Total Revenue from Operation		22,242,206,253	16,251,942,866
Cost of Energy Sales:			
Energy Purchase (including wheeling charge)	25	20,393,476,161	13,327,608,403
Operating Expenses	26	511,817,020	377,422,743
Depreciation (Operating)	33	741,648,901	683,657,829
		21,646,942,082	14,388,688,975
Gross Profit		595,264,171	1,863,253,891
Cost & Expenditure:			
Administrative Expenses	27	256,825,111	226,510,395
Employee Expenses	28	762,547,166	604,197,080
Bad Debts Provision	5.2	34,176,278	15,766,586
Depreciation (Non Operating)	33	37,079,203	31,833,489
		1,090,627,758	878,307,550
Operating Profit		(495,363,587)	984,946,342
Non Operating Income/(Expense) :			
Interest Income	29	1,663,915,191	1,236,552,360
Interest Expenses	30	(324,637,892)	(342,526,497)
Exchange Fluctuation Gain/(Loss)	31	273,980,330	(758,334,325)
Miscellaneous Income	32	10,094,953	45,634,014
Non Operating Income(Net)		1,623,352,583	181,325,551
Net Profit Before Tax		1,127,988,996	1,166,271,893
Income Tax :			
Current Tax Provision	34.1	(168,015,916)	(41,988,409)
Deferred Tax Provision	34.2	(155,326,128)	(285,770,576)
		(323,342,044)	(327,758,984)
Net Profit After Tax		804,646,952	838,512,909
Basic Earnings per Share (Adjusted)	35	2.69	2.80

The accounting policies and other notes from pages 1 to 42 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 26 October, 2013 and signed on its behalf by :

Sd/- Company Secretary	Sd/- Executive Director (F & A)	Sd/- Director	Sd/- Managing Director
----------------------------------	---	-------------------------	----------------------------------

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

Dated, Dhaka
26 October, 2013

Sd/-
Chartered Accountants

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Dhaka Electric Supply Company Limited (DESCO)

Statement of Changes in Shareholders' Equity

For the year ended 30 June 2013

Particulars	Note	Share Capital	Share Money Deposit	GOB Equity	Reserve & Surplus	Proposed Dividend	Total
Balance at 01 July 2012		2,602,769,620	75,000,000	1,552,140,000	6,323,799,513	-	10,553,709,133
Net profit for the year		-	-	-	804,646,952	-	804,646,952
Prior year's adjustment	36	-	-	-	(331,943,920)	-	(331,943,920)
Stock Dividend		390,415,443	-	-	(390,415,443)	-	-
Cash Dividend		-	-	-	(260,276,962)	-	(260,276,962)
Balance at 30 June 2013		2,993,185,063	75,000,000	1,552,140,000	6,145,810,140	-	10,766,135,203

For the year ended 30 June 2012

Particulars	Note	Share Capital	Share Money Deposit	GOB Equity	Reserve & Surplus	Proposed Dividend	Total
Balance at 01 July 2011		2,082,215,772	75,000,000	1,552,140,000	6,209,984,623	-	9,919,340,395
Net profit for the year		-	-	-	838,512,909	-	838,512,909
Prior year's adjustment	36	-	-	-	4,077,407	-	4,077,407
Stock Dividend		520,553,848	-	-	(520,553,848)	-	-
Cash Dividend		-	-	-	(208,221,577)	-	(208,221,577)
Balance at 30 June 2012		2,602,769,620	75,000,000	1,552,140,000	6,323,799,513	-	10,553,709,133

The accounting policies and other notes from 1 to 42 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 26 October, 2013 and signed on its behalf by :

Sd/-

Company Secretary

Sd/-

Executive Director (F & A)

Sd/-

Director

Sd/-

Managing Director

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

Dated, Dhaka
26 October, 2013Sd/-
Chartered Accountants

Dhaka Electric Supply Company Limited (DESCO)

Statement of Cash Flows

For the year ended 30 June 2013

Particulars	Note	Amount in Taka	
		30 June 2013	30 June 2012
A. Cash Flows from operating Activities:			
Received from Energy Sales		22,155,604,390	15,708,763,210
Collection of Govt. Duty, VAT & Tax		1,212,467,989	774,645,657
Received from Other Operating & Non Operating Activities		626,185,025	590,004,490
Received against Financial Income		1,384,993,301	1,104,418,043
Payment for Energy Purchase		(19,398,887,629)	(12,035,865,720)
Payment for Employee Expenses		(687,622,875)	(604,197,080)
Payment for Administrative & Other Expenses		(605,843,654)	(423,255,198)
Payment for Interest on Long Term Loan		(90,440,273)	(119,552,996)
Income Tax Paid		(219,823,570)	(583,302,370)
Payment for Govt. Duty, VAT & Tax		(1,154,154,317)	(758,556,366)
Net cash flows from operating activities		3,222,478,387	3,653,101,669
B. Cash Flows from Investing Activities:			
Acquisition of Property & Plant		(696,108,897)	(1,004,924,299)
Acquisition of Stores & Equipment		(687,551,470)	(258,172,087)
Net cash used in investing activities		(1,383,660,367)	(1,263,096,386)
C. Cash Flows from Financing Activities:			
Long Term Loan received		83,089,709	282,205,642
Dividend Paid		(215,207,803)	(394,693,097)
Long Term Loan Paid		(280,275,398)	(340,239,382)
Consumer Security Deposits Received		181,114,627	197,052,878
Net cash flows from financing activities		(231,278,865)	(255,673,959)
D. Cash & Cash equivalents increase/(decrease) during the year		1,607,539,155	2,134,331,324
E. Cash & Cash equivalents at the beginning of the year		14,518,068,663	12,383,737,339
F. Cash & Cash equivalents at the ending of the year		16,125,607,818	14,518,068,663

The accounting policies and other notes from pages 1 to 42 form an integral part of these Financial Statements. The Financial statements were authorized for issue by the Board of Directors on 26 October, 2013 and signed on its behalf by :

Sd/- Company Secretary	Sd/- Executive Director (F & A)	Sd/- Director	Sd/- Managing Director
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Signed in terms of our separate report of even date annexed.

