



# Annual Report

# 2015

**DHAKA ELECTRIC SUPPLY COMPANY LIMITED**

# DESCO AREA MAP

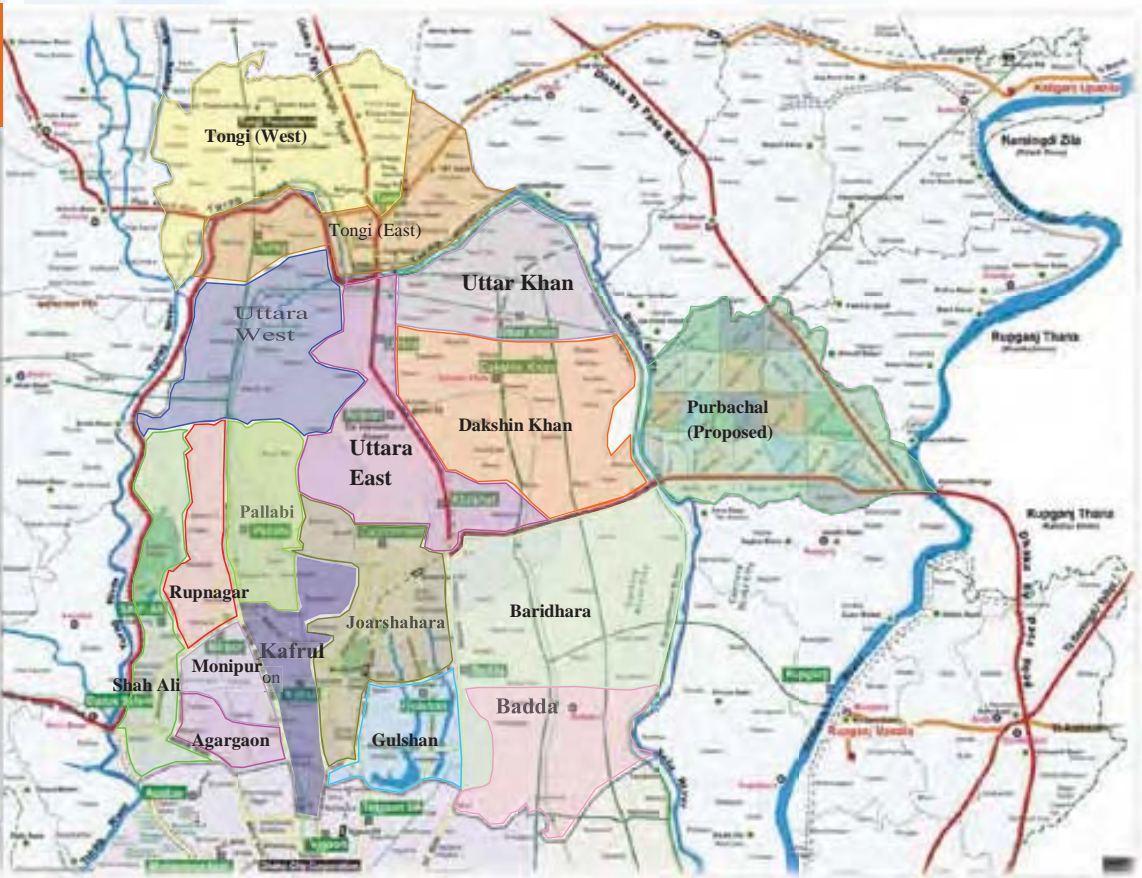
S & D Wise  
DESCO Map

**LEGEND**

- Administrative boundaries
- Water bodies
- Topography
- Infrastructure
- Scale

**SCALE**

0 1 2 KM



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A group of men are seated in a conference room, some holding documents. The scene is overlaid with a large, semi-transparent green circular graphic that has a grid-like pattern. The word "Notice" is written in a bold, green, sans-serif font across the center of the image.

# Notice

## NOTICE OF THE 19<sup>TH</sup> ANNUAL GENERAL MEETING

This is for notification of all concerned that the 19<sup>th</sup> Annual General Meeting (AGM) of Dhaka Electric Supply Company Ltd. (DESCO) will be held on Saturday, January 02, 2016 at 10:00 a.m. at PSC Convention Hall, Police Staff College, Mirpur-14, 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, 2015 together with the Auditors' Report thereon.
2. To declare Dividend for the year ended June 30, 2015 as recommended by the Board of Directors.
3. To elect/re-elect the Directors.
4. To appoint Auditors for the year 2015-16 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/-**

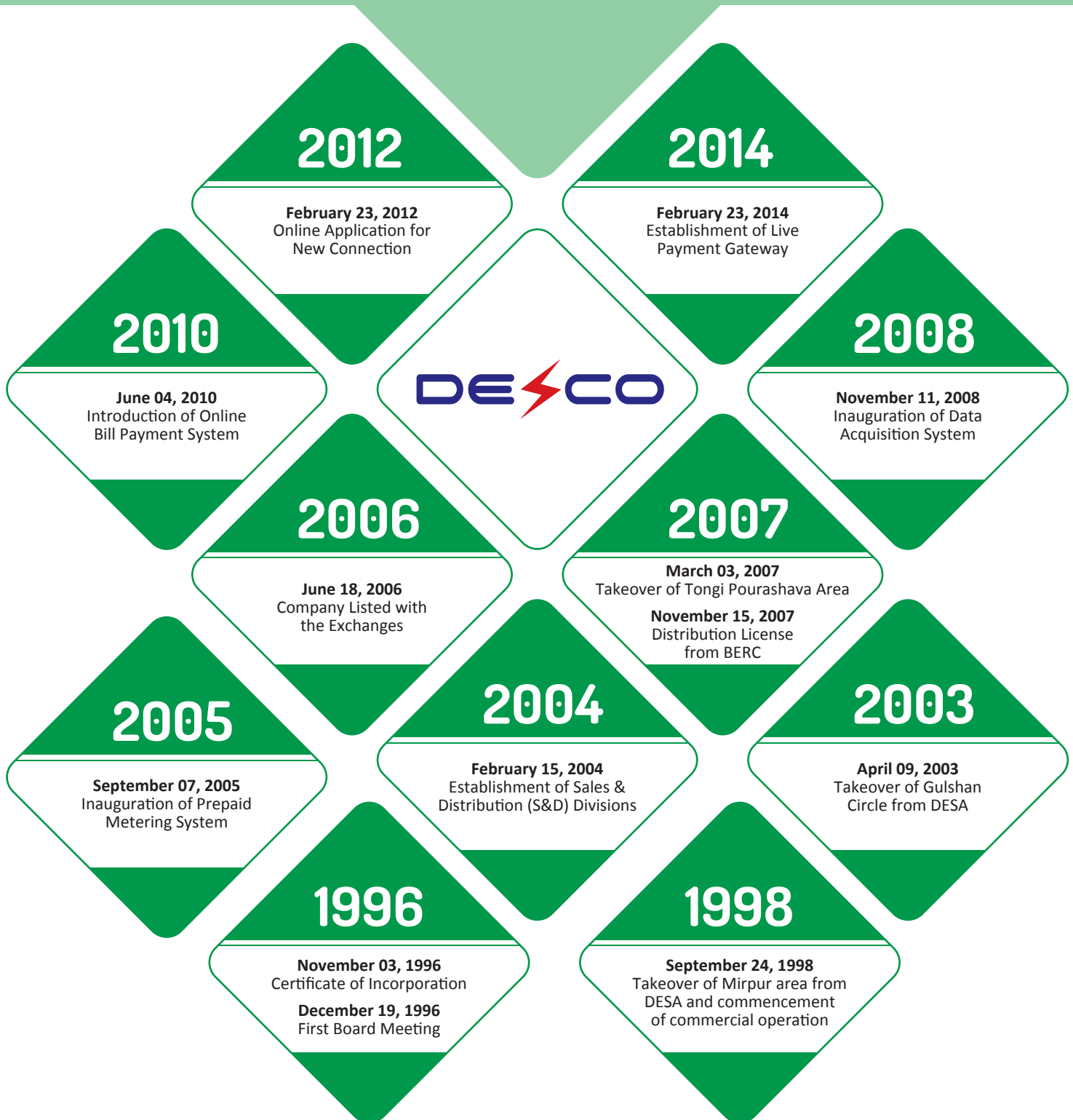
**Engr. Zulfiquar Tahmid**  
Company Secretary

Dhaka, December 10, 2015

### **Notes:**

01. *Members, whose names appear on the Members/Depository Register as on 'Record Date' i.e. 12/11/2015, will be eligible to attend the Annual General Meeting (AGM).*
02. *A member eligible to attend and vote at the Annual General Meeting may appoint a proxy on her/his stead. The proxy form attached with the Annual Report-2015, 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.*
03. *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.*
04. *Registration counter will remain open from 8:00 a.m. to 10:00 a.m. on the meeting day.*

# Milestone..



# Vision & Mission



## VISION

To be an enabler of economic development and social progress by providing safe, reliable and sustainable electricity.



## MISSION

Bringing comfort to customers, supporting business and commerce and building strong communities. Achieving and maintaining the highest degree of efficiency, reliability and responsiveness for variety of customers.

## CORE PRINCIPLES

We will achieve our vision through our core corporate principles.

**Safety:** Placing the safety of our communities, Customers and employees first;

**Customer Focus:** Providing superior service to help customers more effectively manage their use of electricity;

**Community Focus:** Being an integral part of the communities in which we live, work and serve;

**Operational Excellence:** Incorporating continuous improvement to deliver safe and dependable electricity at affordable prices;

**Performance Driven Culture:** Fostering a strong values and performance based culture designed to attract, develop and retain best talents.





## BOARD OF DIRECTORS



**Mr. Md. Mahbub-ul-Alam, ndc**  
Chairman, DESCO Board



**Brig General Md Shahid Sarwar, ndc, psc (Retd)**  
Managing Director, DESCO



## DIRECTORS



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



**Mr. Md. Israil Hossain**  
Joint Secretary (Drafting)  
Ministry of Law, Justice and  
Parliamentary Affairs  
Govt. of the People's Republic of  
Bangladesh.



**Mr. A.K. M. Humayun Kabir**  
Joint Secretary (Company Affairs)  
Power Division, Ministry of Power,  
Energy & Mineral Resources  
Govt. of the People's Republic of  
Bangladesh.



**Mr. Selim Abed**  
Deputy Secretary  
Ministry of Power, Energy & Mineral  
Resources  
Govt. of the People's Republic of  
Bangladesh.



**Md. Selim Uddin**  
Deputy Secretary  
Ministry of Power, Energy and  
Mineral Resources  
Govt. of the People's Republic of  
Bangladesh.



**Engr. Ataul Mahmud**  
Vice President (Service & Welfare)  
Institute of Engineers, Bangladesh (IEB).



**Engr. Md. Rabiul Hasnat**  
Director  
Real Estate & Housing Association  
of Bangladesh (REHAB).



**Dr. Ahsan Aktar Hasin**  
Professor  
Department of Industrial and  
Production Engineering (IPE)  
Bangladesh University of  
Engineering and Technology  
(BUET), Dhaka.



**Mr. Md. Shamsul Hassan Miah**  
Member (Company Affairs),  
Bangladesh Power Development  
Board (BPDB).

## Corporate Directory

Managing Director	<b>Brig General Md. Shahid Sarwar, ndc, psc (Retd.)</b>
Chief Financial Officer	<b>Md. Rofi Uddin</b>
Company Secretary	<b>Engr. Zulfiquar Tahmid</b>
Tax Advisor	<b>Rahman Mostafa Alam &amp; Co.</b> Chartered Accounts
Legal Advisor	<b>Sheikh &amp; Chowdhury</b> Barristers. Advocates
Auditors	<b>MABS &amp; J Partners</b> Chartered Accountants

### 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](mailto:info@desco.org.bd) [mddesco@desco.org.bd](mailto:mddesco@desco.org.bd)  
[www.desco.org.bd](http://www.desco.org.bd)

## DESCO AT A GLANCE

Status	Public Limited Company
Business	Electricity Distribution
Year of Incorporation	November 03, 1996
Stock Exchange Listing	June 18, 2006
Distribution License from BERC	November 15, 2007
Commencement of commercial operation	September 24, 1998
No. of Sales & Distribution (S&D) Division	16 Nos.
Inauguration of Prepaid Metering System	September 07, 2005
Authorized Capital	Tk. 500 Crore
Paid up Capital	Tk. 378.64 Crore
Turnover During the FY-2014-15	Tk. 27,358.15 Crore
Net Profit before Tax During the FY-2014-15	Tk. 199.05 Crore
Distribution Lines as on 30.06.2015	
33KV Line	416 KM
11KV Line	1722 KM
LT Line	1978 KM
132/33 KV Grid Substation	2 Nos.
33/11 KV Substation	30 Nos.
Maximum Demand	845 MW
Manpower as on 30.06.2015	1,497 Nos.



TECHNICAL &  
COMMERCIAL HIGHLIGHTS



28 11 42 GENERAL MANAGER SALES & DISTRIBUTION 1230.00

COUNTER	1	COUNTER	2	COUNTER	3	COUNTER	4	COUNTER	5
NOW SERVING	20	NOW SERVING	00	NOW SERVING	50	NOW SERVING	10	NOW SERVING	05

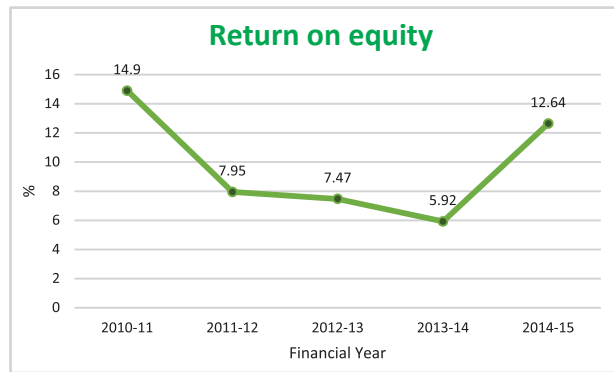
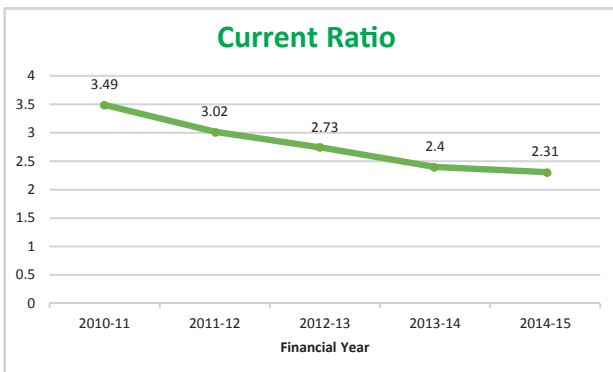
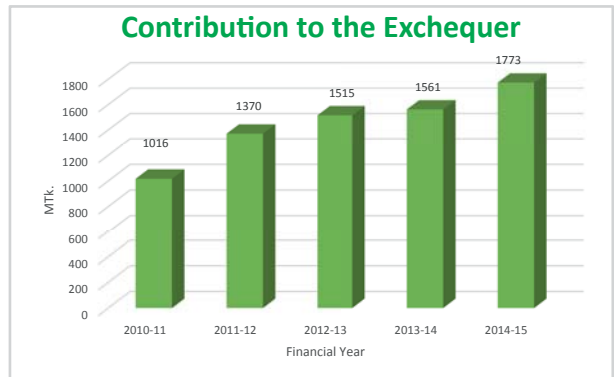
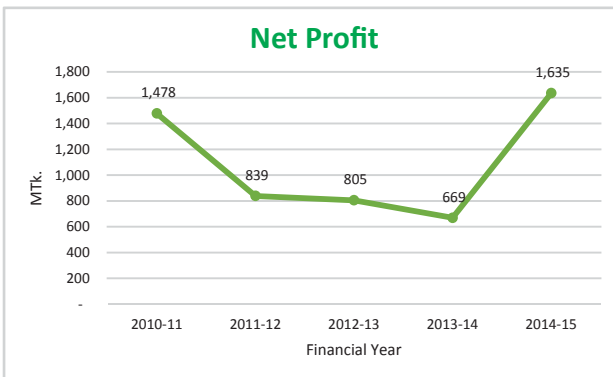
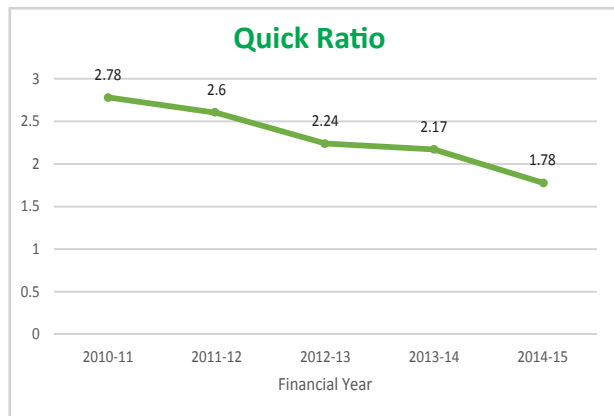
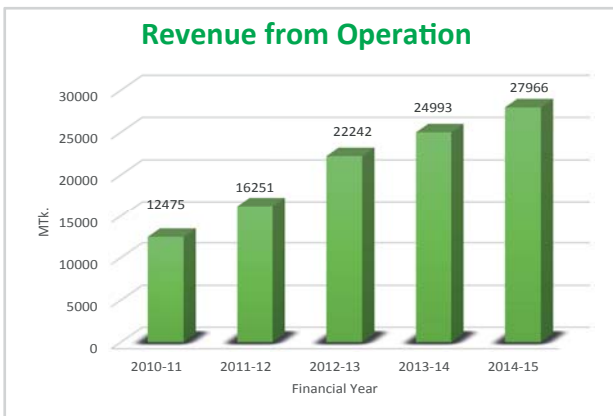
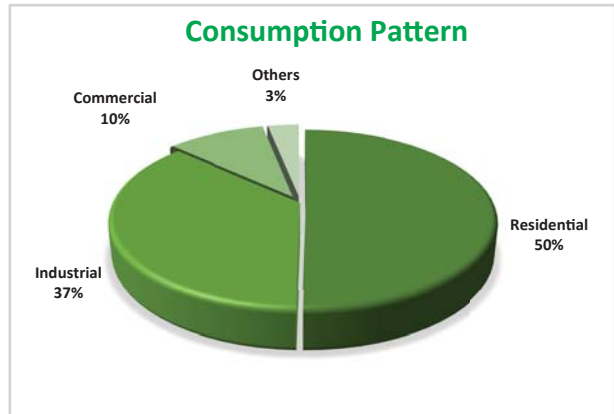
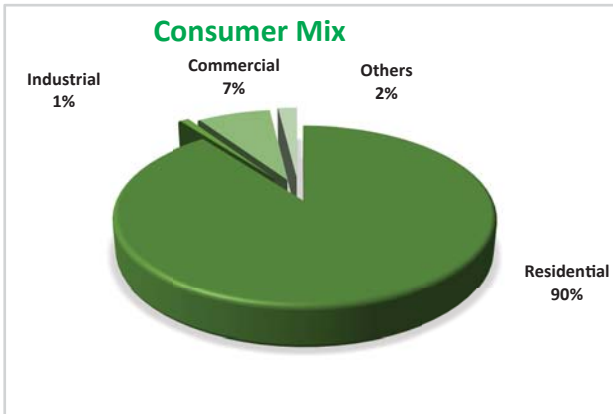
## TECHNICAL HIGHLIGHTS

