

DHAKA ELECTRIC SUPPLY COMPANY LIMITED

For the year ended June 30, 2020



Solution....Begins

Independent Auditors' Report

To the Shareholders of

Dhaka Electric Supply Company Limited (DESCO)

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Dhaka Electric Supply Company Limited (DESCO)(the Company), which comprise the Statement of Financial Position as at June 30, 2020, Statement of Profit or Loss and Other Comprehensive Income Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 51 and Annexure-A to B.

In our opinion, except for the effect of the matter described in the basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. In the year 2013 an amendment has been made in section-232 of Labor Law-2006. Due to the amendment DESCO requires to maintain Workers Profit Participation Fund (WPPF). The company approves the requirement in this year and makes provision for 2017-18 to 2019-20. But the company didn't make provision for the years 2013-14 to 2016-17 which we have calculated amounting Tk. 201,366,278. As a result the company understates its liability by the same amount.
2. As per Labor law- 2006 (amendment 2013) Section 234 (1) (b), an entity should pay amount of WPPF within 9 month of the close of every year. But the company did not pay amount of WPPF Tk. 99,493,608.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Our key audit matters

Risk	Our response to the risk
Capital Work-in- Progress (CWIP)	
Refer note no. 4 to the Statement of Financial Position	
<p>Capital work in progress pre stage of capitalization of Property, plant and equipment (PPE). Capitalization of expenses and cost of goods are in some extend judgmental in nature.</p> <p>Moreover, transfer of capital work in progress to PPE is also judgmental requires estimation.</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording and re-assessment of the amount of capitalization and transferred to PPE.</p> <p>Test of details: obtaining supporting documents of capitalization transaction recorded either side of the year and debit notes issued after the year end to determine whether the mount recorded in correct period.</p> <p>Test the advance adjustments and notes of transfer from CWIP to PPE and costing, date etc. thereof.</p> <p>Critically analyze journal entries posted during the year to identify unusual items</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding CWIP.</p> <p>Our result: the result of our testing is satisfactory and we considered the capitalization cost, expenses and the amount transferred to PPE recognized to be acceptable and recorded in correctly.</p>
Income tax	
Refer note no. 39.01 and 39.02 to the Statement of Financial Position	
<p>The company has different items of income, assets and provisions which requires significant judgment for both in current tax and deferred tax calculation.</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording and re-assessment of the amount of tax expenses and related assets and liabilities.</p> <p>Test of details: obtaining supporting documents, checked calculation and challenged the amount as per our knowledge of corporate taxation both for current and deferred portion.</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding tax.</p> <p>Our result: the results of our testing were satisfactory and we found the level of tax provisioning is acceptable.</p>

Long term Loan (ADB, GOB, AIIB, JICA)	
Refer note no.13 and 22 to the Statement of Financial Position	
<p>Long term loans taken from international financial institution and from the government under various terms and conditions. Foreign currency loan requires calculation considering the exchange rate, applicable interest rate, repayment time and fund utilization makes it complex audit issue.</p>	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording of loan, interest and repayments.</p> <p>Test of details: obtaining supporting documents of loan taken, utilization of loan, bank statements and transaction recorded either side of the year and credit notes issued after the year end to determine whether the amount recorded in correct period.</p> <p>Test the exchange rate applied for recording loans and repayments.</p> <p>Test interest rates application, calculation and repayments for carrying amount and current and non-current distinguish.</p> <p>Critically analyze journal entries posted during the year to identify unusual items</p> <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding Loan.</p> <p>Our result: the result of our testing is satisfactory and we considered the carrying amount of loan recognized to be acceptable and recorded in correctly.</p>

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, 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 accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure was incurred for the purpose of the Company's business.

The engagement partner on the audit resulting in this independent auditors' report is Md. Anwaruzzaman FCA.

Dated: Dhaka
October 22, 2020



Rahman Mostafa Alam & Co.
Chartered Accountants



DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)