Dated, Dhaka
26 October, 2013

Sd/-
Chartered Accountants

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Dhaka Electric Supply Company Limited (DESCO)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013



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 500 million ordinary shares of Tk.10 each as per SEC notification no SEC/CM RRCD/2009-193/109, dated: 15/09/2011. 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 the 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 had 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. 7.45 lac on 99 years lease in the year 2005. The amortization of the cost of this land would have been Tk. 7,529/- 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 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.

1.6 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.

1.7 Revenue recognition:

1.7.1 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.

1.7.2 Other operating income arising from connection/disconnection fees, bills against materials, meter-testing fees, LPC(Late Payment Charge) etc, are recognized on cash basis.

1.7.3 Interest on short-term deposits (STD) and on FDR's with banks is recognized as income on cash basis

1.8 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with BAS-7 "Statement of Cash Flows" 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 Flows from Operating Activities using the Direct Method"

1.9 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.

1.10 Related party transaction:

1.10.1 The 'Related party' as per BAS-24 is Bangladesh Power Development Board (BPDB), which holds 75% of the total shares outstanding.

1.10.2 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.

1.11 Earnings per share:

1.11.1 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.

1.11.2 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.

1.11.3 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.

1.12 Retirement benefit plans:

1.12.1 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.

1.12.2 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.

1.12.3 Group Insurance

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

1.13 Taxation:

1.13.1 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.

1.13.2 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.

1.14 Borrowing cost:

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

1.15 Reporting currencies:

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

1.16 Reporting period:

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

02.00 Property, Plant & Equipment:

	30 June 2013	30 June 2012
	Taka	Taka
Cost:		
Balance at 01 July	15,473,466,432	12,540,556,947
Less: Disposal of distribution equipment (Note -02.1)	(256,612,770)	(124,400)
	15,216,853,662	12,540,432,547
Additions during the year (Note -02.1)	1,381,900,274	2,933,033,884
Balance at 30 June	16,598,753,936	15,473,466,432
Depreciation:		
Balance at 01 July	4,903,032,633	4,187,582,940
Less: Adjustment for disposals (Note -02.1)	(6,580,358)	(41,625)
	4,896,452,275	4,187,541,315
Charged for the year	778,728,104	715,491,318
Balance at 30 June	5,675,180,379	4,903,032,633
Written Down Value (WDV)	10,923,573,557	10,570,433,799

02.1 Detail of addition & disposals of assets are shown in **Annexure-1** attached.

03.00 Capital Work -in- Progress:

33/11KV OH/UG Cable Line (Note-03.1)	48,433,278	39,525,549
33/11KV Sub- Station - Turnkey Project (Note-03.2)	156,414,125	334,101,614
Remote Metering Unit - Turnkey Project (Note-03.3)	36,262,144	29,840,501
Construction of 3 Storied Store Building	-	17,046,781
Construction of Rental Office Building (Note-03.4)	6,577,504	9,238,308
Total	247,687,051	429,752,752

03.1 33/11KV overhead & under ground cable works are in progress at Mirpur, Gulshan and Tongi circle respectively. The total contract price of the works is Tk. 58.80 million.

03.2 The Company entered into an agreement with Ideal Enterprise to implement 7(seven) nos. 33/11KV Sub -Station under DESCO Fund. The total contract price is Tk 1,503.31 million.

03.3 Remote metering unit installation are in progress at Mirpur zone under ADB contract. The total contract price is Tk 30.29 million (Including CD VAT).

03.4 This represents Infrastructure development charge of rental office building, which will be amortized of contract period (five years).

04.00 Stores & Spares :

Stores & Spares (Note-4.1)	2,474,389,716	2,984,360,428
Stores in Transit (Note-4.2)	16,129,770	17,222,383
Total	2,490,519,486	3,001,582,811

04.1 Cost of Stores & spares

	30 June 2013	30 June 2012
	Taka	Taka
Cable & Accessories	1,308,656,407	1,677,364,600
Pole & Pole fittings	526,571,572	600,451,329
Distribution transformers	110,711,500	151,670,991
Meter & Meter accessories	211,049,719	200,897,158
Sub-station equipment & spares	264,200,904	302,417,818
Tools, equipment & others	53,199,614	51,558,533
Total	<u>2,474,389,716</u>	<u>2,984,360,428</u>

04.2 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.

04.3 Stores & spares have been valued at weighted average cost method.

05.00 Accounts Receivable:

Receivable from consumers (Note-05.1)	3,390,779,023	3,153,317,250
Less: Provision for doubtful debts (Note-05.2)	<u>(210,264,939)</u>	<u>(193,311,044)</u>
	3,180,514,085	2,960,006,207
Receivable from DPDC against materials supplied (Notes 05.3)	7,778,897	190,401,822
Receivable from BPDB against materials supplied	55,472,107	55,472,107
Contribution to Provident Fund	100,462	33,609
Expenses recoverable from employees	810,721	513,568
Receivable from M/S Union		
Trade International (Notes-05.4)	17,222,383	-
Less: Provision this year	<u>17,222,383</u>	
Advertisement cost recoverable from other utility organization.	9,639,297	9,525,161
Total	<u>3,254,315,568</u>	<u>3,215,952,473</u>

05.1 Receivable from consumers are categorized as follows :

Government (Eqv. month 6.88, 2011-12 : 6.94)	558,376,020	516,582,050
Semi- Government/Autonomous (Eqv. month 1.53, 2011-12 :1.69)	172,395,823	164,567,298
Private (Eqv. Month 1.69, 2011-12 :1.81)	<u>2,660,007,179</u>	<u>2,472,167,902</u>
Average (Eqv. Month 1.95, 2011-12: 2.05)	<u>3,390,779,023</u>	<u>3,153,317,250</u>

05.2 Provision of Tk 210,264,939/- has been made this year @ 0.5% of the receivables amount outstanding at the balance sheet date, as per Company's policy.