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
132/33 KV Grid Substations	2	2	2	2	2
33/11 KV Sub-station (No.)	22	25	26	30	30
Capacity of 33/11 KV Sub-Station (MVA)	880/1,232	980/1,372	1,080/1,512	1,200/1,680	1,250/1,750
Maximum Demand (MW)	640	715	726	786	845
33KV Overhead Line (KM)	83	83	83	83	89
33KV Underground Line (KM)	216	295	316	322	327
11KV Overhead Line (KM)	1,045	1,084	1,122	1,204	1,266
11KV Underground Line (KM)	361	390	434	438	456
LT Line (KM)	1,717	1,775	1,838	1,936	1,978
Distribution Transformer (No.)	4,938	5,227	5,215	5,672	5,932

## COMMERCIAL HIGHLIGHTS

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Energy Import (MKWh.)	3,122.75	3,401.59	3,726.31	4,064.19	4,320.98
Energy Import (MTk.)	8,801.83	13,327.74	20,393.48	22,898.05	24,344.81
Energy Sales (MKWh.)	2,848.38	3,111.12	3,411.91	3,722.23	3,959.46
Energy Sales (MTk.)	12,400.18	15,961.96	21,951.48	24,431.03	27,358.15
System Loss (%)	8.79	8.54	8.44	8.41	8.37
Collection Ratio (%)	98.96	98.54	100.93	100.53	101.48
C.I. Ratio (%)	90.26	90.13	92.40	92.07	92.99
Consumer Nos.	449,063	504,723	573,356	641,933	705,234
Receivable/Sales (%)	19.96	18.54	14.49	13.60	12.79

# Performance Charts



# DIRECTORS' REPORT



**Mr. Md. Mahbub-ul-Alam, ndc - Chairman, DESCO Board**

## **Dear Honorable Shareholders,**

Let me take the opportunity to welcome you, on behalf of the Board of Directors, to the 19th Annual General Meeting of Dhaka Electric Supply Company Limited (DESCO). We would like to present you the Audited Accounts ended June 30, 2015 in addition to the Auditors' and the Directors' Reports.

## THE COMPANY

You know that DESCO, a power distribution company, was founded as a public limited company on November 03, 1996 under the Companies Act 1994. It was a demand of time to establish the company as part of an ongoing Power Sector Reforms to increase efficiency in the area of power generation, transmission and distribution. It started with the Authorized Capital of Tk 5.00 billion.

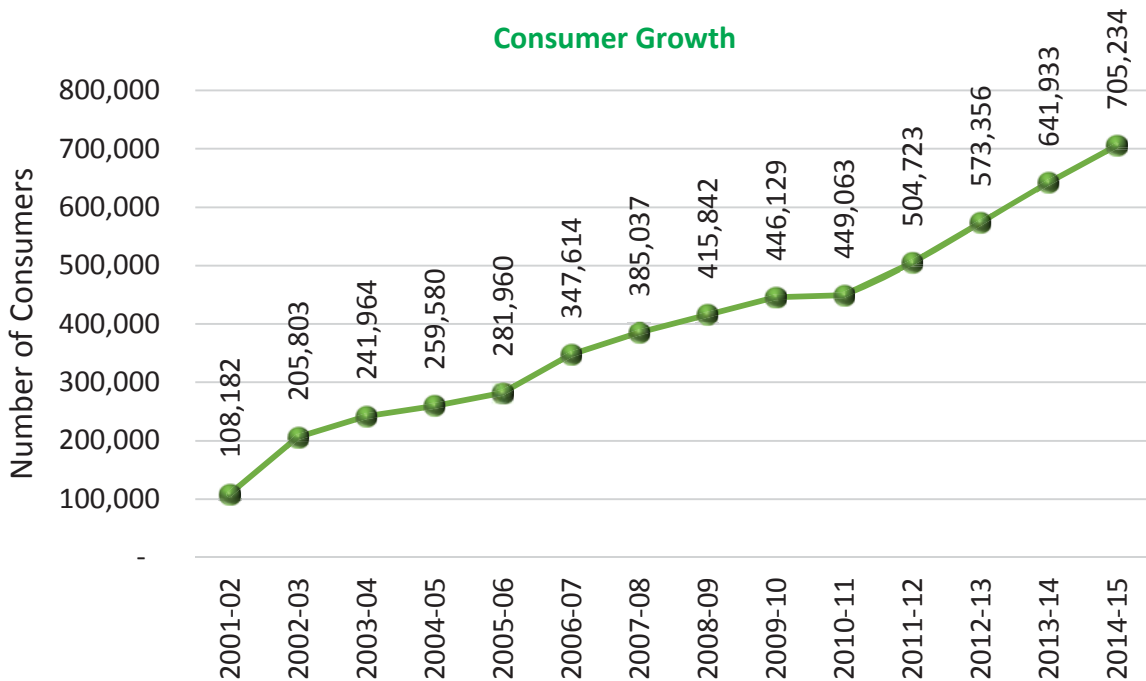
However, the company started its field-level operational activities on September 24, 1998 as it took over the electric distribution system of Mirpur area from erstwhile Dhaka Electric Supply Authority (DESA) with the consumer strength of 71,161 and a load demand of 90 MW. In the subsequent years of successful operation and performance, the operational area of DESCO was expanded through inclusion of Gulshan Circle on April 9, 2003 and Tongi Area on March 4, 2007. The total consumer strength stands at 7,05,234 while the load demand reached its peak at 845 MW on 30th June, 2015.

## TERRITORY

The company's core operation lies within an area of around 250 square kilometers, covering 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, Turag River in the west and areas under the then Tongi Pourashava in the North. "Purbachal Model Town" a Rajuk Project, located on the east side of Balu River was also added.

## GROWTH OF THE COMPANY

The figures and graphs presented in this report well represent the company's growth. Starting from a consumer base of 71,000 with load demand of 90 MW in 1998, the company has grown to cater to nearly 7,05,234 consumers with load demand of 845 MW on June 30, 2015. The shareholders equity increased from Tk. 11,296 million last year to Tk. 12,933 million.

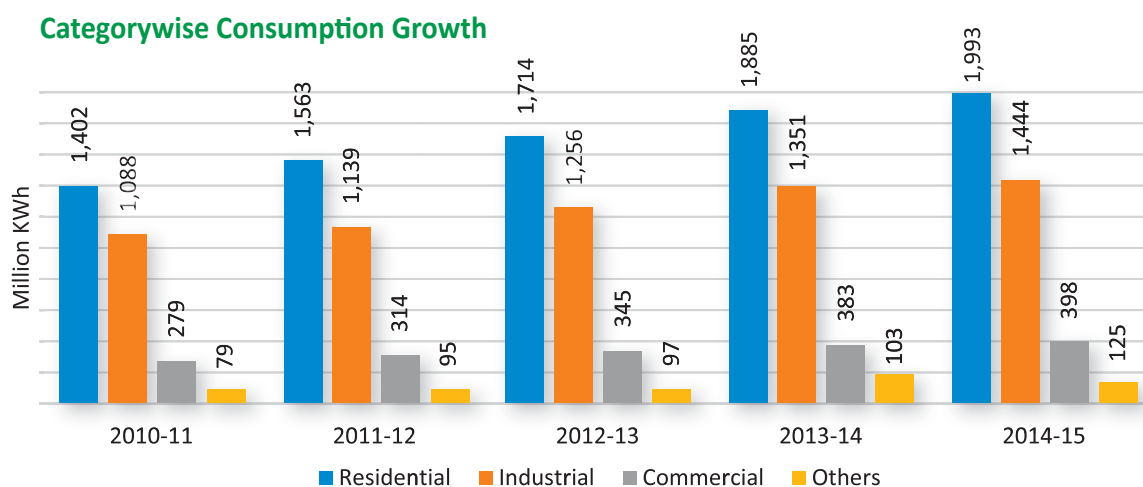




## MANAGEMENT

On top of the pyramid of the chain of command stands the Managing Director. The company is guided by the Board of Directors. The core objective of the management is to run it efficiently and balance perfectly the output against cost and manpower. DESCO reorganized its activities into 16 (sixteen) Sales & Distribution (S&D) Divisions.

DESCO has got its major field-level technical activities done through outsourcing. These include scheduled maintenance, trouble shooting and breakdown maintenance of substation and switching stations, trouble shooting of customer complaints, line & equipment maintenance etc. Commercial support activities were also outsourced. These are 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. The company also got logistic support services like security service, cleaning service and partial transport service done through outsourcing. To achieve this goal, DESCO opted for a bidding process to engage several experienced contractors. Proper maintenance of the distribution system led to a significant reduction in consumers' complaints about service. In order to ensure maximum consumer satisfaction, the procedure for new connection has been simplified to shorten the time for load sanction. Efforts are taken further to reduce the average time to resolve the consumer complaints.



## MANAGEMENT TEAM

Name	Designation
Brig. General Md. Shahid Sarwar, ndc, psc (Retd.)	Managing Director
Mr. Md. Abdullah Al Masud Chowdhury	Executive Director (Human Resource)
Mr. Md. Rofi Uddin	Executive Director (Finance & Accounts)
Engr. A.K.M. Mostafa Kamal	Executive Director (Procurement) & Additional Charge Executive Director (Engineering)
Engr. Noor Mohammad	Executive Director (Operation)

## TECHNICAL ACTIVITIES

Major technical activities completed during the financial year 2014-15 are highlighted below:

### SUBSTATIONS ERECTED IN FY YEAR 2014-15

DESCO always feels to be consistent with load growth and capacity enhancement. As such it took various projects for capacity building. In FY 2014-15, the company has completed five 33/11KV new substations and upgraded one 33/11KV substation, as a result of which capacity enhanced to 180/252 MVA (227 MW):

Sl. No.	Name of the Substation	Capacity (MVA)
01	Banani-2 (Kakoli)	3x20/28
02	Tongi-2	1x20/28
03	Digun	1x20/28
04	Mirpur-6	2x20/28
05	Agargaon-2	2x20/28
<b>Total Capacity Enhanced</b>		<b>180/252 (~227MW Max)</b>

### SUBSTATIONS UNDER CONSTRUCTION

Construction of following 4 nos. of new 33/11 KV substation on turnkey basis and 01 nos. augmentation of Baridhara 33/11 KV substation from 10/14 MVA to 20/28 MVA using DESCO's own fund is under process of completion. The works are in progress and will be completed by December, 2015.

Sl. No.	Name of the Substation	Capacity (MVA)
01	Purbachal	2x20/28
02	BIHS Mirpur	3x20/28
03	Mohakhali Health Complex, Mohakhali	3x20/28
04	United City Centre, Gulshan Avenue	2x10/14
05	Augmentation of Baridhara 33/11 KV substation from 10/14 MVA to 20/28 MVA.	1x20/28 (10/14)
<b>Capacity will be Enhanced</b>		<b>200/280 (~252MW Max)</b>

### ELECTRIC LINE CONSTRUCTION

Every year DESCO expands its source line and distribution network. The following table shows a picture

Sl. No.	Type of Line	Level	Length		
			2012-13	2013-14	2014-15
1.	Underground line construction	33 KV	21.58 KM	6 KM	5 KM
2.		11 KV	43.56 KM	4 KM	18 KM
<b>Sub Total</b>			<b>65.14 Circuit KM</b>	<b>10Circuit KM</b>	<b>23 Circuit KM</b>
3.	Overhead line construction	33 KV	-	-	6 KM
4.		11 KV	25.44 KM	45.06 KM	37.40 KM
5.		11/0.4 KV	12.98 KM	38.52 KM	24.118 KM
6.		0.4 KV	63.73 KM	61.90 KM	41.354 KM
<b>Sub Total</b>			<b>102.15 Circuit KM</b>	<b>145.47 Circuit KM</b>	<b>108.87 Circuit KM</b>
7.	Renovation		64.97 KM	32.32 KM	62.20 Circuit KM

## DISTRIBUTION TRANSFORMER

In order to cater the increasing load demand and enhance distribution capacity, DESCO installed as many as 316 nos. of 11/0.4 KV Three phase 200 KVA and 99 nos. Single phase 15 KVA transformers, in addition to transformers installed by the consumers at their own accord.

## LOOKING INTO THE FUTURE

DESCO has completed a study to ascertain the load demand and consumer growth in DESCO area up to the year 2030 with every 5 years phasing. The report shows that the load demand of DESCO will increase to 1,124 MVA, 1,964 MVA, 3108 MVA and 4827MVA by the year 2015, 2020, 2025 and 2030 respectively. DESCO has taken up plan to cater to this increasing load demand accordingly. In this regard, 72 nos. of new 33/11 KV Substations and 17 nos. of new 132/33 KV Grid Substations will be required to be constructed along with up gradation of some existing sub-stations.

Two new townships namely “Purbachal Model Town” and “Uttara Model Town (3rd Phase)” are being developed by Rajuk in the DESCO area. These new townships have already been added to DESCO’s operational area. Electrical network development for this area has already been taken up by DESCO. The load demand of “Purbachal Model Town” and “Uttara Model Town (3rd Phase)” are expected to be about 500 MW and 352 MW respectively.

## NEW DEVELOPMENT PROJECTS

Two projects namely “Augmentation and Rehabilitation of Distribution System” and “Construction of 132/33/11 KV Grid Substations in DESCO Area” financed by Asian Development Bank (ADB), Government of Bangladesh and DESCO jointly under Power System Expansion and Efficiency Improvement Investment Program, Tranche-2 to meet the load demand up to the year 2020. This will enhance the DESCO’s whole infrastructure capacity up to 2640 MVA, cover approximately 10,50,000 nos. of consumer and power handling capacity around 2100 MW. The cost of the said two projects has been estimated at tk. 3,000 crores. The two projects will be completed by June 2017. Major components of the projects are:

- i) Installation & commissioning 05 nos. of new 132/33 KV Grid Sub-Stations and 48 Circuit KM 132 KV source lines.
- ii) Installation & commissioning of 14 nos. of new 33/11KV Sub-Stations and Rehabilitation of 10 nos. of 33/11KV Sub-Stations on turnkey basis.
- iii) Installation of 70 Circuit KM of 33KV and 200 Circuit KM of 11KV U/G XLPE Cable.
- iv) Construction of 500 KM of 11KV, 11/0.4KV and 0.4KV lines and 1800 nos. of 11/0.4 KV distribution substations.

## COMMERCIAL ACTIVITIES

Major commercial activities undertaken during the financial year 2014-15 are highlighted below:

## NEW CONNECTIONS

69,550 new connections have been added to our system this year. With these new connections, the total number of consumers under DESCO stands at 7,05,234 at the end of the financial year.

## **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 47,471 defaulting consumers' services were disconnected during the financial year. Moreover, 14,149 illegal consumer services were traced and disconnected during the financial year.