Statement of Financial Position

As at June 30, 2020

Particulars	Notes	Amount in Taka	
		June 30, 2020	June 30, 2019
ASSETS		*Restated	
Non-current Assets		40,585,729,350	37,745,718,856
Property, Plant and Equipment	02.00	22,150,701,332	20,914,530,962
Intangible Assets	03.00	93,234,096	110,549,698
Capital Work-in-progress	04.00	18,341,793,922	16,720,638,196
Current Assets		30,117,446,368	27,757,945,586
Stores and Spares	05.00	7,087,670,344	3,696,619,139
Accounts Receivable	06.00	6,067,376,813	4,809,724,852
Advances and Security Deposits	07.00	717,287,891	976,694,576
Advance Income Tax	08.00	1,272,356,002	1,101,771,861
Investment in FDR	09.00	9,400,285,454	12,162,653,691
Cash and Cash Equivalents	09.01	5,572,469,864	5,010,481,467
Total Assets		70,703,175,717	65,503,664,442
EQUITY AND LIABILITIES			
Capital and Reserves		18,589,300,583	18,378,131,699
Share Capital	10.00	3,975,698,040	3,975,698,040
GOB Equity	11.00	5,926,920,000	5,694,120,000
Retained Earnings	12.00	8,686,682,543	8,708,313,659
Long-term Liabilities		33,913,532,799	32,038,702,364
Long Term Loans (ADB, GOB, AIIB & JICA)	13.00	24,332,690,791	22,889,851,264
Deferred Tax Liability (*Restated)	14.00	2,587,027,672	2,356,998,912
Due to DESA / DPDC (for assets taken over)	15.00	3,840,410,313	3,840,410,313
Consumer Security Deposits	16.00	3,125,080,093	2,951,441,875
Lease Liability (operating lease)	17.00	28,323,929	-
Current Liabilities		18,200,342,334	15,086,830,379
Accounts Payable	18.00	6,383,646,601	7,301,972,681
Creditors for Goods/Works	19.00	937,618,707	216,192,188
Others liabilities	20.00	3,837,288,426	3,593,421,078
Liabilities for Expenses	21.00	903,503,600	510,600,061
Current Maturity of Long-term Loans	22.00	531,940,185	644,052,512
Accrued Interest on Loans	23.00	3,382,932,601	2,631,571,786
Workers Profit Participation Fund (WPPF)	24.00	142,306,595	99,493,608
Provision for Income Tax (*Restated)	25.00	260,110,605	89,526,464
Loan under Secured Over Draft	26.00	1,820,995,013	-
Total Equity and Liabilities		70,703,175,717	65,503,664,442
Net Assets Value Per share (NAV)	48.01	46.76	46.23

*Prior years figure have been restated. Details disclosed in Note no. 8, 14, 20 & 25

The annexed notes from 1 to 51 and Annexure-A and B form an integral part of these Financial Statements.

Company Secretary

Executive Director (F&A)

Director

Managing Director

Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 22, 2020



Rahman Mostafa Alam & Co.
Chartered Accountants



DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
			*Restated
Distribution Revenue		4,323,577,620	4,277,639,318
Energy Sales (Net of VAT)	27.00	39,423,939,203	39,860,854,298
Less: Energy Purchase (including wheeling charge)	28.00	35,100,361,583	35,583,214,980
Other Operating Revenue	29.00	634,239,074	892,514,138
Total Operating Revenue		4,957,816,694	5,170,153,456
Less: Cost of Energy Sales		1,447,222,888	1,535,648,544
Direct Operating Expenses	30.00	248,238,117	298,504,417
Depreciation (Direct)	31.00	1,198,984,771	1,237,144,127
Gross Profit		3,510,593,806	3,634,504,912
Less: Operating Expenses		2,545,036,938	2,270,679,161
Administrative Expenses	32.00	431,804,471	359,053,398
Employee Expenses	33.00	2,016,465,545	1,841,091,383
Bad Debts Expenses	06.02	4,280,828	(506,583)
Depreciation (Indirect)	31.00	92,486,093	71,040,963
Add :Other Operating Income:		1,006,706,699	939,353,055
Interest Income	34.00	940,761,015	901,317,581
Miscellaneous Income	35.00	65,945,684	38,035,474
Total Operating Profit / (Loss)		1,972,263,568	2,303,178,806
Add: Non-operating Income/(Expense)		(1,073,190,831)	(920,235,166)
Finance cost	36.00	(981,984,580)	(760,681,694)
Exchange Fluctuation Gain / (Loss)	37.00	(91,206,250)	(159,553,472)
Net Profit Before contribution to WPPF		899,072,737	1,382,943,640
Less: Contribution to WPPF	38.00	42,812,987	67,179,176
Net Profit Before Tax		856,259,750	1,315,764,464
Income Tax		(400,612,901)	(240,963,912)
Current Tax Expenses	39.00	(170,584,141)	(89,526,464)
Deferred Tax Expenses	39.00	(230,028,760)	(251,596,527)
Prior year Tax	41.01	-	100,159,079
Net Profit after Tax		455,646,848	1,074,800,552
Basic Earnings per Share	40.00	1.15	2.70

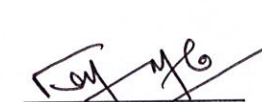
*Prior years figure have been restated. Details disclosed in Note no. 28 & 32

The annexed notes from 1 to 51 and Annexure-A and B form an integral part of these Financial Statements.