This balance has been arrived at as under:

Balance at 01 July	193,311,044	177,544,458
Provision during the year (against E. Bill)	210,264,939	15,766,586
Add: Provision against lost of Store-in-Transit	<u>17,222,383</u>	<u>-</u>
	<u>227,487,322</u>	<u>193,311,044</u>

05.3 This balance has been arrived at as under:

Balance at 01 July	190,401,822	185,780,165
Material received from DPDC	(183,093,978)	-
Receivable against advertisement & holding tax	<u>471,053</u>	<u>4,621,656.5</u>
Balance at 30 June	<u>7,778,897</u>	<u>190,401,822</u>

05.4 This amount transfer from Store-in-Transit, Store-in-Transit lost during carrying by the M/S Universal Trade International (Contractor). Legal action has been taken against this firm for recovery of this amount (suit no 35 OF 2012) but till now decision has not been finalized by the Court.

06.00 Advances & Security Deposits:	30 June 2013	30 June 2012
	Taka	Taka
Advances:		
Against goods and services (Note-06.1)	44,613,629	82,772,751
Advance against office rent	13,383,354	20,572,180
Advance to Rajuk against Land purchase	254,820,000	-
Others (Note - 06.2)	7,873,802	9,436,801
Sub-Total	320,690,785	112,781,732
Security Deposits:		
Telephone/ Mobile	698,621	698,621
Dhaka City Corporation (against road cutting)	44,624,892	45,188,870
Dhaka WASA	10,411	10,411
Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
Bangladesh Railway	300,000	60,000
Others	885,340	885,340
Sub-Total	47,019,264	47,343,242
Total	367,710,049	160,124,974

06.1 Advance against goods & services includes Tk. 7.80 million paid to Bangladesh Power Development Board (BPDB) against purchase of spun pre-stressed concrete (SPC) poles, Tk. 10.77 million paid to GEMCO for purchase of transformers, Tk. 18.43 million paid to Progoti Industries Ltd. for purchase of vehicle and Tk. 1.13 million paid to Meghna petroleum against transformer oil purchased for repair and maintenance of transformer.

06.2 Advance to others include Tk. 1.08 million against CFL bulb distribution and Tk. 2.50 million paid to BEREC for Licence fee.

07.00 Advance Income Tax:		
* Upto 2009-2010	76,513,328	76,513,328
** Advance tax for to Appellate Division	33,200,000	33,200,000
*** Income Tax paid for 2010-11	375,367,406	375,367,406
Income Tax paid for 2011-12 (Note-07.1)	229,237,646	229,237,646
Income Tax paid for 2012-13 (Note-07.1)	219,823,570	-
	934,141,950	714,318,380
Less: Adjusted During the Year		
* Tax paid Upto FY 2009-10	76,513,328	
** For the Assessment Year	33,200,000	
*** Tax paid Upto FY 2010-11	375,367,406	
Balance at 30 June (Note-07.2)	485,080,734	-
	449,061,216	714,318,380

7.1 Advance Income Tax paid during the year:

This arrived at as under:

Deducted at source (on interest on FDR & STD) during the year	138,816,136	110,033,967
Deducted at source (on imported materials) during the year	662,434	9,203,679
Income tax paid for FY 2011-12 (AY-2012-13)	80,345,000	110,000,000
	219,823,570	229,237,646

7.2 Details of Advance Income tax:

Income Tax paid for 2011-12	229,237,646
Income Tax paid for 2012-13	219,823,570
	449,061,216

08.00 Cash & Bank Balances:

Cash in hand
 Imprest cash with S&D divisions
 Cash at banks (Note-08.1)
Total

30 June 2013**30 June 2012**

Taka

Taka

-
 1,412,905
 16,124,194,913
16,125,607,818

88,482
 1,066,405
 14,516,913,776
14,518,068,663

8.1 Cash at Banks:

Current account (revenue collection) (Note -08.1.1)
 Current account (VAT)
 STD accounts
 Fixed Deposit Receipts (FDR) (Note-08.1.2)
Total

2,828,007,264
 116,587,602
 1,860,255,303
 11,319,344,744
16,124,194,913

3,297,248,471
 190,777,306
 683,721,048
 10,345,166,951
14,516,913,776

8.1.1 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.

8.1.2 Fixed Deposit Receipts include Tk.84.42 million (2011-2012 : Tk 86.65) 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 balance amount will be realized by 2013.

09.00 Accounts Payable

Bangladesh Power Development Board (BPDB) (Note-09.1)
 Power Grid Company of Bangladesh (PGCB) (Note-09.2)
 Dhaka Electric Supply Authority (DESA/DPDC) (Note-09.3)
Total

4,024,171,827
 170,704,324
 230,464,139
4,425,340,290

3,049,024,630
 152,969,653
 204,666,624
3,406,660,907

9.1 Accounts Payable - BPDB

Balance at 01 July
 Energy purchased during the year
 Payment made during the year
Balance at 30 June

3,049,024,630
 19,539,780,150
22,588,804,780
 (18,564,632,953)
4,024,171,827

1,719,081,022
 12,548,440,423
14,267,521,445
 (11,218,496,815)
3,049,024,630

9.2 Accounts Payable - PGCB

Balance at 01 July
 Wheeling charge during the year
 Payment made during the year
Balance at 30 June

152,969,653
 853,696,011
1,006,665,664
 (835,961,340)
170,704,324

141,170,578
 779,296,968
920,467,546
 (767,497,893)
152,969,653

9.3 Accounts Payable - DESA/ DPDC

Balance at 01 July
 Payment made during the year
 Payable against Materials received from DPDC
 Consumer bill collection
Balance at 30 June

204,666,624
 -
 24,090,851
 1,706,664
230,464,139

242,922,742
 (50,000,000)
 10,150,309
 1,593,574
204,666,624

	30 June 2013		30 June 2012	
	Taka		Taka	
10.00 Creditors for Goods / Works :				
Equipment & materials (Note-10.1)		3,908,419		123,713,481
Imported materials against ADB loan (Note 10.2)		824,621,654		824,621,654
Total		828,530,072		948,335,135

10.1 This includes Tk 1.35 million to M/s.Navana Renewable Energy Ltd against supply and installation of Soler Grid tie System.