During the financial year, 41,305 consumers were given re-connection on recovery of their outstanding dues and realization of penalty bill as applicable. An aggregate amount of Tk. 94.36 crore was realized from the defaulting consumers and Tk. 2.04 crore against penal/supplementary bills. All those initiatives are implemented with the help of outsourced contractors and Mobile Court.

## **ENERGY SAVING & USE OF ALTERNATIVE ENERGY**

Power saving means Power generation. Aiming this motto, DESCO has undertaken measures through distributing leaf-lets, displaying posters and festoons encouraging the consumers to use energy efficient appliances in their homes/offices, turning off lights and fans when not in use and replacing the incandescent lamp by CFL (Compact Florescent Lamp) etc.

To encourage the use of renewable energy, DESCO ensured installation of eco-friendly Solar Panel of capacity around 32,086 kwp by 2,531 nos. of consumers at their premises up to June 30, 2015. Beside this DESCO installed solar panel of capacity 3,788 kwp at its 384 nos. own installations during the said period.

## **METERING**

As meter is the 'cash box' of the Company, DESCO has left no stone unturned to change defective meters, sealing meters and inspecting meters regularly. During the financial year, 38,065 defective meters were changed and 52,825 meters were inspected.

## **ANNUAL BILL CLEARANCE CERTIFICATE**

In order to attain satisfaction of the consumers, DESCO issues bill payment clearance certificates to those consumers who do not have any dues.

## **CONSUMER COMPLAINTS**

DESCO continuously strives to offer 'service excellence' to its valued consumers. Consumer complaints in terms of the billing errors, rectification of names and addresses are seriously attended. During the financial year, 18,764 nos of bills were corrected. Names and addresses of 3,976 nos. of consumers were corrected upon verification on the basis of consumer complaints.

## **ONE POINT SERVICE CENTER**

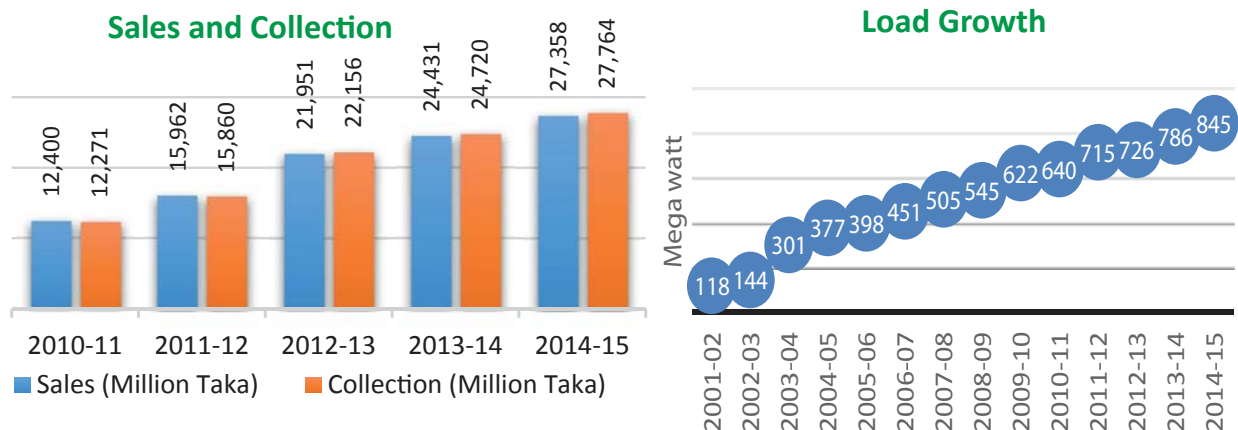
Customer satisfaction is the key to success of any company. Our customers are our prime focus and we are to ensure satisfactory customer service as deemed suitable. The issue is seriously considered by DESCO, which led to the establishment of Customers' "One Point Service Center" in each of the Sales 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 its performance standard up to the desired level. For this purpose, DESCO is giving emphasis on routine training of the employees.

### BILLING/ COLLECTION

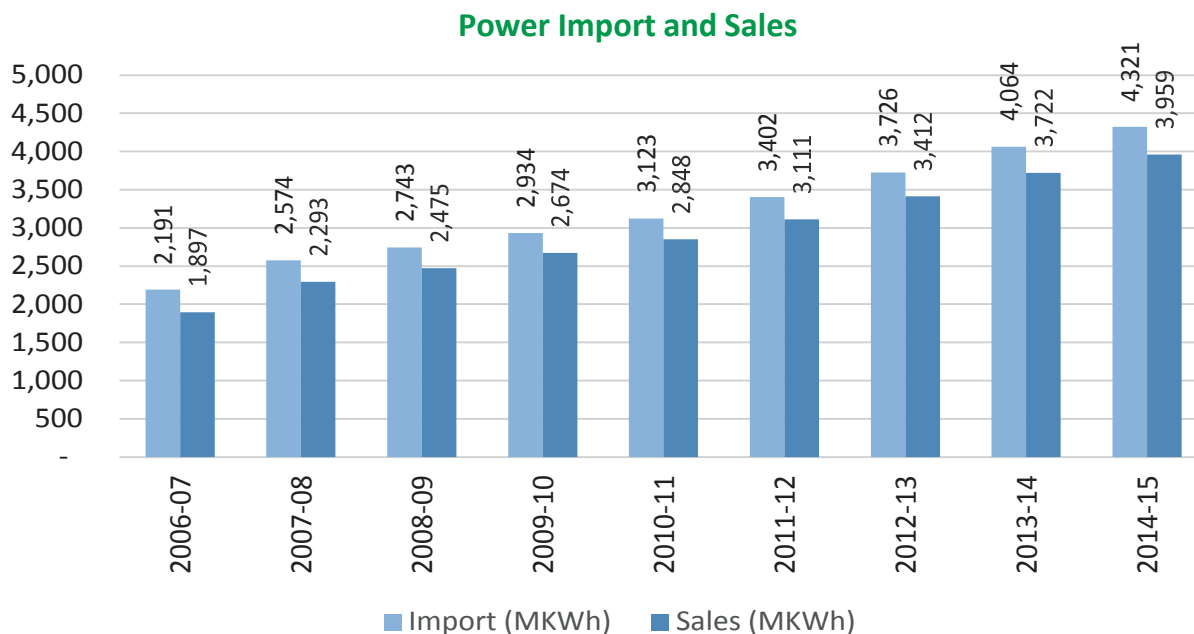
The primary objective of maintaining the financial potency of the company is achieved by constant efforts to uphold a vigorous billing/collection ratio.

Considering sales at Tk. 27,358.15 million and collection at Tk. 27,763.56 million, the billing collection ratio works out at 101.48% and the Collection/Import (C.I.) ratio to 92.99% this financial year.



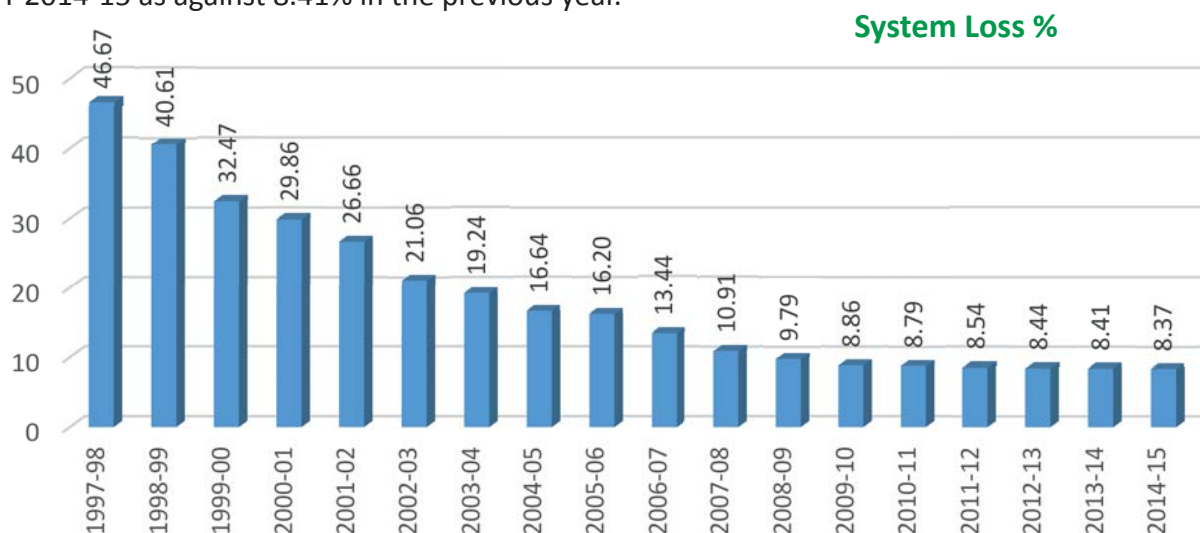
### ACCOUNTS RECEIVABLE/ SALES

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 12.79% this year as against 13.60% in the previous year.



## SYSTEM LOSS

This is a key performance indicator of any electricity distribution company and is determined by the quantity of energy purchased and sold. The system loss works out to 8.37% in this FY 2014-15 as against 8.41% in the previous year.



## PRE-PAID METERING

DESCO has introduced a modern consumer friendly pre-paid metering system for its valued consumers on 2005, the automated Smart Card Base Prepaid metering system having Bi-directional communication facilities allowed the customers to pay their electricity bills in advance through DESCO's vending station while it provided DESCO with the scope to acquire all the data related to consumer usage.

With a view to facilitating incessant supply of pre-paid meter in future, DESCO has set up a "Meter Assembly Plant" with the technical assistance of IICT, BUET at Mirpur on 2007. The company has manufactured and installed 20,000 Single Phase and 2,000 Three Phase Pre paid Meters. More than 18,500 valued consumers are enjoying Pre Paid Metering facilities at Uttara in Dhaka up to June 30, 2015. In addition, in this fiscal year DESCO has installed total of 5,645 nos of pre-paid meters. In which 4,825 nos were installed in Baridhara Sales & Distribution Division under "Unified Pre-Paid Metering System" of Power Division and 820 were installed in Uttara (West) Sale and Distribution Division at the aim of better consumer service.

Information of Pre-paid Meter			
	Total	1-Phase	3-Phase
Production (Nos.) as on 30.06.2015	22,000	20,000	2,200
In Service (Nos.) As on 30.06.2015	24,152	17,206	1,301
Purchase (Nos.) For FY ended on 30.06.2015	4,825	4,360	465
New Installed (Nos.) For FY ended on 30.06.2015	5,645	5,022	623
Purchase of Pre-paid Meter underway			
Telephone Shilpa Sangstha (TSS) (own Fund)	100,000	95,000	5,000
ADB Funded Project	100,000	92,500	7,500
	Total	Uttara	Baridhara
Meter in Use (Nos.)	24,152	18,507	4,825
Bill Collection (Crore Tk.)	38.45	36.93	1.52



In this fiscal year DESCO has collected Tk. 36.93 core under Uttara S&D and Tk. 1.52 core under Baridhara S&D through prepaid meter and is now going to enhance the capacity for introducing Pre-paid Metering system among large scale of consumers by procuring 1,00,000 nos. of Smartcard base Pre-paid meters for mounting up with Unified Pre-Paid metering Software and expected to be supplied within the fiscal year 2015-16 through Telephone Shilpa Sangstha (TSS). Apart from this procurement of more 1,00,000 nos. of pre-paid meters is in process under the scope the project “Augmentation and Rehabilitation of Distribution System” and “Construction of 132/33/11 KV Substations” jointly funded by the Asian Development Bank (ADB), Government of Bangladesh and DESCO under Power System Expansion and Efficiency Improvement Investment Program,Tranche-2.

### KEY PERFORMANCE INDICATORS (KPI)

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), in this regard, was signed between Power Division, Ministry of Power, Energy & Mineral Resources (MPEMR) and DESCO to achieve sets of Key Performance Targets for the Fiscal Year 2014-15. The following table shows DESCO’s success in attaining all the targets.

Sl. No.	Indicators	Units	Weight Factor	Target	Achievement	Mark obtained
1	System Loss	%	25	8.40	8.37	25
2	Accounts Receivables	Eqv. months				
	Accounts Receivables (Govt. & Semi Govt.)	-	7	5.00	3.82	7
	Accounts Receivables (Private)	-	8	1.65	1.59	8
3	Collection Bill Ratio (%)	%	10	99.50	101:48	10
4	Collection Import Ratio (%)	%	5	91.14	92.99	5
5	Current Ratio	Ratio	3	2:1	2.31:1	3
6	Quick Ratio	Ratio	3	1:1	1.78:1	1.52
7	Debt Service Coverage Ratio	Ratio	3	2:1	2.74:1	3
8	Annual Average Power Factor (minimum)	%	3	95.00	96.10	3
9	System Average Interruption Duration Index (SAIDI)	Minutes/ year/ consumer	4	750	646.09	4
10	System Average Interruption Frequency Index (SAIFI)	Numbers/ year/ consumer	4	30	28.93	4
11	Average Annual Training hour per Employee	Hours	3	60	65	3
12	Implementation of ADP (Physical)	%	5	100	100	5
13	Implementation of ADP (Financial)	%	5	100	100	5
14	Installation of Pre Payment Meter	No./ year	6	5,000	5,645	6
15	Reduction of Overloaded transformer	-	6	50	76.19	6
	<b>Total</b>		<b>100</b>			<b>98.52</b>

## FINANCIAL RESULTS AND APPROPRIATION

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

Particulars	2014-15 (MTk.)	2013-14 (MTk.)	2012-13 (MTk.)	2011-12 (MTk.)	2010-11 (MTk.)
Revenue from Operations	27,966	24,993	22,242	16,251	12,475
Cost of Sales	25,427	24,063	21,646	14,388	(9,679)
Gross Profit	254	931	595	1,863	2,796
Total Expenses	(1,556)	(1,336)	(1,090)	(878)	(795)
Operating Profit	983	(405)	(495)	985	2,001
Financial Expenses	(333)	(320)	(325)	(343)	(278)
Exchange Fluctuation (Gain/loss)	72	19	274	(758)	(516.36)
Non-Operating Income	1,268	1,633	1,674	1,282	813
Taxation	(356)	(258)	(323)	(328)	(542)
Net Profit for the year	1635	669	805	839	1,478
Dividend (proposed)	568	688	748	650	729
Un appropriated profit carried forward	7,520	6,227	6146	6,324	6,209

## CONTRIBUTION TO THE EXCHEQUER

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

VAT and Income Tax	2014-15 (MTk.)	2013-14 (MTk.)	2012-13 (MTk.)	2011-12 (MTk.)	2010-11 (MTk.)
VAT from Electricity Bills	1,362	1,184	1148	682	584
VAT from contractors / suppliers Bills	79	58	51	32	27
Income Tax deduction at Source	198	115	96	73	82
Corporate Income Tax	134	204	220	583	323
<b>Total</b>	<b>1,773</b>	<b>1,561</b>	<b>1,515</b>	<b>1,370</b>	<b>1,016</b>

## 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	2014-15	2013-14	2012-13	2011-12	2010-11
Current Ratio	2.31	2.40	2.73	3.02	3.49
Quick Ratio	1.78	2.17	2.24	2.60	2.78
Debt /Equity Ratio	53:47	56:44	58:42	59:41	58:42
Accounts Receivable(Months Equivalent to Sales)	1.85	1.87	1.95	2.05	2.43
Cost of Sale to Operating Revenue	90.92	96.28	97.32	88.54	77.58
Gross Margin / Sales Ratio	9.08	3.72	2.71	11.46	22.75
Operating Margin / Sales Ratio	3.51	(1.62)	(2.26)	6.06	16.28
Net Income / Sales Ratio	5.85	2.68	3.67	5.16	12.03
Return on Asset	12.50	5.33	7.20	8.86	16.01
Return on Equity	12.64	5.92	7.47	7.95	14.90
Net Asset Value Per Share	34.16	32.82	35.97	40.54	459.83
Net Operating Cash Flow	8.27	7.65	10.76	14.04	164.97
Earnings Per Share (Tk.)	4.32	1.94	2.34	2.43	4.94

## SHARE INFORMATION

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

Authorized Capital	Tk. 500 crore
Paid up Capital	Tk. 378.64 crore
Total Shares	378,637,909 Nos.
Class of Share	Ordinary Shares of Tk.10/- each

## STOCK EXCHANGE LISTING

Dhaka Electric Supply Company Ltd. (DESCO) is listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE).

## DISTRIBUTION OF SHAREHOLDINGS

Number of Shareholders on 30<sup>th</sup> June, 2015 stood at 8,788 nos.

Range of holding in numbers of shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Share Capital
less than 501 Shares	3,400	38.69	661,309	0.17
501 to 5,000 shares	4,046	46.04	7,236,824	1.91
5,001 to 10,000 shares	559	6.36	4,091,556	1.08
10,001 to 20,000 shares	345	3.93	4,938,374	1.30
20,001 to 30,000 shares	118	1.34	2,940,163	0.78
30,001 to 40,000 shares	63	0.72	2,216,258	0.59
40,001 to 50,000 shares	51	0.58	2,343,109	0.62
50,001 to 100,000 shares	91	1.04	6,502,098	1.72
100,001 to 1,000,000 shares	104	1.18	29,192,489	7.71
Over 1,000,000 Shares	11	0.13	318,515,729	84.12
<b>Total</b>	<b>8,788</b>	<b>100.00</b>	<b>378,637,909</b>	<b>100.00</b>

## SHAREHOLDING COMPOSITION AS OF 30<sup>TH</sup> JUNE, 2015

Category	Number of Shareholder	Number of Shares	% of Total Shares
Government	1	283,978,299	75.00
Institute	347	54,702,598	14.45
Public	8,349	38,627,284	10.20
Foreign	90	1,329,728	0.35
<b>Total</b>	<b>8,788</b>	<b>378,637,909</b>	<b>100.00</b>

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 2015 are shown at **Annexure-I**.

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

## BOARD MEETINGS, ATTENDANCE AND REMUNERATION

During the financial year 26 (Twenty Six) 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

As a measure of ensuring transparency and good Governance in its functional area DESCO has formed a 4-member Audit Committee of the Board headed by Mr. A.K.M. Humayun Kabir, Joint Secretary (Company Affairs), Power Division, Ministry of Power, Energy & Mineral Resources. The other members of the Committee are (i) Engr. Rabiul Hasnat, Real Estate & Housing Association of Bangladesh (REHAB) (ii) Mr. Md. Rofi Uddin, Executive Director, Finance and Accounts, DESCO and (iii) Engr. Zulfiquar Tahmid, Company Secretary, DESCO. The attendance record of the Audit Committee is shown at **Annexure-IV**. During the Financial Year 2014-2015, the Audit Committee held 11 (Eleven) meetings in which, among other things, reviewed the followings:

- » Draft Auditors Report & Audited Accounts of the Company for the fiscal year 2013-14.
- » Review the activities of the Internal Audit Department of the company.
- » Un-audited 1st Quarter Statement of Accounts for the fiscal year 2014-15.
- » Un-audited half yearly Statement of Accounts for the fiscal year 2014-15.
- » Un-audited 3rd Quarter Statement of Accounts for the fiscal year 2014-15.
- » Review Revised Budget for the fiscal year 2014-15.
- » Review Draft Budget for the fiscal year 2015-16.

## HUMAN RESOURCE DEVELOPMENT

As DESCO always focuses on quality service, it has arranged training session for all time to improve the knowledge, skills and attitude of an employee. In Order to achieve the company's vision and mission, the company recognizes and emphasizes on productivity development of its employees. Following this, DESCO developed 60 hours training on different topics round the year for each employee. Targeted 1,500 employees received 97,028 man-hours of In-house and out-house training under the supervision of Human Resource Management Division. The training achievement against the target was 107.81% during the FY 2014-15.

Besides In-house trainings, employees also participate in trainings/seminars/workshops in external organizations namely 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), The Institute of Cost and Management Accountants of Bangladesh (ICMAB) and abroad.

Two foreign Trainings held in the FY 2014-15 at AIT, Thailand, organized by HRM Division are as under.

S.I. No.	Topic	No. of Participants	Held on
1	Power System Dynamics and Power Sector Management	8	18-29 May-15
2	Human Resource Management	8	01-12 June-15

## **e-GOVERNANCE**

It necessitates efficient use of electronic state management system based on Information & Communication Technology (ICT) including the Internet Technology. The main purpose is to ensure good governance in all functional areas of the establishment.

To keep it 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 has provided 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.

## **e-GP (e-TENDERING)**

Since the Government has decided to introduce e-Tender system to put an end to tender manipulation, DESCO has introduced e-Tendering system to facilitate its procurement process. The main functions are online bidder registration, email acknowledgement of new tender according to bidder's interest list, online bid participation, edit submitted documents/bids till closing date, online tender specification with a comprehensive security. This system prepares customized comparison sheet of the submitted bids to accelerate the evaluation process.

## **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 citizen Charter is kept displayed at its Customer Service Centers for awareness of the customers. There are also some printed leaflets on different category of services available at the Customer Service Centers of DESCO.

## **DIGITAL SERVICES**

### **ON-LINE APPLICATION FOR NEW CONNECTION**

To achieve "Vision 2021" of digital Bangladesh, DESCO has introduced internet based application system for new electricity connection on February 23, 2012 to obtain new connection. This system enables an applicant to apply in the concerned Sales & Distribution Division and can 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 commencement till to date, 210,228 applicants registered their application for new connection. In the 2014-15 fiscal year, 67,136 applicants applied for their new connections through this on-line system.

## ONLINE BILL PAYMENT

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 in mind, Bangladesh Bank has allowed DESCO to make online transaction through Debit cards of Banks. DESCO is the first public sector utility that opened the facility of bill payment online on June 04, 2010.

In FY 2014-15, as well as 24,618 nos. of energy bills, amounted Tk. 4.69 crore have been paid through this service.

## THE PROCEDURE OF ONLINE BILL PAYMENT ARE AS FOLLOWS

Currently consumers may pay their monthly electricity bills online through their Debit cards of Dutch-Bangla Bank, SouthEast Bank, Trust Bank Ltd by logging in DESCO website [www.desco.org.bd](http://www.desco.org.bd).

Consumer needed to go to DESCO website > login to internet bill payment > Enter your bill account number> outstanding bill> pay online> pay now> enter the required information of your ATM Card> submit. Your bill will be paid successfully. You can confirm the payment by logging in again.

DESCO web-portal is secured by SSL as it may be seen displayed on the web page. For convenience of the consumers in making online payment, pertaining procedures and instructions have been made available in the said web side as well as leaflets of the same are made available at DESCO's customer service centers. It may be mentioned that no additional amount is charged from the consumers in this regard at the moment.

## MOBILE BANKING BILL PAYMENT

Mobile banking is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or tablet. DESCO has introduced bill payment facilities through mobile banking on February 05, 2014 with the assistance of Trust Bank Ltd. Now consumers can pay their electricity bill through the use of mobile banking.

## BILL PAYMENT THROUGH SMS

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 ensure 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 FY 2014-15, as well as, 592,796 nos. of energy bills amounting to Tk. 113.25 Crore have been paid through SMS payment system.

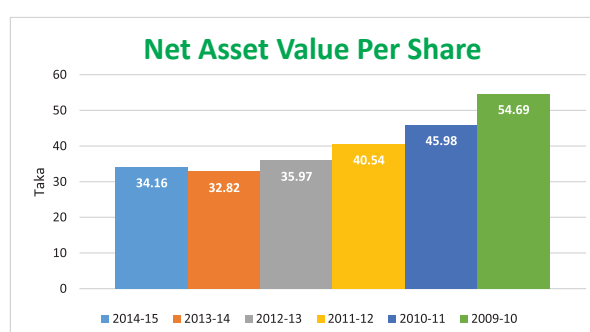
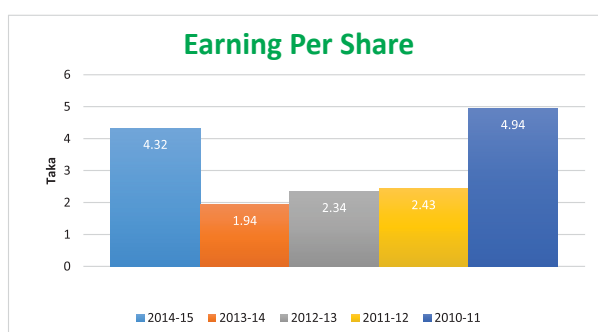
## BILL PAYMENT THROUGH LIVE PAYMENT GATEWAY

Trust Bank Ltd, and South East Bank Ltd., on February 2014 and on March 2014, respectively, have established online data connectivity of their respective data system servers with DESCO's central server to ensure the live payment system transactions gateway for their respective booth payee consumers and bank account holders.

Till to date, DESCO has also successfully established the above mentioned online bank payment transaction system with AB Bank Ltd., Bank Asia Ltd., Mercantile Bank Ltd., Modhumoti Bank Ltd., Mutual Trust Bank Ltd., NRB Commercial Bank Ltd., National Bank Ltd., Shahjalal Islami Bank Ltd., One Bank Ltd., Social Islami Bank Ltd., Prime Bank Ltd., Premier Bank Ltd.

Now any consumer from those banks' booth or any account holder of those banks' can enjoy the live payment transactions by paying their DESCO bills and fees through standing orders, mobile banking or using account transfer payment gateway of those banks' system from internet and smart phones anywhere in the world. Consumers can instantly have confirmation of their bill payment and can see the updated ledger of their bill issue and payment information. They do not need to rely on others or contact with the banks/DESCO office for verification in person.

In FY 2014-15, as many as 624,052 nos. of electricity bills amounting to tk. 228.84 Crore have been paid through live payment transactions system by those banks' services facilities.



## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

## ELECTION OF DIRECTORS

As per nomination of the Power Division, Ministry of Power, Energy and Mineral Resources (MPEMR), Government of Bangladesh, (1) Mr. Md. Mahbub-ul-Alam, ndc, Additional Secretary, Power Division, MPEMR and (2) Engr. Md. Shamsul Hassan Miah, Member (Company Affairs), Bangladesh Power Development Board (BPDB) were appointed as Director of DESCO Board in place of Dr. Ahmad Kaikaus and Mr. Tamal Chakraborty respectively.

In terms of Article 86 of the Articles of Association of the Company, (i) Brig. Gen. (Retd.) Md. Nazrul Hassan, Managing Director of Power Distribution Company Ltd., (ii) Engr. Ataul Mahmud, Vice-President (Services & Welfare) Institute of Engineers, Bangladesh (IEB), (iii) Dr. Ahsan Aktar Hasin, Professor, Industrial and Production Engineering (IPE), BUET and (iv) Engr. Md. Shamsul Hassan Miah, Member (Company Affairs), Bangladesh Power Development Board BPDB) will retire by rotation. However, as per article 87, the retiring Directors are eligible to be re-elected as Directors of the Company.

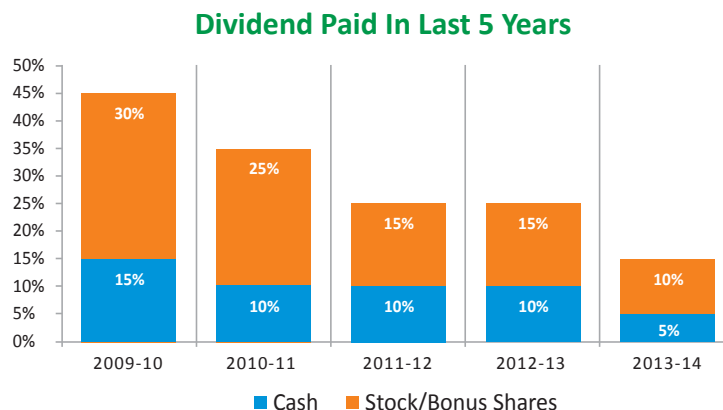
On contrary, (1) Mr. Md. Mahbub-ul-Alam, ndc, Additional Secretary, Power Division, MPEMR, (2) Brig Gen Md Shahid Sarwar, ndc, psc (Retd), Managing Director, Dhaka Electric Supply Company Ltd., (3) Mr. Md. Israil Hossain, Joint Secretary, Ministry of Law, Justice and Parliamentary Affairs (MLJ&PA), Government of the People's Republic of Bangladesh, (4) Mr. A. K. M. Humayun Kabir, Joint Secretary, Power Division, Ministry of Power, Energy and Mineral Resources, Government of Bangladesh, (5) Mr. Selim Abed, PS to State Minister (Deputy Secretary), Ministry of Power, Energy and Mineral Resources, Government of the People's Republic of Bangladesh, (6) Mr. Md. Selim Uddin, Deputy Secretary, Power Division, Ministry of Power, Energy and Mineral Resources, Government of the People's Republic of Bangladesh, (7) Engr. Rabiul Hasnat, Director, Real Estate & Housing Association of Bangladesh (REHAB) shall continue to act as Directors of the Board.

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

Sl. No	Name & Designation	Age (Yrs.)	Qualification	Experience and Specialization	Other Directorship
1.	<b>Md. Mahbub-ul-Alam</b> Additional Secretary Power Division, MPEMR	54	M.Sc (Botany), RU	30 years Govt. Service	1. Coal Power Generation Company Ltd. 2. Metro Rail Project
2.	<b>Brig. Gen. (Retd.) Md. Nazrul Hassan</b> Managing Director, DPDC	57	MBA, AIUB B.Sc (Engg.), EEE, BUET	36 years Power System	Dhaka Power Distribution Company Ltd.
3.	<b>Engr. Ataul Mahmud</b> Vice President (Service & Welfare), IEB	44	MBA, DU B.Sc (Engg.), EEE, BUET	Business	-
4.	<b>Dr. Ahsan Aktar Hasin</b> Professor, IPE, BUET	49	PhD (IPE), AIT, Thailand	25 Years Teaching & Research ISO 9000 Lead Auditor	Bangladesh Council of Science and Industrial Research
5.	<b>Engr. Md. Shamsul Hassan Miah</b> Member (Company Affairs), BPDB	58	B.Sc (Engg.), EEE BUET	35 Years Power Generation	1. West Zone Power Distribution Co Ltd. 2. Bangladesh-India Friendship Power Co. (Pvt.) Ltd.

## DIVIDEND

Based on the performance of the Company, the Board of Directors recommends 10% cash dividend and 5% stock dividend (i.e. 1 bonus shares for every 20 shares held on Record Date), for the financial year 2014-15. Since listing with the exchanges the company paid dividend to its valued shareholders on regular basis.



## APPOINTMENT OF AUDITORS

MABS & J Partners, 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 consecutive 3 years' audit of the company. As per clause 15 of the DSE (Listing) Regulation 2015, DESCO shall have to appointment new audit firm for next period.

On the other hand, M/S Artisan, BSEC Bhaban (Level 10), 102, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka-1215, Chartered Accountants express their willingness vide its letter dated 11/10/2015 to be appointed as statutory auditors of the company for the financial Year 2015-16 with audit fee not below the amount fixed by the shareholder at last AGM of the company.

## 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), Bangladesh Rural Electrification Board (BREB), 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 Securities Trading Company Limited, and other development partners for their continuous assistance, guidance and advice.

I would also like to express my heartfelt 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 the end, I pray to the Almighty Allah that may the Company continue its performance gloriously throughout the years ahead.

On behalf of the Board of Directors,

**Md. Mahbub-ul-Alam, ndc**  
Chairman



## ANNEXURE-1 : CORPORATE GOVERNANCE GUIDELINES COMPLIANCE

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

Sl. No.	Name	Number of Shares	% of shares as on June 30, 2015
01.	Bangladesh Power Development Board	279,146,914	73.72
02.	Dhaka Electric Supply Authority	4,831,385	1.28

### ii) Directors' Shareholding

Sl. No.	Name	Number of Shares	% of shares as on June 30, 2015
01.	<b>Dr. Ahmad Kaikaus</b> Additional Secretary, Power Division Ministry of Power, Energy & Mineral Resources Govt. of the People's Republic of Bangladesh	Chairman	Nil
02.	<b>Brig Gen Md Shahid Sarwar, ndc, psc (Retd)</b> Managing Director Dhaka Electric Supply Company Ltd.	Director	Nil
03.	<b>Brig. Gen. (Retd.) Md. Nazrul Hasan</b> Managing Director Dhaka Power Distribution Company Limited	Director	Nil
04.	<b>Mr. Md. Israil Hossain</b> Joint Secretary (Drafting) Ministry of Law, Justice and Parliamentary Affairs Govt. of the People's Republic of Bangladesh.	Independent Director	Nil
05.	<b>Mr. A.K. M. Humayun Kabir</b> Joint Secretary, Power Division Ministry of Power, Energy & Mineral Resources Govt. of the People's Republic of Bangladesh.	Independent Director	Nil
06.	<b>Mr. Selim Abed</b> Deputy Secretary. Power Division Ministry of Power, Energy & Mineral Resources Govt. of the People's Republic of Bangladesh.	Director	Nil
07.	<b>Mr. Md. Selim Uddin</b> Deputy Secretary. Power Division Ministry of Power, Energy & Mineral Resources Govt. of the People's Republic of Bangladesh.	Director	Nil
08.	<b>Engr. Ataul Mahmud</b> Vice President (Service & Welfare) Institute of Engineers, Bangladesh.	Director	Nil
09.	<b>Engr. Md. Rabiul Hasnat</b> Director Real Estate & Housing Association of Bangladesh	Independent Director	Nil
10.	<b>Dr. Ahsan Aktar Hasin</b> Professor Department of Industrial and Production Engineering Bangladesh University of Engineering and Technology	Director	Nil
11.	<b>Engr. Md. Shamsul Hassan Miah</b> Member (Company Affairs) Bangladesh Power Development Board	Director	Nil

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

Sl. No.	Name	Number of Shares	% of shares as on June 30, 2015
01.	Chief Executive Officer and his spouse and minor children	-	-
02.	Chief Financial Officer and his spouse and minor children	52,096	0.01
03.	Company Secretary and his spouse and minor children	-	-
04.	Head of Internal Audit and his spouse and minor children	-	-