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

11.00 Creditors for Other Finance:				
VAT collected against electricity bills		118,297,210		192,321,039
Tax / VAT deducted from contractors, suppliers & others		16,750,696		12,207,597
Retention money (contractors & suppliers)		28,179,829		21,744,749
Receipts against deposit works		860,665,000		860,665,000
Unpaid dividend		209,555,926		164,486,766
Others		12,790,337		12,659,767
Total		1,246,238,997		1,264,084,918

12.00 Creditors for Expenses:				
Audit Fees		205,000		194,025
Line maintenance & commercial services and others		207,814,356		174,056,920
BERC sales charge		40,006,634		29,030,896
Total		248,025,990		203,281,841

13.00 Current Maturity of Long Term Loans:				
ADB Loan No-1505 (Note-13.1)		130,405,207		134,986,569
ADB Loan No-1731 (Note-13.2)		187,148,462		193,723,314
GOB Loan (Note-13.3)		64,778,527		64,778,527
Total		382,332,196		393,488,410

13.1 ADB (Loan No. 1505)

	30 June 2013		30 June 2012	
	US \$	Taka	US \$	Taka
Balance at 01 July	1,636,201	134,986,569	1,636,201	122,633,253
Transferred from long term loan	1,090,801	86,936,805	1,090,801	89,991,046
	2,727,001	221,923,374	2,727,001	212,624,299
Paid during the year	(1,090,801)	(88,900,246)	(1,090,801)	(87,373,125)
	1,636,201	133,023,128	1,636,201	125,251,174
Exchange loss/(gain)	-	(2,617,921)	-	9,735,395
Balance at 30 June	1,636,201	130,405,207	1,636,201	134,986,569

13.2 ADB (Loan No. 1731)

	30 June 2013		30 June 2012	
	US \$	Taka	US \$	Taka
Balance at 01 July	2,348,161	193,723,314	2,348,161	175,994,695
Transferred from long term loan	2,348,161	187,148,462	2,348,161	193,723,314
	4,696,323	380,871,776	4,696,323	369,718,009
Paid during the year	(2,348,161)	(191,375,152)	(2,348,161)	(188,087,727)
	2,348,161	189,496,624	2,348,161	181,630,282
Exchange loss/(gain)	-	(2,348,162)	-	12,093,032
Balance at 30 June	2,348,161	187,148,462	2,348,161	193,723,314

13.3 GOB Loan

Balance at 01 July
Transferred from long term loan

	30 June 2013	30 June 2012
	Taka	Taka
Balance at 01 July	64,778,527	64,778,527
Transferred from long term loan	-	64,778,530
	64,778,527	129,557,057
Paid during the year	-	(64,778,530)
Balance at 30 June	64,778,527	64,778,527

14.00 Accrued Interest on Loans

Interest payable on ADB Loan (14.1)
Interest payable on 40% (Debt Portion) of GOB Loan (14.2)
Total

Interest payable on ADB Loan (14.1)	964,371,040	739,943,582
Interest payable on 40% (Debt Portion) of GOB Loan (14.2)	9,432,222	-
Total	973,803,262	739,943,582

14.1 Interest on ADB loan

Balance at 01 July
Interest accrued during the year

Balance at 01 July	739,943,582	509,637,605
Interest accrued during the year	314,867,731	332,016,117
	1,054,811,313	841,653,722
Paid during the year	(90,440,273)	(101,710,140)
Balance at 30 June	964,371,040	739,943,582

14.2 Interest on GOB Loan

Balance at 01 July
Interest accrued during the year

Balance at 01 July	-	6,994,537
Interest accrued during the year	9,770,161	10,510,380
	9,770,161	17,504,917
Paid/ adjustment during the year	(337,939)	(17,504,917)
Balance at 30 June	9,432,222	-

15.00 Provision for Income Tax:

Balance at 01 July
Add: Provided during the year (Note-34.1)
Add: Prior Year Adjustement as per settlement of Appellate Division (Note-36)

Balance at 01 July	199,096,465	544,799,496
Add: Provided during the year (Note-34.1)	168,015,916	41,988,409
Add: Prior Year Adjustement as per settlement of Appellate Division (Note-36)	387,691,440	-
	754,803,822	586,787,905

Less: Adjustment during the Year:

Prior Year Adjustment (Note-36) 10,302,963
(i) Adjustment for the FY 2011-12:
With Prior Year Adjustment (Note-36) 49,415,799
For Tax Liability 451,880,734
(ii) Adjustment for the assessment Year 2005-06, 06-07, 07-08 33,200,000

	(544,799,496)	(387,691,440)
Balance at 30 June (Note-15.1)	210,004,326	199,096,465

15.1 Details of Provision for Income Tax :

For FY 2011-12
For FY 2012-13

30 June 2013	30 June 2012
Taka	Taka
41,988,409	-
168,015,916	-
210,004,326	-

16.00 Share Capital:**Authorized:**

50,000,000 Nos ordinary shares @ Tk. 100 each

30 June 2013	30 June 2012
5,000,000,000	5,000,000,000
75,000,000	75,000,000
1,196,194,000	1,196,194,000
1,721,991,063	1,331,575,620
2,993,185,063	2,602,769,620

Issued , subscribed and paid up:

7,500,000 Nos Ordinary shares @ Tk 10 each, fully paid up in cash

11,961,9400 Nos. Ordinary shares@ Tk.10 each for consideration
Against Mirpur area assets taken over from DESA

172,199,106 Nos. Ordinary shares @ Tk.10 each issued as Bonus

299,318,506 Nos. of shares ,Tk. 10 each

16.1 Composition of shareholding:

The composition of Share holding position as of 30th June 2013 is as follows:

	No. of share holders	Number of share	% of share
Sponsors (DESA)	7	224,488,776	75.00%
General Public	8,703	27,126,180	9.06%
Mutual Fund	50	16,792,271	5.61%
NRB	66	140,644	0.05%
Local Company	413	30,232,381	10.10%
Foreign Individual	19	40,837	0.01%
Foreign Company	7	497,417	0.17%
	9,265	299,318,506	100%

16.2 Distribution Schedule:

The distribution Schedule as at 30 June 2013 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 shareholders	% of shareholders	Number of share	% of share capital
1 to 500	3,249	35.07%	739,145	0.25%
501 to 5000	4,817	51.99%	8,253,721	2.76%
5001 to 10000	491	5.30%	3,607,469	1.21%
10001 to 20000	313	3.38%	4,344,220	1.45%
20001 to 30000	129	1.39%	3,160,621	1.06%
30001 to 40000	48	0.52%	1,702,895	0.57%
40001 to 50000	42	0.45%	1,892,279	0.63%
50001 to 100000	85	0.92%	5,950,129	1.99%
100001 to 1000000	84	0.91%	26,374,240	8.81%
1000001 to 50000000	5	0.05%	13,500,493	4.51%
Over 50000000 Shares	2	0.02%	229,793,294	76.77%
	9,265	100%	299,318,506	100%

	30 June 2013	30 June 2012
	Taka	Taka
17.00 Share Money Deposit:	<u>75,000,000</u>	<u>75,000,000</u>
The amount was received from DESA against shares of the company which have not yet been issued.		
18.00 GOB Equity	<u>1,552,140,000</u>	<u>1,552,140,000</u>
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.		
19.00 Retained Earnings		
Balance at 01 July	6,323,799,513	6,209,984,623
Prior year's adjustment (Note-36)	(331,943,920)	4,077,407
Net Profit for the year	804,646,952	838,512,909
	<u>6,796,502,545</u>	<u>7,052,574,938</u>
Dividend paid/ Bonus shares issued for FY 2011-2012	(650,692,405)	(728,775,425)
Balance at 30 June	<u>6,145,810,140</u>	<u>6,323,799,513</u>
20.00 Long Term Loans :		
(a) Loan from Asian Development Bank (ADB)		
Loan no. 1505 (Note -20.1)	652,026,055	764,923,914
Loan no. 1731 (Note -20.2)	1,028,344,309	1,258,195,151
Loan no. 2332 (Note -20.3)	5,785,932,489	5,903,193,593
Sub-Total	<u>7,466,302,853</u>	<u>7,926,312,658</u>
(b) Loan from Government of Bangladesh (GOB) :		
Loan no. (1505 & 1731) (Note -20.4)	112,174,545	109,148,148
Loan no. 2332 (Note -20.5)	148,718,947	151,745,344
Sub-Total	<u>260,893,492</u>	<u>260,893,492</u>
Total	<u>7,727,196,345</u>	<u>8,187,206,150</u>

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

This has been arrived at as under:

	30 June 2013		30 June 2012	
	US \$	Taka	US \$	Taka
Balance at 01 July	9,271,805	764,923,914	10,362,606	776,677,288
Transferred to Current Liability	(1,090,801)	(86,936,805)	(1,090,801)	(89,991,046)
	<u>8,181,004</u>	<u>677,987,109</u>	<u>9,271,805</u>	<u>686,686,242</u>
Exchange (Gain) / loss	-	(25,961,054)	-	78,237,672
Balance at 30 June	<u>8,181,004</u>	<u>652,026,055</u>	<u>9,271,805</u>	<u>764,923,914</u>

- (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 lent 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.

20.2 Loan from ADB (No - 1731, 10th power project)

This has been arrived at as under:

	30 June 2013		30 June 2012	
	US \$	Taka	US \$	Taka
Balance at 01 July	15,250,850	1,258,195,151	17,599,012	1,319,045,927
Transferred to current liability	(2,348,161)	(187,148,462)	(2,348,161)	(193,723,314)
	12,902,689	1,071,046,689	15,250,850	1,125,322,613
Exchange (Gain)/Loss	-	(42,702,381)	-	132,872,538
Balance at 30 June	12,902,689	1,028,344,309	15,250,850	1,258,195,151

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

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

This has been arrived at as under:

	30 June 2013		30 June 2012	
	US \$	Taka	US \$	Taka
Balance at 01 July	71,553,862	5,903,193,593	67,986,555	5,095,592,263
Add: Drawn	1,042,531	83,089,709	3,567,307	282,205,642
	72,596,393	5,986,283,301	71,553,862	5,377,797,905
Exchange (Gain)/ loss	-	(200,350,812)	-	525,395,688
Balance at 30 June	72,596,393	5,785,932,489	71,553,862	5,903,193,593

- (i) This represents dollars amount drawn to date translated at exchange rate prevailing at balance sheet date for import of materials/ equipment for Sustainable Power Sector Development Project under the Subsidiary Loan Agreement (SLA) entered into between the Company and the Govt. of Bangladesh (GOB), the primary loan agreement being between the ADB and the GOB.
- (ii) As per the terms of the Agreement the principal amount of the subsidiary Loan repayable by DESCO to the Government shall be in local currency equivalent, determined at official rate of exchange 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.
- (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, 2013

20.4 Loan from GOB (No. 1505 & 1731)

This has been arrived at as under:

	30 June 2013	30 June 2012
	Taka	Taka
Balance at 01 July	109,148,148	173,926,678
Wrongly debited Now rectified (added)	3,026,397	-
	112,174,545	173,926,678
Transferred to Current Liability	-	(64,778,530)
Balance at 30 June	112,174,545	109,148,148

- (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.