### iv) Shareholding of Senior Executives

Sl. No.	Name	Designation	Number of Shares	% of shares as on June 30, 2015
01.	Engr. AKM Mostafa Kamal	Executive Director (Procurement)	9,636	0.00
02.	Engr. Noor Mohammod	Executive Director (Operation)	-	-
03.	Engr. S.M. Habibur Rahman	CE, Development and Projects	2,399	0.00
04.	Mr. A. H. M Nurul Huda	General Manager (Administration)	4,363	0.00
05.	Engr. A.K.M Mahiuddin	Superintending Engineer	-	-
06.	Engr. Md. Zakir Hossain	Superintending Engineer	2,565	0.00
07.	Engr. Md. Mafizul Islam Bhuiyan	Superintending Engineer	319	0.00
08.	Engr. Md. Shariful Islam	Superintending Engineer	-	-
09.	Engr. Shamim Ahsan Chowdhury	Superintending Engineer	463	0.00
10.	Engr. Md. Monjurul Hoque	Superintending Engineer	-	-
11.	Engr. Md. Rashidur Rahman	Superintending Engineer	-	-
12.	Engr. Jyotish Chandra Roy	Superintending Engineer	8,180	0.00
13.	Engr. Abdus Salam	Superintending Engineer	-	-
14.	Mr. Md. Mominul Islam	Deputy General Manager	22,609	0.01
15.	Engr. Md. Enamul Haque	Superintending Engineer	-	-
16.	Engr. Jagodish Chandra Mandol	Superintending Engineer	671	0.00
17.	Engr. Md. Shofiqul Islam	Superintending Engineer	279	0.00
18.	Engr. Md. Akharul Islam	Executive Engineer	416	0.00
19.	Engr. Md. Golam Rabbani	Executive Engineer	35	0.00
20.	Engr. Md. Mustafizur Rahaman	Executive Engineer	-	-
21.	Engr. Md. Sadequl Islam	Executive Engineer	271	0.00
22.	Engr. Md. Kamruzzaman	Executive Engineer	-	-
23.	Mr. M.A. Rouf	Manager	32,149	0.01
24.	Engr. Md. Nazrul Islam	Executive Engineer	-	-
25.	Mr. Md. Alamgir Hossain	Manager	82	0.00
26.	Mr. A. S. M. Chenghize	Manager	-	-

**v) Shareholders Holding 10% or more voting right**

Name	Number of Shares	% of shares as on June 30, 2015
Bangladesh Power Development Board	279,146,914	73.72

**vi) Twenty Largest Shareholders as on June 30, 2015**

Sl. No.	Name of the Shareholder	Category	Number of Shares held	% of total Share outstanding
1	Bangladesh Power Development Board	Sponsor	279,146,914	73.72%
2	ICB	Company	8,352,255	2.20%
3	Bangladesh Fund	Company	6,710,000	1.77%
4	AB Bank Ltd.	Company	5,850,097	1.54%
5	Dhaka Electric Supply Authority (DESA)	Sponsor	4,831,385	1.28%
6	Investment Corp. of Bangladesh	Company	4,668,991	1.23%
7	ICB Unit Fund	Company	3,110,988	0.82%
8	Premier Bank Ltd. (Islamic Bank)	Company	1,783,640	0.47%
9	Sonali Bank Ltd.	Company	1,589,258	0.42%
10	Agrani Equity & Invest. Ltd.	Company	1,379,357	0.36%
11	Prime Bank Invest Ltd. 2nd Mkt	Company	1,092,844	0.28%
12	NCC Bank Ltd.	Company	987,254	0.26%
13	Janata Bank	Company	966,301	0.25%
14	ICB Capital Management Ltd.	Company	945,237	0.24%
15	Prime Islami Life Ins. Ltd.	Company	887,000	0.23%
16	Prime Bank Invest Ltd P-1653	Company	804,000	0.21%
17	Humaira Huq	Public	760,000	0.20%
18	Mrs. Noorjahan Begum	Public	712,935	0.18%
19	Pubali Bank Securities Limited	Company	660,137	0.17%
20	PHP First Mutual Fund	Company	625,542	0.16%
	<b>Total</b>		<b>325,864,135</b>	<b>86.06%</b>

**ANNEXURE II : REPORT UNDER CONDITION NO. 7 OF THE BSEC**

Status of compliance with the conditions imposed by the Bangladesh 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 $\checkmark$ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.3(iii)	Qualification of ID relaxed subject to prior approval of SEC	$\checkmark$	-	No such case raised
1.4	Separate Chairman of the Board and Chief Executive and clearly defined roles and responsibilities	$\checkmark$	-	-
1.5(i)	Industry outlook and future development	$\checkmark$	-	-
1.5(ii)	Segment-wise/product-wise performance	$\checkmark$	-	-
1.5(iii)	Risks and concerns performance	$\checkmark$	-	No such case raised-
1.5(iv)	Discussion on cost of goods sold, Gross profit margin and net profit margin	$\checkmark$	-	-
1.5(v)	Discussion on continuity of any extraordinary gain or loss	$\checkmark$	-	-
1.5(v)	Discussion on continuity of any extraordinary gain or loss	$\checkmark$	-	-
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 such case raised
1.5(x)	Remuneration of Directors	$\checkmark$	-	-
1.5(xi)	Fairness of Financial Statements	$\checkmark$		
1.5(xii)	Maintenance of proper books of account	$\checkmark$		
1.5(xiii)	Adoption of appropriate accounting policies and estimates	$\checkmark$		
1.5(xiv)	Compliance with International Accounting Standard	$\checkmark$		
1.5(xv)	Soundness of Internal Control System	$\checkmark$		
1.5(xvi)	Ability to continue as a going concern	$\checkmark$		
1.5(xvii)	Significant deviations in operating results from last year and explanation thereof	$\checkmark$		
1.5(xviii)	Presentation of at least preceding three years key operating and financial data	$\checkmark$		
1.5(xix)	Declaration of Dividend	$\checkmark$		
1.5(xx)	Details of Board meeting	$\checkmark$		
1.5(xxi)(a)	Shareholding pattern of parent/subsidiary/ associated companies and other related parties	$\checkmark$		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(xxii)(b)	Shareholding pattern of CEO, CFO, CS, HIA and their spouse and minor children	✓		
1.5(xxii)(c)	Shareholding pattern of Top five salaried executives	✓		
1.5(xxii)(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	✓	-	
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(i)	Oversee financial reporting process	✓	-	-
3.3(ii)	Monitor Choice of accounting policies and principles	✓		

Condition No.	Title	Compliance Status (Put $\checkmark$ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.3(iii)	Monitoring Internal Control Risk Management Process	$\checkmark$		
3.3(iv)	Oversee hiring and performance of external auditors	$\checkmark$		
3.3(v)	Review annual financial statements before submission to the Board	$\checkmark$		
3.3(vi)	Review quarterly and half-yearly financial statements before submission to the Board	$\checkmark$		
3.3(vii)	Review adequacy of internal audit functions	$\checkmark$		
3.3(viii)	Review significant related party transactions	$\checkmark$		
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	$\checkmark$	-	
3.4.1(ii)(a)	Reporting conflict of interest to the Board of Directors	-	-	No such case raised
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	$\checkmark$	-	-
4(i)	Non-engagement in appraisal of valuation	$\checkmark$	-	-
4(ii)	Non-engagement in designing of Financial Information System	$\checkmark$	-	-
4(iii)	Non-engagement in Book-Keeping	$\checkmark$	-	-
4(iv)	Non-engagement in Broker-dealer service	$\checkmark$	-	-
4(v)	Non-engagement in Actuarial Services	$\checkmark$	-	-
4(vi)	Non-engagement in Internal Audit	$\checkmark$	-	-
4(vii)	Non-engagement in any other services	$\checkmark$	-	-
4(viii)	Prohibition of holding any shares of the company by any partner or employees of its external audit firms	$\checkmark$	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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
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	✓	-	Not applicable
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, 2015. During that year total 26 Board meeting were held.

Sl. No.	Name of the Directors	Meeting held while a member	No. of meeting attended in person/alternates	Total Director Fee Received
01.	Dr. Ahmad Kaikaus	26	26	1,30,000.00
02.	Brig. Gen. (Retd) Md. Nazrul Hasan	26	22	1,10,000.00
03.	Mr. Md. Arjad Hossain (Till 29.12.2014)	14	14	70,000.00
04.	Brig. Gen. Md Shahid Sarwar, ndc, psc (Rtd.) (From 30.12.2014)	12	12	60,000.00
05.	Mr. Md. Israil Hossain	26	20	1,00,000.00
06.	Mr. A.K. M. Humayun Kabir	26	23	1,15,000.00
07.	Mr. Selim Abed	26	13	65,000.00
08.	Mr. Md. Selim Uddin	26	21	1,05,000.00
09.	Mr. Ataul Mahmud	26	21	1,05,000.00
10.	Engr. Md. Rabiul Hasnat	26	21	1,05,000.00
11.	Dr. Ahsan Aktar Hasin	26	20	1,00,000.00
12.	Mr. Tamal Chakraborty (Till 16.02.2015)	16	11	55,000.00
13.	Mr. Md. Shamsul Hassan Mia (From 17.02.2015)	10	10	50,000.00

### ANNEXURE IV: ATTENDANCE OF THE AUDIT COMMITTEE MEETING

Audit Committee meeting and Attendance during the year ended on June 30, 2015.

Sl. No.	Name of the Directors	Meeting held while a member	No. of meeting attended in person/alternates
01.	Mr. A.K. M. Humayun Kabir	11	11
02.	Engr. Md. Rabiul Hasnat	11	09
03.	Mr. Md. Rofi uddin	11	11
04.	Md. Shofiqul Islam (Till 04/02/2015)	06	06
05.	Engr. Zulfiquar Tahmid (From 05/02/2015)	05	05



# EVENTS HIGHLIGHTS



*Visit of the Hon'ble State Minister, Ministry of Power, Energy and Mineral Resources to DESCO Head Office*



*Orientation of the Newly appointed Chairman of DESCO Board*



*Energization of 33KV Source Line at Agargaon New 33/11 KV Sub-station*

# EVENTS HIGHLIGHTS



*View exchanging and public hearing program*



*Signing of contract with TBEA Deyang Cable Co. Ltd. for supply of Underground Cable and Accessories*



*In-house training at DESCO Training Centre*



*DESCO Cricket League Winners 2015*



*Training at Asian Institute of Technology (AIT), Thailand*



*On the Job Training*



*Signing of contract with Telephone Shilpa Shangtha for Pre-paid Meter Production*



*Discussion with Field Officials at Agargaon S & D Division*



*Contract signing Ceremony*



*Visit of Sub-stations*



*Field Visit of Managing Director*



*MoU Signing with Concord for Land Handover to DESCO*



*Schedule Maintenance of Sub-stations*



*Public hearing at Gulshan S & D Division*

## Moments with the Hon'ble Shareholders





# AUDITORS' REPORT



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 2015, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2015 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 (BFRSs)/ Bangladesh Accounting Standards (BASs), 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 qualified audit opinion.

### Basis for Qualified Opinion:

#### Reference to Note No. 1.4.2.3

1. DESCO acquired assets from DESA, for an amount of Tk. 2,793,960,000, but the value of these assets were estimated by DESCO, not by any independent valuation firm .
2. The management of the company did not make provision for WPPF & WWF as per Section 234 (Amended in 2013) of Labour Act 2006.

### 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 2015 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs)/ Bangladesh Accounting Standards (BASs) 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: Dhaka, 21 October 2015

Sd/-

**MABS & J Partners**  
Chartered Accountants





## Statement of Financial Position

As at 30 June 2015

Particulars	Note	30 June 2015 Taka	30 June 2014 Taka
<b>Assets</b>			
<b>Non Current Assets:</b>		<b>13,077,369,673</b>	<b>12,547,692,108</b>
Property, Plant & Equipment	2	11,414,491,554	11,250,601,203
Capital Work -in- Progress	3	1,662,878,119	1,297,090,905
<b>Current Assets:</b>		<b>25,465,735,347</b>	<b>22,858,480,949</b>
Stores and Spares	4	3,683,150,440	2,231,837,839
Accounts Receivable	5	3,678,728,856	3,416,462,871
Advances & Security Deposits	6	2,106,756,139	964,110,427
Advance Income Tax	7	786,445,247	653,229,855
Cash and Cash Equivalents	8	15,210,654,665	15,592,839,958
<b>Total Assets</b>		<b>38,543,105,020</b>	<b>35,406,173,057</b>
<b>Equity &amp; Liabilities</b>			
<b>Capital &amp; Reserves:</b>		<b>12,933,033,213</b>	<b>11,296,252,581</b>
Share Capital	17	3,786,379,090	3,442,162,810
Share Money Deposit	18	75,000,000	75,000,000
GOB Equity	19	1,552,140,000	1,552,140,000
Retained Earnings	20	7,519,514,123	6,226,949,770
<b>Long Term Liabilities:</b>		<b>14,587,572,342</b>	<b>14,598,934,710</b>
Long Term Loans (ADB & GOB)	21	7,087,317,660	7,237,725,115
Deferred Tax Liability	35.2	1,744,550,219	1,813,821,843
Due to DESA / DPDC (for assets taken over)	22	4,039,671,539	4,039,671,539
Consumer Security Deposits	23	1,716,032,924	1,507,716,212
<b>Current Liabilities:</b>		<b>11,022,499,465</b>	<b>9,510,985,767</b>
Accounts Payable	9	5,272,108,117	4,995,724,089
Creditors for Goods/Works	10	692,931,275	671,560,140
Creditors for Other Finance	11	1,526,366,090	1,437,034,118
Creditors for Expenses	12	284,210,647	263,788,472
Current Maturity of Long Term Loans	13	655,982,264	578,873,064
Accrued Interest on Loans	14	1,426,060,584	1,214,022,035
Short Term Loan	15	389,997,942	-
Provision for Income Tax	16	774,842,546	349,983,848
<b>Total Equity &amp; Liabilities</b>		<b>38,543,105,020</b>	<b>35,406,173,057</b>

"The accounting policies and other notes from 1 to 43 and Annexer-A form an integral part of these Financial Statements."

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, 21 October, 2015

Sd/-  
MABS & J Partners  
Chartered Accountants

## Statement of Comprehensive Income

For the year ended 30 June 2015

Particulars	Note	30 June 2015 Taka	30 June 2014 Taka
<b>Operating Revenue:</b>		<b>27,965,629,581</b>	<b>24,993,544,643</b>
Energy Sales (Net of VAT)	24	27,358,150,352	24,431,027,925
Other Operating Revenue	25	607,479,229	562,516,718
<b>Cost of Energy Sales:</b>		<b>25,427,097,318</b>	<b>24,062,546,236</b>
Energy Purchase (including wheeling charge)	26	24,344,811,425	22,898,054,461
Operating Expenses	27	382,325,650	466,616,468
Depreciation (Operating)	34	699,960,243	697,875,307
<b>Gross Profit</b>		<b>2,538,532,264</b>	<b>930,998,407</b>
<b>Cost &amp; Expenditure:</b>		<b>1,556,024,075</b>	<b>1,335,550,184</b>
Administrative Expenses	28	277,836,378	255,198,902
Employee Expenses	29	1,216,810,826	1,029,184,618
Bad Debts Provision	5.2	17,615,689	17,749,648
Depreciation (Non Operating)	34	43,761,182	33,417,017
<b>Operating Profit/Loss</b>		<b>982,508,189</b>	<b>(404,551,778)</b>
<b>Non Operating Income/(Expense)</b>		<b>1,007,950,993</b>	<b>1,331,097,631</b>
Interest Income	30	1,230,813,362	1,620,716,677
Interest Expenses	31	(332,517,660)	(320,223,260)
Exchange Fluctuation Gain/ (Loss)	32	71,982,463	18,673,149
Miscellaneous Income	33	37,672,828	11,931,065
<b>Net Profit Before Tax</b>		<b>1,990,459,182</b>	<b>926,545,854</b>
<b>Income Tax :</b>	35	<b>(355,587,073)</b>	<b>(257,907,534)</b>
Current Tax Provision	35.1	(424,858,698)	(139,979,522)
Deferred Tax Provision	35.2	69,271,625	(117,928,012)
<b>Net Profit After Tax</b>		<b>1,634,872,109</b>	<b>668,638,320</b>
<b>Basic Earnings per Share (Adjusted)</b>	36	<b>4.32</b>	<b>1.77</b>

The accounting policies and other notes from 1 to 43 and Annuxer-A form integral part of these Financial Statements.