20.5 Loan from GOB (loan No 2332)

Balance at 01 July	151,745,344	151,745,344
Less: Refund (wrongly added now rectified)	3,026,397	-
Balance at 30 June	148,718,947	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 2013 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.

21.00 Due to DESA/DPDC for assets taken over:

21.1 Area wise break-up is as under:

Gulshan Area (comprising Gulshan, Baridhara, Uttara, Dakshinkhan)

Tongi Area (comprising Tongi East and Tongi West)

Uttara & Bashundhara Grid Substation

Balance at 30 June

	30 June 2013	30 June 2012
	Taka	Taka
	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

21.2 Value of assets shown above are provisional. Independent valuers have been appointed for identification, valuation and recording of assets taken over from DESA / DPDC which is under finalization.

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

22.00 Consumer Security Deposits:

Balance at 01 July

Received during the year

Refunded during the year

Balance at 30 June

	1,134,188,068	950,933,940
Received during the year	198,884,681	197,052,878
	1,333,072,749	1,147,986,818
Refunded during the year	(17,770,054)	(13,798,750)
Balance at 30 June	1,315,302,695	1,134,188,068

23.00 Energy Sales: Taka

Domestic

Agricultural Pump

Small Industries

Non-Residential

Commercial & Office

Medium Voltage

High Voltage(33kv & above)

REB High Voltage

Street Light, Pump

Construction & others

Total

	Tariff	%	2012-2013	2011-2012
Domestic	A	44.06	9,671,154,093	6,947,761,992
Agricultural Pump	B	0	667,040	478,859
Small Industries	C	3.68	807,814,384	676,787,071
Non-Residential	D	0.52	114,147,685	98,964,147
Commercial & Office	E	13.52	2,967,839,803	2,098,997,638
Medium Voltage	F	33.82	7,423,989,803	5,549,973,223
High Voltage(33kv & above)	H	0.07	15,366,034	7,980,980
REB High Voltage	I	0.51	111,952,537	52,674,465
Street Light, Pump	J	0.31	68,049,581	49,482,074
Construction & others	2E	3.51	770,496,872	478,858,777
Total		100%	21,951,477,832	15,961,959,226

23.1 Energy Sales - Unit

	Tariff	%	2012-2013	2011-2012
			Unit (Mkwh)	Unit (Mkwh)
Domestic	A	50.24%	1,714.17	1,563.84
Agricultural Pump	B	0.01%	0.23	0.20
Small Industries	C	3.59%	122.49	117.55
Charitable Organization	D	0.73%	25.01	23.44
Commercial & Office	E	10.09%	344.41	314.02
Medium Voltage	F	33.22%	1,133.54	1,021.73
Very High Voltage	H	0.07%	2.29	3.39
REB High Voltage	I	0.61%	20.92	18.40
Street Light, Pump	J	0.30%	10.21	9.31
Construction & others	2E	1.13%	38.64	39.24
Total		100%	3,411.91	3,111.12

24.00 Other Operating Revenue:

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

2012-2013	2011-2012
Taka	Taka
290,728,421	289,983,640

25.00 Energy Purchase:

2012-2013		2011-2012	
Unit (kwh)	Taka	Unit (kwh)	Taka
3,726,419,834	20,393,476,161	3,401,584,795	13,327,608,403

25.1 Electricity is purchased solely from Bangladesh Power Development Board (BPDB) at the rate of Tk.4.57 per kwh which has been enhanced to tk 5.4050/ kwh effective from 1st September -2012. The company also pays wheeling charge to Power Grid Co. Ltd (PGCB) at Tk 0.2291 per kwh.

26.00 Operating Expenses:

	2012-2013	2011-2012
	Taka	Taka
Commercial operation support services	118,098,514	94,016,280
Schedule & preventive maintenance	134,108,836	119,558,930
Special action team & collection drive	515,065	596,222
Consultancy fees for staking sheet	3,455,212	1,950,203
Maintenance of distribution of line & equipment	43,425,385	49,177,638
R&M of grid sub-station/sub-station	50,961,519	44,274,064
Repair & maintenance of transformer	20,873,384	14,557,420
Meter & service cable issue	152,253,403	113,244,719
Revenue stamp charge against consumer bill	40,851,704	23,622,998
System operating fee BEREC (Note 26.1)	10,975,738	7,980,980
	575,518,761	468,979,453
Less: Receipt against deposit work	63,701,741	91,556,710
Total	511,817,020	377,422,743

26.1 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.

27.00 Administrative Expenses:

	2012-2013	2011-2012
	Taka	Taka
Directors' fees (Note-27.1)	1,138,500	957,000
Audit fee	205,000	195,000
Advertisement & Notices	9,907,827	23,235,284
Annual picnic	1,626,243	1,149,742
Annual General Meeting (AGM)	4,559,796	3,840,568
Bank charges	4,642,705	3,090,160
Conveyance	1,708,380	1,606,921
Cleaning expenses	1,288,465	909,993
Electricity, gas & water	22,326,669	22,501,569
Entertainment	2,684,303	2,849,432
Fuel for vehicles	24,190,054	19,333,536
Honorarium to various committee members	355,000	2,426,210
Insurance of vehicles	1,676,574	953,772
Legal & Professional fees	4,439,290	3,824,603
Newspaper & Periodicals	371,602	378,749
Office maintenance	2,467,405	2,118,986
Office rent	34,067,111	28,165,161
Office security	23,815,447	16,915,768
Postage, telephone & internet	6,350,322	5,094,762
Printing & Stationery	22,137,811	14,930,435
Rates & Taxes	2,431,016	1,265,950
Repair & Maintenance of non operating assets	4,248,859	12,300,344
Repair & Maintenance of head office building	10,038,376	1,026,479
Repair & Servicing of vehicle	10,571,725	6,656,301
Recruitment expenses	4,889,450	785,500
Inspection survey & consultancy fees	873,327	615,952
Staff training	16,583,225	13,274,065
Listing fee & annual charges	2,210,532	7,287,273
Transport (hired)	25,456,977	15,319,869
Corporate Social Expenses (CSR)	7,043,621	10,019,546
BERC license fee	2,500,000	2,530,000
Office shifting	19,500	951,466
Total	256,825,111	226,510,395

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

28.00 Employee Expenses:

Salary & Allowances (Note - 28.1)	528,593,242	457,457,729
Festival bonus	46,678,044	41,610,202
Incentive bonus	53,341,297	-
Company's contribution to provident fund	29,682,405	25,397,406
Company's contribution to gratuity fund	47,902,852	27,154,517
Group insurance premium	1,995,447	5,717,789
Electricity / telephone expense reimbursed (Note - 28.2)	15,464,705	11,409,619
Medical expense reimbursed (Note - 28.2)	38,630,428	35,358,590
Uniform	258,746	91,228
Total	762,547,166	604,197,080

28.1 Remuneration of Directors and Executives:

	Amount in Taka		Amount in Taka	
	2012-2013		2011-2012	
	Directors	Executives	Directors	Executives
Salary and bonus	5,512,787	146,092,533	6,583,658	105,215,001
House rent	2,072,985	67,119,289	2,960,545	54,362,944
Provident fund	414,609	11,186,531	553,867	9,060,518
Total	8,000,381	224,398,353	10,098,070	159,361,879

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

	Amount in Taka	
	2012-2013	2011-2012
29.00 Interest Income:		
Interest earned on STD/FDR	1,384,993,301	1,104,418,043
Late payment charge (LPC)	278,921,890	132,134,317
Total	1,663,915,191	1,236,552,360
30.00 Interest Expenses:		
Interest expense against ADB loan	314,867,731	332,016,117
Interest expense against GOB loan	9,770,161	10,510,380
Total	324,637,892	342,526,497
31.00 Exchange Fluctuation Gain / (Loss):	273,980,330	(758,334,325)
Exchange fluctuation gain of Tk.273,980,330/- has arisen out of translation of foreign currency loan (in dollar) into taka at Financial Position date at the rate of Tk.79.70/\$1 (2011-12: at Tk.82.50/\$1).		
32.00 Miscellaneous Income:		
Sale of tender documents	167,234	189,000
Sale of obsolete store materials	9,927,719	45,445,014
Total	10,094,953	45,634,014
33.00 Depreciation:		
Depreciation (operating)	741,648,901	683,657,829
Depreciation (non operating)	37,079,203	31,833,489
Total	778,728,104	715,491,318
34.00 Income Tax :		
Current tax provision (34.1)	168,015,916	41,988,409
Deferred tax provision (34.2)	155,326,128	285,770,576
Tax Expenses	323,342,044	327,758,984
34.1 The Company's income tax assessment up to the FY 2010-2011 (AY 2011- 2012) has been completed and agreed upon. The details of current tax calculation are given below:		
Profit before tax as per income statement	1,127,988,996	1,166,271,893
Add: Accounting depreciation	778,728,104	715,491,318
Add: Bad debt Provision	34,176,278	15,766,586
Add: Corporate Social Expenses (CSR)	7,043,621	10,019,546
	1,947,936,999	1,907,549,343
Less: Depreciation as per 3rd Schedule of Tax Ordinance, 1984.	(1,336,970,031)	(1,754,864,221)
	610,966,968	152,685,122
Current Tax (at 27.5%)	168,015,916	41,988,409
Current tax expenses	168,015,916	41,988,409

34.2 Deferred Tax Provision:

Balance at 01 July
Provision for the year
Balance at 30 June

2012-2013	2011-2012
Taka	Taka
1,540,567,703	1,254,797,127
155,326,128	285,770,576
<u>1,695,893,831</u>	<u>1,540,567,703</u>

Deferred tax provision has been arrived at as under

Carrying amount of assets
Tax base amount of assets
Temporary Difference
Effective Tax Rate
Total Deferred tax Provision required
Already provided up to last year
Deferred tax Provision during the year

10,923,573,557	10,570,433,799
4,756,686,899	4,968,369,426
<u>6,166,886,658</u>	<u>5,602,064,373</u>
27.50%	27.50%
<u>1,695,893,831</u>	<u>1,540,567,703</u>
1,540,567,703	1,254,797,127
<u>155,326,128</u>	<u>285,770,576</u>

35.00 Earning Per Share (EPS):

Earning Per Share

Earning attributable to ordinary Shareholders (Tk)
Weighted number of shares outstanding
Basic Earning Per Share (Adjusted)

804,646,952	838,512,909
299,318,506	299,318,506
<u>2.69</u>	<u>2.80</u>

36.00 Adjustment related to previous year:

Interest income on FDR accounted in this year
Income tax adjustment as per settlement of Appellate Division
Excess Provision Adjustment
Excess Provision Adjustment for AY 2011-12
Advertisement expenses adjustment
Salary adjustment from employee
Operating & administrative expenditure of previous year adjusted
Utility expenses adjustment
VAT amount paid to Govt. account
Total

-	1,814,750
(387,691,440)	-
10,302,963	-
49,415,799	-
1,096,660	-
(220,000)	1,800
(4,847,902)	(1,625,024)
-	3,953,831
-	(67,950)
<u>(331,943,920)</u>	<u>4,077,407</u>

37.00 Subsequent Events-Disclosures Under IAS 10 "Events After The Balance Sheet Date".

Proposed Dividend

- a) Subsequent to the Financial Position date, the Board of Directors in their meeting held on 26 October 2013 recommended 10% cash and 15% stock dividend (i.e. TK. 1 per share of TK. 10/- each and 3 Bonus Shares for every 20 existing shares on record date) for the year ended June 30, 2013. The dividend proposal is subject to shareholders' approval at the forthcoming 17th AGM.
- b) Except the fact stated above, no circumstances have arisen since the Financial Position date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

38.00 Contingent Liabilities:

38.1 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.