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, 21 October, 2015

Sd/-  
MABS & J Partners  
Chartered Accountants

## Statement of Cash Flows

For the year ended 30 June 2015

Particulars	30 June 2015 Taka	30 June 2014 Taka
<b>A. Cash Flows from Operating Activities:</b>		
Received from Energy Sales	27,763,557,716	24,719,689,481
Collection of Govt. Duty, VAT & Tax	1,620,108,451	1,359,151,858
Received from Other Operating & Non Operating Activities	890,583,078	668,307,366
Received against Financial Income	1,229,972,673	1,620,713,211
Payment for Energy Purchase	(24,069,293,346)	(22,358,103,140)
Payment for Employee Expenses	(1,216,810,826)	(899,337,438)
Payment for Administrative & Other Expenses	(1,241,469,781)	(867,631,717)
Payment for Interest on Long Term Loan	(91,863,540)	(80,004,488)
Income Tax Paid	(133,591,438)	(204,310,915)
Payment for Govt. Duty, VAT & Tax	(1,618,974,623)	(1,323,771,148)
<b>Net Cash Flows from Operating Activities</b>	<b>3,132,218,365</b>	<b>2,634,703,070</b>
<b>B. Cash Flows from Investing Activities:</b>		
Acquisition of Property & Plant	(1,305,595,836)	(783,763,669)
Acquisition of Stores & Equipment	(2,776,969,354)	(1,880,985,472)
<b>Net Cash used in Investing Activities</b>	<b>(4,082,565,190)</b>	<b>(2,664,749,141)</b>
<b>C. Cash Flows from Financing Activities:</b>		
Loan Received	778,944,726	-
Dividend Paid	(38,781,933)	(420,878,092)
Long Term Loan Paid	(380,235,201)	(274,257,214)
Consumer Security Deposits Received	208,233,941	192,413,517
<b>Net Cash Flows from Financing Activities</b>	<b>568,161,533</b>	<b>(502,721,789)</b>
<b>D. Cash &amp; Cash equivalents increase /(decrease) during the year</b>	<b>(382,185,293)</b>	<b>(532,767,860)</b>
<b>E. Cash &amp; Cash equivalents at the beginning of the year</b>	<b>15,592,839,958</b>	<b>16,125,607,818</b>
<b>F. Cash &amp; Cash Equivalents at the Ending of the Year</b>	<b>15,210,654,665</b>	<b>15,592,839,958</b>

The accounting policies and other notes from 1 to 43 and Annexer-A form integral part of these Financial Statements.

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, 21 October, 2015

Sd/-  
MABS & J Partners  
Chartered Accountants

## Statement of Changes in Equity

### For the year ended 30 June 2015

Particulars	Note	Share Capital Taka	Share Money Deposit Taka	GOB Equity Taka	Retained Earnings Taka	Total Taka
Balance at 01 July 2014	-	3,442,162,820	75,000,000	1,552,140,000	6,226,949,770	11,296,252,580
Net profit for the year	-	-	-	-	1,634,872,109	1,634,872,109
Prior year's adjustment	37	-	-	-	174,016,667	174,016,667
Stock Dividend	-	344,216,270	-	-	(344,216,270)	-
Cash Dividend	-	-	-	-	(172,108,141)	(172,108,141)
<b>Balance at 30 June 2015</b>	-	<b>3,786,379,090</b>	<b>75,000,000</b>	<b>1,552,140,000</b>	<b>7,519,514,135</b>	<b>12,933,033,215</b>

### For the year ended 30 June 2014

Particulars	Note	Share Capital Taka	Share Money Deposit Taka	GOB Equity Taka	Retained Earnings Taka	Total Taka
Balance at 01 July 2013	-	2,993,185,063	75,000,000	1,552,140,000	6,145,810,152	10,766,135,215
Net profit for the year	-	-	-	-	668,638,320	668,638,320
Prior year's adjustment	37	-	-	-	160,797,563	160,797,563
Stock Dividend paid	-	448,977,757	-	-	(448,977,757)	-
Cash Dividend paid	-	-	-	-	(299,318,506)	(299,318,506)
<b>Balance at 30 June 2014</b>	-	<b>3,442,162,820</b>	<b>75,000,000</b>	<b>1,552,140,000</b>	<b>6,226,949,772</b>	<b>11,296,252,580</b>

The accounting policies and other notes from 1 to 43 and Annexure-A form an integral part of these Financial Statements.

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, 21 October 2015

Sd/-

**MABS & J Partners**

Chartered Accountants



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2015



**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 03 November, 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 (BASs), **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	3%-10%
Furniture & Fixtures	10%
Office Equipment	15%-20%
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:

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

- (a) The 'related party' as per BAS-24 is Bangladesh Power Development Board (BPDB), which holds 75% of the total shares outstanding.
- (b) The Company entered into contract with Bureau of Research, Testing & Consultation (BRTC), and BUET for technical assistance in prepaid metering pilot project for production of prepaid meters, e-governance and Data Acquisition System. BUET is represented on the company's Board.

### 1.11 Earnings per Share:

- (a) **Basic Earnings per Share (BEPS):** Basic Earnings per share has been calculated by dividing the earnings attributable to the number of shares (ordinary) outstanding during the year. However, neither the "GOB Equity" nor the "Share Deposit" amounts have been considered for determining BEPS and no shares have been allotted against these receipts.
- (b) **Weighted average Number of shares Outstanding during the year:** This represents the number of ordinary shares Outstanding at the beginning of the year plus the year the numbers of ordinary shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific shares are outstanding as a proportionate of the number of days in the year.
- (c) **Diluted Earnings Per Share:** No diluted Earnings per share was required to be calculated for the year under review as there is no scope for dilution of Earnings per share for the year.

### 1.12 Retirement Benefit Plans:

#### (a) Contributory Provident Fund

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

**(b) Gratuity**

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

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

**(c) Group Insurance**

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

**1.13 Taxation:**

**(a) Current Tax**

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

**(b) Deferred Tax Liability**

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

**1.14 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 integer.

**1.16 Reporting Period:**

The accounting year of the company covers the year ended from 1 July 2014 to 30 June 2015.

	2014-15 Taka	2013-14 Taka
<b>02.00 Property, Plant &amp; Equipment:</b>		
Cost:		
<b>Opening Balance</b>	17,657,038,550	16,598,753,936
Less: Disposal of distribution equipment (Note 02.01)	(95,882,460)	(96,040)
	17,561,156,090	16,598,657,896
Additions during the year (02.01)	952,879,264	1,058,380,654
<b>Closing Balance</b>	18,514,035,354	17,657,038,550
Depreciation:		
<b>Opening Balance</b>	6,406,437,347	5,675,180,379
Less: Adjustment for disposals (Note 02.01)	(50,614,973)	(35,356)
	6,355,822,374	5,675,145,023
Charged for the year	743,721,425	731,292,324
<b>Closing Balance</b>	7,099,543,799	6,406,437,347
<b>Written Down Value (WDV)</b>	<b>11,414,491,554</b>	<b>11,250,601,203</b>

02.01 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 03.01)	22,036,587	40,645,255
33/11Kv Sub- Station - Turnkey Project (Note 03.02)	1,580,700,375	1,252,914,219
Construction of Workshop Building & Others (Note 03.03)	60,141,157	3,531,431
<b>Total</b>	<b>1,662,878,119</b>	<b>1,297,090,905</b>

03.01 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. 242.40 million.

03.02 The Company entered into an agreement with Ideal Enterprise to implement 8(Eight) nos. 33/11Kv Sub -Station under DESCO Fund . The total contract price is Tk 1,503.31 million

03.03 Civil work under work in process at DESCO Mirpur area (Workshop Building, Paik Para & Kazi Para S/S) & Uttara office Building. The total contract price of the works is Tk.126.65 million.

**04.00 Stores & Spares :**

Stores & Spares (Note-04.01)	3,681,656,839	2,228,139,842
Stores in Transit (Note-04.02)	1,493,601	3,697,997
<b>Total</b>	<b>3,683,150,440</b>	<b>2,231,837,839</b>

**04.01 Cost of Stores & Spares**

Cable & Accessories	2,218,489,094	1,037,429,356
Pole & Pole fittings	257,170,204	408,506,756
Distribution transformers	326,132,952	302,265,232
Meter & Meter accessories	450,588,890	100,732,196
Sub-station equipment & spares	325,690,846	303,593,915
Tools, equipment & others	103,584,853	75,612,388
<b>Total:</b>	<b>3,681,656,839</b>	<b>2,228,139,842</b>

04.02 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.

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

	2014-15 Taka	2013-14 Taka
<b>05.00 Accounts Receivable:</b>		
Receivable from consumers -(Note 05.01)	3,622,226,362	3,549,929,583
Less: Provision for doubtful debts (Note 05.02)	(116,704,084)	(228,014,587)
	<b>3,505,522,279</b>	<b>3,321,914,996</b>
Receivable from BPDB against materials & others (Notes 05.03)	57,693,075	57,562,286
Receivable from DPDC against materials & others (Notes 05.04)	8,720,300	8,589,511
Receivable from BREB against materials	86,754,041	-
Contribution to Provident Fund	-	23,036
Contribution to Gratuity Fund	51,567	6,797,487
Expenses recoverable from employees	604,087	623,495
Advertisement cost recoverable from other utility organization and others	19,383,508	20,952,060
<b>Total:</b>	<b>3,678,728,856</b>	<b>3,416,462,871</b>
<b>05.01</b> Receivable from consumers are categorized as follows :		
Government (Eqv. month 5.92, 2013-14 : 6.55)	579,096,795	571,989,153
Semi- Government/Autonomous (Eqv. month 2.21, 2013-14 :1.45)	282,555,101	174,186,468
Private (Eqv. Month 1.59, 2013-14 :1.66)	2,760,574,466	2,803,753,961
<b>Average ( Eqv. Month 1.85, 2013-14: 1.87)</b>	<b>3,622,226,362</b>	<b>3,549,929,583</b>
<b>05.02</b> Provision of Tk 18,073,120 - 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:		
Opening Balance	99,088,395	100%
Add: Adjustment	3,523,137,967	0.50%
Total Cumulative provision	116,704,084	-
<b>Total</b>	<b>116,704,084</b>	<b>228,014,587</b>
<b>05.03</b> This balance has been arrived at as under:		
Receivable from BPDB against materials supplied	55,472,107	55,472,107
Receivable from BPDB against advertising	2,090,179	2,090,179
Receivable against advertisement during the year	130,789	-
	<b>57,693,075</b>	<b>57,562,286</b>
<b>05.04</b> This balance has been arrived at as under:		
Receivable from DPDC against Material supplies	2,686,187	2,686,187
Receivable against Advertisement	5,903,324	5,903,324
Receivable against advertisement during the year	130,789	-
<b>Closing Balance</b>	<b>8,720,300</b>	<b>8,589,511</b>
<b>06.00 Advances &amp; Security Deposits:</b>		
<b>A) Advances:</b>		
Against goods and services (Note 06.01)	18,251,712	114,256,295
Against goods for imported materials (Note 06.02)	369,316,238	-
Advance against office rent	14,037,776	10,858,939
Advance to Rajuk against Land purchase	1,598,771,400	747,302,600
Prepayment	42,963,981	42,816,276
Others ( Note 06.03)	14,200,552	11,160,740
<b>Sub-Total:</b>	<b>2,057,541,659</b>	<b>926,394,850</b>

	2014-15 Taka	2013-14 Taka
<b>B) Security Deposits:</b>		
Telephone/ Mobile	706,621	706,621
Dhaka City Corporation (against road cutting)	46,663,298	35,276,354
Dhaka WASA	10,411	10,411
Central Depository Bangladesh Ltd (CDBL)	500,000	500,000
Bangladesh Railway	300,000	300,000
Others	1,034,150	922,190
<b>Sub-Total:</b>	<b>49,214,481</b>	<b>37,715,577</b>
<b>Total (A+B)</b>	<b>2,106,756,139</b>	<b>964,110,427</b>
<b>06.01</b>	Advance against goods & services includes Tk. 8.00 million paid to Bangladesh Power Development Board (BPDB) against purchase of spun pre-stressed concrete (SPC) poles, Tk.9.60 million paid to Microtech for purchase of conductor accessories	
<b>06.02</b>	Against goods for imported materials includes Tk 58.14 million paid to South china Electric company Ltd ,Tk 85.80 million paid to Suprem & Co Pvt. Ltd and Tk 225.36 million paid toTBEA Deyang Cable Co. Ltd ( Paid from ADB under loan no 3087, excluded from LC)	
<b>06.03</b>	Advance to others include Tk. 1.08 million against CFL bulb distribution ,Tk. 2.50 million paid to BERC for Licence fee and Tk. 6.15 million paid to employee for purchase of goods.	
<b>07.00</b>	<b>Advance Income Tax:</b>	
	229,237,646	229,237,646
Income Tax paid for 2011-12	219,823,570	219,823,570
Income Tax paid for 2012-13	204,168,639	204,168,639
Income Tax paid for 2013-14 (Note-07.01)	133,215,392	-
Income Tax paid for 2014-15 (Note-07.01)	<b>786,445,247</b>	<b>653,229,855</b>
Less: Adjustment	-	-
<b>Closing Balance</b>	<b>786,445,247</b>	<b>653,229,855</b>
<b>07.01</b>	<b>Advance Income Tax paid during the year:</b>	
	This arrived at as under:	
	Deducted at source (on interest on FDR & STD) during the year	
	124,738,340	161,255,765
	Deducted at source (on imported materials) during the year	
	7,726,852	32,131,145
	750,200	10,781,730
	<b>133,215,392</b>	<b>204,168,639</b>
<b>08.00</b>	<b>Cash &amp; Cash Equivalents:</b>	
	1,842,333	1,464,405
Imprest cash with S&D divisions	15,208,812,332	15,591,375,553
Cash at banks (Note-08.01)	<b>15,210,654,665</b>	<b>15,592,839,958</b>
<b>Total:</b>		
<b>08.01</b>	<b>Cash at Banks:</b>	
	2,777,144,351	3,442,654,737
Current account (revenue collection) (Note 08.01.01)	179,066,731	162,259,849
Current account (VAT)	2,260,829,742	1,981,062,427
STD accounts	9,991,771,508	10,005,398,540
Fixed Deposit Receipts (FDR) (Note 08.01.02)	<b>15,208,812,332</b>	<b>15,591,375,553</b>
<b>Total:</b>		

08.01.01 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.

8.01.02 Fixed Deposit Receipts include Tk.67.69 million (2013-2014 :Tk 82.23) 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 14.53 million has been realized during the year. As per Bangladesh Bank reconstruction scheme balance amount will be realized by 2016.

	2014-15 Taka	2013-14 Taka
<b>09.00 Accounts Payable</b>		
Bangladesh Power Development Board (BPDB)- (Note 09.01)	4,806,296,534	4,542,167,050
Power Grid Company of Bangladesh (PGCB)- (Note 09.02)	204,049,017	192,660,422
Dhaka Electric Supply Authority (DESA/DPDC) - (Note 09.03)	261,433,377	260,896,616
REB - (Note 09.04)	329,188	-
<b>Total:</b>	<b>5,272,108,117</b>	<b>4,995,724,089</b>
<b>09.01 Accounts Payable - BPDB</b>		
<b>Opening Balance</b>	<b>4,542,167,050</b>	<b>4,024,171,827</b>
Energy purchased during the year	23,354,875,803	21,966,948,469
	<b>27,897,042,853</b>	<b>25,991,120,296</b>
Payment made during the year	(23,090,746,319)	(21,448,953,246)
<b>Closing Balance</b>	<b>4,806,296,534</b>	<b>4,542,167,050</b>
<b>09.02 Accounts Payable - PGCB</b>		
<b>Opening Balance</b>	<b>192,660,422</b>	<b>170,704,324</b>
Wheeling charge during the year	989,935,622	931,105,992
	<b>1,182,596,044</b>	<b>1,101,810,316</b>
Payment made during the year	(978,547,027)	(909,149,894)
<b>Closing Balance</b>	<b>204,049,017</b>	<b>192,660,422</b>
<b>09.03 Accounts Payable - DESA/ DPDC</b>		
<b>Opening Balance</b>	<b>186,361,419</b>	<b>230,464,139</b>
Payment made during the year	-	-
Payable against Materials received from DPDC	64,012,223	29,771,063
Consumer bill collection	11,059,735	661,414
<b>Closing Balance</b>	<b>261,433,377</b>	<b>260,896,616</b>
<b>09.04 Accounts Payable - REB</b>		
Payable against Material	329,188	-
<b>Closing Balance</b>	<b>329,188</b>	<b>-</b>
<b>10.00 Creditors for Goods/ Works :</b>		
Equipment & materials (Note-10.01)	104,313,684	82,942,549
Imported materials against ADB loan (Note 10.02)	588,617,591	588,617,591
<b>Total</b>	<b>692,931,275</b>	<b>671,560,140</b>
10.01 This includes as payable Tk 36.69 million to M/s.Ideal Enterprise against supply of Electric Equipment and Tk. 48.54 million payable to Vicar international against supply of single phase meter .		
10.02 This includes provision of Tk 555.15 million for LME price adjustment against imported materials under ADB loan.It is also to be noted that the above provision amount (Tk.555.15 million) is against two (2) parties sued in favor of their claim.		

	2014-15 Taka	2013-14 Taka
<b>11.00 Creditors for Other Finance:</b>		
VAT collected against electricity bills	181,155,238	165,270,229
Tax / VAT deducted from contractors, suppliers & others	12,156,817	13,526,952
Retention money ( contractors & suppliers)	64,812,063	75,790,402
Receipts against deposit works	1,060,665,000	1,060,665,000
Unpaid dividend	174,890,550	88,268,163
Others	32,686,423	33,513,373
<b>Total</b>	<b>1,526,366,090</b>	<b>1,437,034,118</b>

<b>12.00 Creditors for Expenses:</b>		
Audit Fees	277,025	260,775
Line maintenance & commercial services and others	222,542,521	211,305,550
BERC sales charge (Note-12.01)	61,391,102	52,222,147
<b>Total</b>	<b>284,210,647</b>	<b>263,788,472</b>

12.01 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.