38.2 An aggregate amount of Tk. 51,751,544/- claimed by BPDB as shown below is disputed by the Company.

Particulars	Amount in Taka
Arrear Energy bill (November '05 to May '07)	13,198,386
Arrear Surcharge	26,160,734
PFC Charge (October 2009 to April 2013)	12,392,424
Total	51,751,544

39.00 Credit Facility Availed:

No credit facility existed under any contract as on June 30, 2013 other than trade credit available in the ordinary course of business.

40.00 Capital Commitment:

The Company has entered into various contracts for construction works, sub-stations, land development, installation, renovation dismantling O/H and U/G cables, etc. amounting to Tk 7,389.22 million, works of which will be started in the next financial year.

41.00 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.

Total

No. of Employees	
2012-2013	2011-2012
1,360	1,198
Nil	Nil
1,360	1,198

42.00 General :

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

Sd/-
Company Secretary

Sd/-
Executive Director (F & A)

Sd/-
Director

Sd/-
Managing Director

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

Dhaka
26 October, 2013

Dhaka Electric Supply Company Limited (DESCO)

Fixed Assets Schedule As at 30 June 2013

Sl No.	Category of Assets	Cost			Rate (%)	Depreciation				Written down value as on 30-06-13	Written down value as on 30-6-12
		Balance as on 01-07-12	Addition during the Period	Adjustment		Total as on 30-06-13	Balance as on 01-07-12	Charged during the year	Adjustment		
1	Land	1,162,452,401	621,097	250,000,000	913,073,498	-	-	-	-	913,073,498	1,162,452,401
2	Building	225,146,493	88,688,633	9,114	313,826,012	2.50%	7,485,551	-	56,962,503	256,863,509	175,669,541
3	Motor Vehicles	138,305,041	28,857,535	6,574,467	160,588,109	20%	14,049,598	6,574,467	143,140,934	17,447,175	2,639,238
4	Furniture & Fixture	34,935,462	4,808,600	-	39,744,062	10%	3,261,687	-	20,863,608	18,880,454	17,333,541
5	Office Equipment	149,908,871	26,201,436	29,189	176,081,118	15%-20%	19,767,918	5,891	127,874,667	48,206,451	41,796,231
6	Distribution Equipment	5,022,223,394	509,991,021	-	5,532,214,415	2%-10%	255,898,698	-	1,489,902,044	4,042,312,371	3,788,220,049
7	Distribution Line	8,740,494,316	722,731,952	-	9,463,226,268	2%-10%	478,264,652	-	3,836,436,171	5,626,790,098	5,382,322,798
	Total	15,473,465,979	1,381,900,274	256,612,770	16,598,753,483		778,726,104	6,580,358	5,675,179,926	10,923,573,557	10,570,433,799

Notes:

- 1) Building includes Office Building, Store Godown Sheds and Boundary Wall.
- 2) Office Equipment comprises Communication Equipment, Computer & Peripherals, Electric and Store Equipment etc.
- 3) Addition to Distribution Line and Equipment includes 573 Nos. of Distribution Transformer, 873.57 Km Conductor and 788.06 Km Service Cable etc.
- 4) Addition to Motor Vehicle Includes 4 nos Jeep and 10 Nos Motor Cycle.

TARIFF RATE

BULK PURCHASE TARIFF

SL.No	Tariff Category	Present Tariff (from September 01, 2012) Taka/KWH
01	BPDB to DESCO (for energy)	5.4050
02	PGCB to DESCO (for wheeling)	0.2291

RETAIL SALES TARIFF

SLNo	Tariff Category	Consumption Slab	Present Tariff (from September 01,2012) Taka/KWH
1	Domestic-A	i. From 00 to 75 units	3.33
		ii. From 76 to 200 units	4.73
		iii. From 201 to 300 units	4.83
		iv. From 301 to 400 units	4.93
		v. From 401 to 600 units	7.98
		vi. Above 600 units	9.38
2	Agricultural Pumping - B		2.51
3	Small Industries - C	i. Flat	6.95
		ii. Off-peak hour	5.96
		iii. Peak hour	8.47
4	Non Residential - D (Light & Power)		4.53
5	Commercial & Office- E	i. Flat	9.00
		ii. Off-peak hour	7.22
		iii. Peak hour	11.85
6	Medium Voltage – F (11 KV)	i. Flat	6.81
		ii. Off-peak hour	5.96
		iii. Peak hour	9.33
7	High Voltage – F (33 KV)	i. Flat	6.48
		ii. Off-peak hour	5.87
		iii. Peak hour	9.14
8	Street Light & Water Pumps – J		6.48

Certificate of Compliance



Rahman Mostafa Alam & Co.
Chartered Accountants



Certificate on compliance of conditions of corporate governance guidelines to the shareholders of

Dhaka Electric Supply Company Limited (DESCO)

We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by Dhaka Electric Supply Company Limited (DESCO) for the year ended on June 30, 2013 as stipulated in clause 7(i) of the BSEC notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

The compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of Dhaka Electric Supply Company Limited (DESCO). Our examination for the purpose of issuing this certificate was limited to the checking of procedure and implementation thereof, adopted by Dhaka Electric Supply Company Limited (DESCO) for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, Dhaka Electric Supply Company Limited (DESCO) has complied with conditions of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012.

Dated : Dhaka
October 26, 2013


Rahman Mostafa Alam & Co.
Chartered Accountants



DHAKA ELECTRIC SUPPLY COMPANY LIMITED

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