<b>13.00 Current Maturity of Long Term Loans:</b>		
ADB Loan No-1505 (Note-13.01)	85,900,544	130,077,967
ADB Loan No-1731 (Note-13.02)	184,917,711	186,678,831
ADB Loan No-2332 (Note-13.03)	342,644,172	192,380,442
GOB Loan No 1505& 1731 (Note-13.04)	32,605,241	64,778,527
GOB Loan No 2332 (Note-13.05)	9,914,596	4,957,298
<b>Total</b>	<b>655,982,264</b>	<b>578,873,064</b>

	2014-2015		2013-2014	
	US \$	Taka	US \$	Taka
<b>13.01 ADB (Loan No. 1505)</b>				
Opening Balance	1,636,201	130,077,967	1,636,201	130,405,207
Transferred from long term loan	545,400	42,950,272	1,090,801	86,718,645
	2,181,601	173,028,239	2,727,001	217,123,851
Paid during the year	(1,090,801)	(85,518,764)	(1,090,801)	(86,991,344)
	1,090,801	87,509,475	1,636,201	130,132,507
Exchange loss/(gain)	-	(1,608,931)	-	(54,541)
<b>Closing Balance</b>	<b>1,090,801</b>	<b>85,900,544</b>	<b>1,636,201</b>	<b>130,077,967</b>

	2014-2015		2013-2014	
	US \$	Taka	US \$	Taka
<b>13.02 ADB (Loan No. 1731)</b>				
Opening Balance	2,348,161	186,678,831	2,348,161	187,148,462
Transferred from long term loan	2,348,162	184,917,710	2,348,162	186,678,831
	4,696,323	371,596,541	4,696,323	373,827,293
Paid during the year	(2,348,161)	(184,095,853)	(2,348,161)	(187,265,870)
	2,348,162	187,500,688	2,348,162	186,561,423
Exchange loss/(gain)	-	(2,582,978)	-	117,408
<b>Closing Balance</b>	<b>2,348,162</b>	<b>184,917,711</b>	<b>2,348,162</b>	<b>186,678,831</b>

	2014-2015		2013-2014	
	US \$	Taka	US \$	Taka
<b>13.03 ADB (Loan No. 2332)</b>				
Opening Balance	2,419,880	192,380,442	-	-
Transferred from long	2,866,078	225,703,668	2,419,880	192,380,442
	5,285,958	418,084,110	2,419,880	192,380,442
Paid during the year	934,921	73,490,000	-	-
	4,351,037	344,594,110	2,419,880	192,380,442
Exchange loss/(gain)	-	(1,949,939)	-	-
<b>Closing Balance</b>	<b>4,351,037</b>	<b>342,644,172</b>	<b>2,419,880</b>	<b>192,380,442</b>

	2014-15 Taka	2013-14 Taka
<b>13.04 GOB Loan ( No: 1505 &amp; 1731)</b>		
Opening Balance	64,778,527	64,778,527
Transferred from long term loan	-	-
	<b>64,778,527</b>	<b>64,778,527</b>
Paid during the year	32,173,286	-
Closing Balance	<b>32,605,241</b>	<b>64,778,527</b>
<b>13.05 GOB Loan (No: 2332)</b>		
Opening Balance	4,957,298	-
Transferred from long term loan	9,914,596	4,957,298
	<b>14,871,894</b>	<b>4,957,298</b>
Paid during the year	4,957,298	-
Closing Balance	<b>9,914,596</b>	<b>4,957,298</b>
<b>14.00 Accrued Interest on Loans</b>		
Interest payable on ADB Loan (14.01)	1,412,323,861	1,194,819,653
Interest payable on 40% (Debt Portion) of GOB Loan(14.02)	13,736,723	19,202,382
<b>Total</b>	<b>1,426,060,584</b>	<b>1,214,022,035</b>
<b>14.01 Interest on ADB loan</b>		
Opening Balance	1,194,819,653	964,371,040
Interest accrued during the year	1,495,517,983	310,453,100
	<b>2,690,337,636</b>	<b>1,274,824,140</b>
Paid during the year	(1,278,013,775)	(80,004,488)
Closing Balance	<b>1,412,323,861</b>	<b>1,194,819,653</b>
<b>14.02 Interest on GOB Loan</b>		
Opening Balance	19,202,382	9,432,222
Interest accrued during the year	9,496,467	9,770,160
	<b>28,698,849</b>	<b>19,202,382</b>
Paid/ adjustment during the year	(14,962,126)	-
Closing Balance	<b>13,736,723</b>	<b>19,202,382</b>
<b>15.00 Short Term Loan</b>	<b>389,997,942</b>	-
This represent loan received from Rupali Bank Ltd for lease payment against 19.5 biga land from RAJUK.		
<b>16.00 Provision for Income Tax:</b>		
Opening Balance	349,983,848	210,004,326
Add: Provided during the year (Note-35.01)	424,858,698	139,979,522
Add: Prior year adjustment as per settlement of Appellate Division	-	-
	<b>774,842,546</b>	<b>349,983,848</b>
Prior Year adjustment	-	-
Closing Balance (Note-16.01)	<b>774,842,546</b>	<b>349,983,848</b>



	2014-15 Taka	2013-14 Taka
<b>16.01 Details of Provision for Income Tax :</b>		
For FY 2011-12	41,988,409	41,988,409
For FY 2012-13	168,015,917	168,015,916
For FY 2013-14	139,979,522	139,979,522
For FY 2014-15	424,858,698	-
	<b>774,842,546</b>	<b>349,983,848</b>
<b>17.00 Share Capital:</b>		
<b>Authorized:</b>		
500,000,000 No. ordinary shares @ Tk. 10 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Issued , subscribed and paid up:</b>		
7,500,000 No. Ordinary shares @ Tk 10 each, fully paid up in cash	75,000,000	75,000,000
11,961,9400 No. Ordinary shares@ Tk.10 each for consideration Against Mirpur area assets taken over from DESA	1,196,194,000	1,196,194,000
217096881 No.Ordinary shares @ Tk.10 each issued as Bonus	2,170,968,810	2,170,968,810
34421628 No.Ordinary shares @ Tk.10 each issued as Bonus	344,216,280	-
<b>378,637,909 No. of shares ,Tk. 10 each</b>	<b>3,786,379,090</b>	<b>3,442,162,810</b>

#### 17.01 Composition of shareholding:

The composition of Share holding position as of 30<sup>th</sup> June 2015 is as follows:

	No. of shareholders	Number of share	% of share
Sponsors (GOB)	1	283,978,299	75.00%
General Public	8,349	38,627,284	10.20%
Mutual Fund	347	54,702,598	14.45%
Foreign Company	90	1,329,728	0.35%
	<b>8,788</b>	<b>378,637,909</b>	<b>100%</b>

#### 17.02 Distribution Schedule:

The distribution Schedule as at 30 June 2015 showing the number of shareholders and their shareholding in percentages is disclosed below as a requirement of the "Listing Regulation" of Dhaka stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Range of Holding in number of Shares	No of share holders	% of shareholders	Number of share	% of share capital
1 to 500	3,400	38.69%	661,309	0.17%
501 to 5,000	4,046	46.04%	7,236,824	1.91%
5,001 to 10,000	559	6.36%	4,091,556	1.08%
10,001 to 20,000	345	3.93%	4,938,374	1.30%
20,001 to 30,000	118	1.34%	2,940,163	0.78%
30,001 to 40,000	63	0.72%	2,216,258	0.59%
40,001 to 50,000	51	0.58%	2,343,109	0.62%
50,001 to 100,000	91	1.04%	6,502,098	1.72%
100,001 to 1,000,000	104	1.18%	29,192,489	7.71%
Over 1,000,000 Shares	11	0.13%	318,515,729	84.12%
	<b>8,788</b>	<b>100%</b>	<b>378,637,909</b>	<b>100%</b>

	2014-15 Taka	2013-14 Taka
<b>18.00 Share Money Deposit:</b>		
Share Money Deposit	75,000,000	75,000,000

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

<b>19.00 GOB Equity</b>	<b>1,552,140,000</b>	<b>1,552,140,000</b>
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This represents loan received from the Government from time to time under Annual Development Program (ADP) of which 60% is "Govt. Equity" the balance 40% is soft loan. In the absence of any Govt. directive, no share have been issued against such equity.

#### 20.00 Retained Earnings

Opening Balance	6,226,949,770	6,145,810,140
Prior year's adjustment ( Note-37)	174,016,667	160,797,563
Net Profit for the year	1,634,872,109	668,638,320
	<b>8,035,838,546</b>	<b>6,975,246,023</b>
Dividend paid/ Bonus shares issued for FY 2014-2015	(516,324,423)	(748,296,253)
Closing Balance	<b>7,519,514,123</b>	<b>6,226,949,770</b>

#### 21.00 Long Term Loans :

##### (a) Loan from Asian Development Bank (ADB)

Loan no. 1505 (Note 21.01)	515,403,286	563,671,210
Loan no. 1731 (Note 21.02)	646,251,334	839,084,941
Loan no. 2332 (Note 21.03)	5,300,696,716	5,579,032,770
Loan no. 3087 (Note 21.04)	378,944,725	-
<b>Sub-Total:</b>	<b>6,841,296,062</b>	<b>6,981,788,921</b>

##### (b) Loan from Government of Bangladesh (GOB )

Loan no. (1505 & 1731 ), (Note 21.05)	112,174,545	112,174,545
Loan no. 2332 (Note 21.06)	133,847,053	143,761,649
<b>Sub-Total:</b>	<b>246,021,598</b>	<b>255,936,194</b>
<b>Total</b>	<b>7,087,317,660</b>	<b>7,237,725,115</b>

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

This has been arrived at as under:

	2014-2015		2013-2014	
	US \$	Taka	US \$	Taka
Opening Balance	7,090,204	563,671,211	8,181,004	652,026,056
Transferred to Current Liability	(545,400)	(42,950,272)	(1,090,801)	(86,718,645)
	<b>6,544,804</b>	<b>520,720,939</b>	<b>7,090,204</b>	<b>565,307,411</b>
Exchange (Gain) / loss	-	(5,317,653)	-	(1,636,201)
Closing Balance	<b>6,544,804</b>	<b>515,403,286</b>	<b>7,090,204</b>	<b>563,671,210</b>

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

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

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

This has been arrived at as under:

	2014-2015		2013-2014	
	US \$	Taka	US \$	Taka
<b>Opening Balance</b>	<b>10,554,527</b>	<b>839,084,941</b>	<b>12,902,689</b>	<b>1,028,344,309</b>
Transferred to current liability	2,348,161	184,917,710	(2,348,162)	(186,678,831)
	<b>8,206,366</b>	<b>654,167,231</b>	<b>10,554,527</b>	<b>841,665,478</b>
Exchange (Gain)/Loss	-	(7,915,897)	-	(2,580,537)
<b>Closing Balance</b>	<b>8,206,366</b>	<b>646,251,334</b>	<b>10,554,527</b>	<b>839,084,941</b>

- (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 relented to DESCO disbursed and outstanding from time to time. The interest is payable on semi-annual basis, (i.e. January 15 and July 15, in each year).
- (iv) The term of the project under which the loan was sanctioned expired on 30th June, 2006.

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

This has been arrived at as under:

	2014-2015		2013-2014	
	US \$	Taka	US \$	Taka
<b>Opening Balance</b>	<b>70,176,513</b>	<b>5,579,032,770</b>	<b>72,596,393</b>	<b>5,785,932,490</b>
Add: Drawn	-	-	-	-
	<b>70,176,513</b>	<b>5,579,032,770</b>	<b>72,596,393</b>	<b>5,785,932,490</b>
Less Transfer to current Liability	(2,866,078)	(225,703,668)	(2,419,880)	(192,380,442)
	<b>67,310,434</b>	<b>5,353,329,102</b>	<b>70,176,513</b>	<b>5,593,552,048</b>
Exchange (Gain)/ loss	-	(52,632,385)	-	(14,519,278)
<b>Closing Balance</b>	<b>67,310,434</b>	<b>5,300,696,716</b>	<b>70,176,513</b>	<b>5,579,032,770</b>

- (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

#### 21.04 Loan from ADB (No - 3087)

This has been arrived at as under:

	2014-2015		2013-2014	
	US \$	Taka	US \$	Taka
<b>Opening Balance</b>	-	-	-	-
Add: Drawn	4,811,997	378,919,407	-	-
	<b>4,811,997</b>	<b>378,919,407</b>	-	-
Less Transfer to current	-	-	-	-
	<b>4,811,997</b>	<b>378,919,407</b>	-	-
Exchange (Gain)/ loss	-	25,319	-	-
<b>Closing Balance</b>	<b>4,811,997</b>	<b>378,944,725</b>	-	-

- (i) This represents dollars amount drawn to date translated at exchange rate prevailing at balance sheet date for import of materials/ equipment for Power System Expansion and Efficiency Improvement Investment Program (tranche-2) project under 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 15 and November 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 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 15 and November 15, in each year).

21.05 Loan from GOB (No. 1505 & 1731)	2014-2015	
	US \$	Taka
This has been arrived at as under:		
<b>Opening Balance</b>	<b>112,174,545</b>	<b>112,174,545</b>
	-	-
	<b>112,174,545</b>	<b>112,174,545</b>
Transferred to Current Liability	-	-
<b>Closing Balance</b>	<b>112,174,545</b>	<b>112,174,545</b>

- (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.

	2014-15 Taka	2013-14 Taka
<b>21.06 Loan from GOB (loan No 2332)</b>		
Opening Balance	143,761,649	148,718,947
Add: Withdrawn	-	-
	143,761,649	148,718,947
Less: Transfer to Loan:2332	-	-
Less: Transfer to current liability	(9,914,596)	(4,957,298)
<b>Closing Balance</b>	<b>133,847,053</b>	<b>143,761,649</b>

(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 installments 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.

	4,039,671,539	4,039,671,539
<b>22.00 Due to DESA/ DPDC for assets taken over:</b>		
22.01 Area wise break-up is as under:		
Gulshan Area (comprising Gulshan, Baridhara, Uttara, Dakshinkhan)	1,998,920,000	1,998,920,000
Tongi Area (comprising Tongi East and Tongi West)	795,040,000	795,040,000
Uttara & Bashundhara Grid Substation	1,245,711,539	1,245,711,539
<b>Total</b>	<b>4,039,671,539</b>	<b>4,039,671,539</b>

22.02 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.

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

#### 23.00 Consumer Security Deposits:

Opening Balance	1,507,716,212	1,315,302,695
Received during the year	235,123,949	215,067,616
	1,742,840,160	1,530,370,311
Refunded during the year	(26,807,236)	(22,654,099)
<b>Closing Balance</b>	<b>1,716,032,924</b>	<b>1,507,716,212</b>

#### 24.00 Energy Sales:

	Tariff	%	2014-15 Taka	2013-14 Taka
Domestic	A	42.74	11,692,332,867	10,609,228,590
Agricultural Pump	B	0.00	414,276	435,308
Small Industries	C	3.05	833,090,004	835,033,386
Non-Residential	D	0.58	158,155,921	139,574,181
Commercial & Office	E	14.11	3,860,606,167	3,498,897,117
Medium Voltage	F	35.50	9,711,554,238	8,588,146,370
High Voltage(33kv & REB High Voltage	H	0.41	113,393,029	16,830,366
Street Light, Pump	I	0.59	160,090,353	124,228,028
Construction & others	J	0.33	91,453,947	85,687,087
	2E	2.69	737,059,550	712,321,054
<b>Total</b>		<b>100</b>	<b>27,358,150,352</b>	<b>24,431,027,925</b>

24.01 Energy Sales -Unit	Tariff	%	2014-2015 Unit (Mkwh)	2013-2014 Unit (Mkwh)
Domestic	A	50.34	1,993.03	1,885.11
Agricultural Pump	B	0.00	0.16	0.15
Small Industries	C	2.83	111.97	119.19
Charitable Organization	D	0.80	31.48	29.20
Commercial & Office	E	10.05	398.09	383.10
Medium Voltage	F	33.63	1,331.70	1,231.73
Very High Voltage	H	0.38	14.86	2.22
REB High Voltage	I	0.72	28.62	22.05
Street Light, Pump	J	0.32	12.52	12.16
Construction & others	2E	0.94	37.04	37.32
<b>Total</b>		<b>100.00</b>	<b>3,959.46</b>	<b>3,722.23</b>

	2014-15 Taka	2013-14 Taka
<b>25.00 Other Operating Revenue:</b>		
Received from Consumer (Note:25.01)	331,397,750	294,058,168
Late payment charge	276,081,479	268,458,550
	<b>607,479,229</b>	<b>562,516,718</b>

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

**26.00 Energy Purchase:**

2014-2015		2013-2014	
Unit (Kwh)	Taka	Unit (kwh)	Taka
4,320,976,096	24,344,811,425	4,064,190,281	22,898,054,461

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

	2014-15 Taka	2013-14 Taka
<b>27.00 Operating Expenses:</b>		
Commercial operation support services	145,113,827	138,904,501
Schedule & preventive maintenance	209,394,533	155,631,339
Special action team & collection drive	874,361	1,223,772
Consultancy fees for staking sheet	1,814,577	7,503,780
Maintenance of distribution of line & equipment	46,109,149	53,843,400
R&M of grid sub-station/sub-station	43,388,115	49,348,430
Repair & maintenance of transformer	60,312,508	30,388,832
Meter & service cable issue	84,163,470	72,346,513
Revenue stamp charge against consumer bill	59,588,716	54,513,631
System operating fee BERC ( Note 27.01)	13,679,075	12,215,514
	<b>664,438,331</b>	<b>575,919,712</b>
Less: Receipt against deposit work	282,112,681	109,303,244
<b>Total</b>	<b>382,325,650</b>	<b>466,616,468</b>

27.01 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.

	2014-15 Taka	2013-14 Taka
<b>28.00 Administrative Expenses:</b>		
Directors' Remuneration (Note 28.01)	1,345,500	1,127,000
Audit fees	270,000	265,000
Advertisement & Notices	6,257,053	6,140,033
Annual General Meeting (AGM)	2,879,507	3,124,136
Bank charges	3,898,399	4,223,763
Conveyance	1,951,169	1,876,689
Cleaning expenses	5,333,470	3,567,641
Electricity, gas & water	26,736,776	26,775,786
Entertainment	3,783,511	3,507,295
Fuel for vehicles	24,439,770	23,339,673
Honorarium to various committee members	511,750	768,550
Insurance of vehicles	2,568,490	2,852,809
Legal & Professional fees	5,479,226	3,038,586
Newspaper & Periodicals	437,563	445,661
Office maintenance	2,687,348	3,727,299
Office rent	37,506,630	36,295,014
Office security	36,786,003	26,513,839
Postage, telephone & internet	9,602,658	8,821,824
Printing & Stationery	24,450,765	19,894,225
Rates & Taxes	1,205,709	2,252,079
Repair & Maintenance of non operating assets	5,881,292	6,928,925
Repair & Maintenance of head office building	4,542,010	6,165,490
Repair & Servicing of vehicle	9,531,664	9,239,082
Recruitment expenses	384,192	696,389
Inspection survey & consultancy fees	1,286,307	815,440
Staff training	17,511,227	10,466,307
Listing fee & annual charges	3,767,298	4,073,788
Transport (hired)	25,657,651	27,504,390
Corporate Social Expenses	8,596,573	8,148,174
BERC license fee	2,500,000	2,505,000
Office shifting	46,867	99,015
<b>Total:</b>	<b>277,836,378</b>	<b>255,198,902</b>

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

**29.00 Employee Expenses:**

Salary & Allowances ( Note - 29.01)	743,173,255	692,080,745
Festival bonus	63,150,781	55,985,816
Incentive bonus	90,178,503	79,048,850
Company's contribution to provident fund	37,811,439	37,118,061
Company's contribution to gratuity fund	207,094,298	100,761,015
Group insurance premium	8,068,241	1,365,584
Electricity / telephone expense reimbursed (Note - 29.02)	19,177,964	17,650,577
Medical expense reimbursed ( Note - 29.02)	47,776,525	45,003,905
Uniform	379,820	170,065
<b>Total</b>	<b>1,216,810,826</b>	<b>1,029,184,618</b>

**29.01 Remuneration of Directors and Executives:**

	2014-15 Taka		2013-14 Taka	
	Directors	Executives	Directors	Executives
Salary and bonus	4,561,662	183,940,770	6,654,186	182,506,165
House rent	1,619,831	79,142,622	2,214,093	72,864,950
Provident fund	323,967	13,182,732	442,819	12,144,130
<b>Total</b>	<b>6,505,460</b>	<b>276,266,124</b>	<b>9,311,098</b>	<b>267,515,245</b>

29.02 Telephone bills and medical expense are reimbursed on actual basis to employees, subject to ceiling.

	2014-15 Taka	2013-14 Taka
<b>30.00 Interest Income:</b>		
Interest earned on STD/FDR	1,230,813,362	1,620,716,677

	2014-15 Taka	2013-14 Taka
<b>31.00 Interest Expenses:</b>		
Interest expense against ADB loan	294,405,622	310,453,100
Interest expense against GOB loan	9,496,467	9,770,160
Interest expense against SOD loan (Rupali Bank)	28,615,571	-
<b>Total</b>	<b>332,517,660</b>	<b>320,223,260</b>
<b>32.00 Exchange Fluctuation Gain / (Loss):</b>	<b>71,982,463</b>	<b>18,673,149</b>
Exchange fluctuation gain of Tk.71,982,463/- has arisen out of translation of foreign currency loan (in dollar) into taka at Financial Position date at the rate of Tk.78.75/\$1 (2013-14: at Tk.79.50/\$1).		
<b>33.00 Miscellaneous Income:</b>		
Sale of tender documents	200,000	210,000
Sale of obsolete store materials and Others	37,472,828	11,721,065
<b>Total</b>	<b>37,672,828</b>	<b>11,931,065</b>
<b>34.00 Depreciation:</b>		
Depreciation (operating)	699,960,243	697,875,307
Depreciation (non operating)	43,761,182	33,417,017
<b>Total</b>	<b>743,721,425</b>	<b>731,292,324</b>
<b>35.00 Income Tax :</b>		
Current tax provision (35.01)	424,858,698	139,979,522
Deferred tax provision (35.02)	(69,271,625)	117,928,012
<b>Tax Expenses</b>	<b>355,587,073</b>	<b>257,907,534</b>
<b>35.01</b> 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	1,990,459,182	926,545,854
Add: Accounting depreciation	743,721,425	731,292,324
Add: Bad debt Provision	17,615,689	17,749,648
Add: Corporate Social Expenses (CSR)	8,596,573	8,148,174
	<b>2,760,392,869</b>	<b>1,683,736,000</b>
Less: Depreciation as per 3rd Schedule of Tax Ordinance, 1984.	(1,060,958,079)	(1,174,719,557)
	<b>1,699,434,791</b>	<b>509,016,443</b>
Current Tax (at 25%)	424,858,698	139,979,522
<b>Current tax expenses</b>	<b>424,858,698</b>	<b>139,979,522</b>
<b>35.02 Deffered Tax Provision:</b>		
Opening Balance	1,813,821,843	1,695,893,831
Provision for the year	(69,271,625)	117,928,012
Closing Balance	<b>1,744,550,219</b>	<b>1,813,821,843</b>
Deferred tax provision has been arrived at as under:		
Carrying amount of assets	11,414,491,554	11,235,967,749
Tax base amount of assets	4,436,290,681	4,640,251,956
Temporary Difference	<b>6,978,200,873</b>	<b>6,595,715,793</b>
Effective Tax Rate	25.00%	27.50%
Total Deferred tax Provision required	<b>1,744,550,218</b>	<b>1,813,821,843</b>
Already provided up to last year	1,813,821,843	1,695,893,831
Deferred tax Provision during the year	<b>(69,271,625)</b>	<b>117,928,012</b>



36.00 Earning Per Share (EPS):	2014-15 Taka	2013-14 Taka
Earning Per Share		
Earning attributable to ordinary Shareholders (Tk)	1,634,872,109	668,638,320
Weighted number of shares outstanding	378,637,909	378,637,909
<b>Basic Earning Per Share (Adjusted)</b>	<b>4.32</b>	<b>1.77</b>

**37.00 Adjustment related to previous year:**

Advertisement expenses adjustment	523,156	-
Salary adjustment from employee	(89,524)	(74,887,899)
Operating & administrative expenditure of previous year adjusted	(2,924,604)	2,192,955
Utility expenses adjustment	(22,232)	(2,511,556)
Distribution Equipment issued to BREB	40,156,422	-
Adjustment related to provision against accounts receivables	128,926,192	-
Encashment of performance guarantee	7,447,257	-
Adjustment of LME charge 3 parties out of 5 parties not sued of their claim	-	236,004,063
<b>Total:</b>	<b>174,016,667</b>	<b>160,797,563</b>

**38.00 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 21 October 2015 recommended 10% cash and 5% Stock dividend (Tk. 1 per share of Tk.10 each and 1 bonus share for every 20 existing shares held on record date) for the year ended June 30, 2015. The dividend proposal is subject to shareholders' approval at the forthcoming 19th 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.

**39.00 Contingent Liabilities:**

- 39.01 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 incurred additional cost after finalization of the value of the assets.
- 39.02 An aggregate amount of Tk.227,727,341/- claimed by BPDB as shown below is disputed by the Company.

Particulars	2014-2015
Arrear Energy bill (November '05 to May '07)	13,198,386
Arrear Surcharge	192,097,107
PFC Charge (October 2009 to June 2015)	22,431,848
<b>Total</b>	<b>227,727,341</b>

**40.00 Credit Facility Availed:**

No credit facility existed under any contract as on June 30, 2015 other than trade credit available in the ordinary course of business.

**41.00 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 7,680.31 million, works of which will be started in the next financial year.

**42.00 Employees' Salary:**

	2014-15 No.	2013-14 No.
a) Employment throughout the year in receipt of remuneration aggregating Tk 36,000 or more per annum.	1,497	1,499
b) Employment for a part of the year and in receipt of remuneration aggregating Tk 3,000 or less per month.	Nil	Nil
<b>Total:</b>	<b>1,497</b>	<b>1,499</b>

**43.00 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

Dated: Dhaka, 21 October, 2015

## Schedule of Property, Plant & Equipment

As at 30 June 2015

Figures in taka

Sl No.	Category of Assets	Cost				Rate	Depreciation			Total as on 30-06-15
		Balance as on 01-07-14	Addition during the Year	Adjustment	Total as on 30-06-15		Balance as on 01-07-14	Charged during the year	Adjustment	
1	Land	913,368,781	830,350	-	914,199,131	-	-	-	-	-
2	Building	438,634,642	20,439,868	-	459,074,510	2.50%	11,464,709	-	-	78,896,523
3	Motor Vehicles	229,001,557	31,913,185	-	260,914,742	20%	21,565,994	-	-	177,437,033
4	Furniture & Fixture	46,049,777	4,957,327	-	51,007,104	10%	3,954,511	-	-	28,081,043
5	Office Equipment	206,416,470	11,277,863	64,017	217,630,316	15%-20%	17,426,119	21,237	-	162,668,181
6	Distribution Equipment	5,807,860,457	232,039,195	95,818,443	5,944,081,209	3%-10%	226,270,785	50,593,736	-	1,897,275,739
7	Distribution Line	10,015,706,412	651,421,476	-	10,667,127,888	3%-10%	463,039,307	-	-	4,755,184,828
	<b>Total</b>	<b>17,657,038,097</b>	<b>952,879,264</b>	<b>95,882,460</b>	<b>18,514,034,900</b>	-	<b>743,721,425</b>	<b>50,614,973</b>	<b>50,614,973</b>	<b>7,999,543,347</b>

### Allocation of Depreciation:

	Taka
Depreciation ( Operating)	699,960,243
Depreciation ( Non-Operating)	43,761,182
	<u>743,721,425</u>

### Notes:

- 1) Building Includes Office Building, Store Godown Sheds and Boundary Wall.
- 2) Office Equipment comprise Communication Equipment , Computer & Peripherals , Electric and Store Equipment etc.
- 3) Addition to Distribution Line and Equipment includes 873.572 Km Conductor and 788.057 Km Service Cable etc.
- 4) Addition to Motor Vehicle Includes 2nos Jeep and 2 nos of Pickup

## TARIFF RATES (Fixed by BERC)

### BULK PURCHASE TARIFF

Sl. No.	Tariff Category	Level	Present Tariff ( from September 01, 2015) Taka/KWH
01	BPDB to DESCO (for energy)	132Kv	5.68
		33Kv	5.85
02	PGCB to DESCO (for wheeling)	132Kv	0.2768
		33Kv	0.2791

### RETAIL SALES TARIFF

Sl. No.	Tariff Category	Consumption Slab	Present Tariff (from March 13, 2015) Taka/KWH
1	Domestic-A	Lifeline 1-50 unit	3.33
		a) 1-75 unit	3.80
		b) 76-200 unit	5.14
		c) 201-300 unit	5.36
		d) 301-400 unit	5.63
		e) 401-600 unit	8.70
		f) Above 600 unit	9.98
2	Agricultural Pumping - B		3.82
3	Small Industries - C	g) Flat	7.66
		h) Off-peak hour	6.90
		i) Peak hour	9.24
4	Non Residential - D (Light & Power)		5.22
5	Commercial & Office- E	j) Flat	9.80
		k) Off-peak hour	8.45
		l) Peak hour	11.98
6	Medium Voltage – F (11 KV)	m) Flat	7.57
		n) Off-peak hour	6.88
		o) Peak hour	9.57
7	High Voltage – F ( 33 KV)	a) Flat	7.49
		b) Off-peak hour	6.82
		c) Peak hour	9.52
8	Street Light & Water Pumps – J		7.17

## Certificate of Compliance



**Rahman Mostafa Alam & Co.**  
Chartered Accountants



### **Certificate of 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, 2015 as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRECD/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 issuing this certification 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 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 condition of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012.

**Dated: Dhaka**  
October 21, 2015

  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants



**Proxy Form**

I/We ..... of .....  
..... being Member of Dhaka Electric Supply Company Ltd (DESCO). do hereby appoint  
Mr./Ms. .... of .....  
as my/our PROXY to attend and vote on my/our behalf at the **19<sup>th</sup> Annual General Meeting** of the Company  
to be held on Saturday, 02 January 2016 at 10:00 am at PSC Convention Hall, Police Staff College, Mirpur-14,  
Dhaka-1206.

Signed this ..... day of ..... 2016.

Signature of the Member(s)

Signature of the PROXY

Number of Shares held .....

BO ID No.																				
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Revenue Stamp TK 20
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**Notes:**

- The Proxy Form, duly filled and stamped, must be deposited at the Company's Registered Office.
- Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.

Signature Verified by

Authorised Signatory of the Company

**Attendance Slip**

I/We do hereby record my/our attendance at **19<sup>th</sup> Annual General Meeting** of the Company to be held on  
Saturday, 02 January 2016 at 10:00 am at PSC Convention Hall, Police Staff College, Mirpur-14, Dhaka-1206.

Name of the Member/Proxy (in Block Letter)																				
BO ID No.																				

Signature Verified by

Signature of the Member/Proxy

Authorised Signatory of the Company

**Note:** Please present this Attendance Slip at the registration counter on the AGM date.



## DHAKA ELECTRIC SUPPLY CO. LTD

উন্নততর সেবা প্রদানে আমরা অঙ্গিকারাবদ্ধ

- ❖ বিদ্যুৎ সশ্রয়ী যন্ত্রপাতি ব্যবহার করুন, এসির তাপমাত্রা ২৫° সেলসিয়াস বা তার উপরে রাখুন।
- ❖ অপ্রয়োজনীয় বাতি, ফ্যান ব্যবহার থেকে বিরত থাকুন এবং ঘর থেকে বের হবার সময় সুইচ বন্ধ করুন।
- ❖ দিনের বেলায় জানালার পর্দা সরিয়ে রাখুন, সূর্যের আলো ব্যবহার করুন।
- ❖ গ্রাহক হয়রানী সম্পর্কে অভিযোগ থাকলে ডেসকো'র দায়িত্বপ্রাপ্ত কর্মকর্তাকে অবহিত করুন।
- ❖ গ্রাহক শুনানীতে অংশগ্রহণ করে আপনার সমস্যা ডেসকো কর্তৃপক্ষকে অবহিত করুন।
- ❖ আপনার স্থাপনায় CFL ও LED লাইট ব্যবহার করে মাসিক বিদ্যুৎ বিল কমিয়ে আনুন।
- ❖ বিদ্যুৎ স্থাপনা আমাদের জাতীয় সম্পদ; দেশের নাগরিক হিসেবে এগুলো রক্ষা করুন।
- ❖ আপনার বাড়ী/স্থাপনায় সোলার প্যানেল থাকলে তার ব্যবহার নিশ্চিত করুন।
- ❖ নতুন বিদ্যুৎ সংযোগ গ্রহণে সরাসরি ডেসকো'র অফিসে যোগাযোগ করুন এবং মধ্যস্থতাকারী পরিহার করুন।
- ❖ অবৈধ বিদ্যুৎ ব্যবহারকারীদের বিরুদ্ধে সোচ্চার হোন।
- ❖ দোকান, শপিং মল, বাসা-বাড়ীতে অপ্রয়োজনীয় আলোকসজ্জা পরিহার করুন।
- ❖ আপনার সন্তানকে বিদ্যুতের সশ্রয়ী ব্যবহার সম্পর্কে শিক্ষা দিন।
- ❖ বিদ্যুৎ ব্যবহারে সশ্রয়ী হোন; অন্যকে ব্যবহারের সুযোগ দিন।

**এক ইউনিট বিদ্যুৎ সশ্রয় মানে এক ইউনিট বিদ্যুৎ উৎপাদন  
বিদ্যুৎ অপচয় রোধ করি, আলোকিত বাংলাদেশ গড়ি**

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**DHAKA ELECTRIC SUPPLY COMPANY LIMITED**

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