Company Secretary


Executive Director (F&A)


Director


Managing Director


Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka
October 22, 2020




Rahman Mostafa Alam & Co.
Chartered Accountants



DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)

Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Share Capital	GOB Equity	Retained Earnings	Total
Balance as on July 01, 2019	3,975,698,040	5,694,120,000	8,708,313,659	18,378,131,699
Adjustment of application of lease accounting (IFRS 16)	-	-	(194,200)	(194,200)
GOB Equity added during the year	-	232,800,000	-	232,800,000
Net profit for the year	-	-	455,646,848	455,646,848
Cash Dividend	-	-	(477,083,765)	(477,083,765)
Balance as on June 30, 2020	3,975,698,040	5,926,920,000	8,686,682,543	18,589,300,583

Particulars	Share Capital	GOB Equity	Retained Earnings	Total
Balance as on July 01, 2018	3,975,698,040	3,940,140,000	8,032,273,048	15,948,111,088
GOB Equity added during the year	-	1,753,980,000	-	1,753,980,000
Net profit for the year	-	-	1,074,800,552	1,074,800,552
Prior year's adjustment	-	-	(1,190,137)	(1,190,137)
Cash Dividend	-	-	(397,569,804)	(397,569,804)
Balance as on June 30, 2019	3,975,698,040	5,694,120,000	8,708,313,659	18,378,131,699

The annexed notes from 1 to 51 and Annexure-A and B form an integral part of these Financial Statements.



Company Secretary



Executive Director (F&A)



Director



Managing Director



Chairman





DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)

Statement of Cash Flows


For the year ended June 30, 2020

Particulars	Notes	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
A. Cash Flows from Operating Activities:			
Received from Energy Sales		38,802,016,188	39,582,577,975
Collection of Govt. Duty, VAT & Tax		2,503,832,137	2,468,354,979
Received from Other Operating & Non Operating Activities		999,378,527	1,005,898,628
Received against Financial Income		1,007,333,433	827,607,342
Payment for Energy Purchase		(36,051,956,463)	(34,562,171,198)
Payment for Employee Expenses		(1,998,371,776)	(1,841,091,383)
Payment for Administrative & Other Expenses		(966,950,080)	(1,216,354,818)
Payment for Interest on Long Term Loan		(194,862,653)	(219,980,954)
Advance Income Tax Paid		(170,584,141)	(440,680,308)
Investment in FDR		2,762,368,237	(1,674,666,916)
Payment for Govt. Duty, VAT & Tax		(2,278,441,470)	(1,385,832,020)
Net Cash Flows from Operating Activities		4,413,761,939	2,543,661,326
B. Cash Flows from Investing Activities:			
Acquisition of Property & Plant		(281,897,418)	(275,225,326)
Acquisition of Stores & Equipment		(6,465,603,592)	(7,750,094,782)
Net Cash used in Investing Activities		(6,747,501,010)	(8,025,320,108)
C. Cash Flows from Financing Activities:			
Loan Received (Including Short Term over draft)		3,919,452,960	6,719,085,449
Dividend Paid		(550,231,701)	(127,143,597)
Long Term Loan Paid		(647,132,010)	(757,829,617)
Consumer Security Deposits Received		173,638,218	245,961,156
Net Cash Flows from Financing Activities		2,895,727,467	6,080,073,392
Cash and Cash equivalents increase /(decrease) during the year		561,988,396	598,414,609
Cash and Cash equivalents at the beginning of the year		5,010,481,467	4,412,066,858
Cash and Cash Equivalents at the End of the Year		5,572,469,864	5,010,481,467
Net operating cash flows per share (NOCFPS)	49.01	11.10	6.40


Company Secretary


Executive Director (F&A)


Director


Managing Director


Chairman





DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)

Notes To the Financial Statements

As at and for the year ended June 30, 2020

1.00 Legal Status & Nature of the Company, Significant Accounting Policies and other Relevant Information:

1.01 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.

1.02 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.

1.03 Basis of Accounting:

These Financial Statements prepared under the historical cost convention and in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), 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.

1.04 Property, Plant & Equipment:

i) 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.

DESCO management already assigned M/S Hussain Farhad & Co. regarding Asset Valuation. The valuer firm continue their assigned job.

ii) Valuation of Assets taken over from DESA

Property, plant & equipment taken over from the Dhaka Electric Supply Authority (DESA) in the Mirpur area have been finalized at Tk. 1,27.12 Core as per joint consultant report and it has already been paid. The value of Transferred assets of Gulshan and Uttara area is determined and accepted for Tk. 384,04,10,313/- by both DESCO & DPDC. Valuation of building and equipment is Tk. 339,96,45,373/- only and Tk. 44,07,64,940/- is against land. Value against Building and Line & Equipment will be paid on installment as per approval of board and Value against land will be paid after finalization of ownership of land.





Depreciation:

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	0% (Nil)
Building & other Constructions	2.50%
Distribution Equipment & Cables	3%-10%
Distribution Line	3%-10%
Furniture & Fixtures	10%
Office Equipment	15%-20%
Motor Vehicles	15%

iii) 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.

iv) Depreciation of an asset begins when it is available for use, ie. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

1.05 Impairment:

The company tested for impairment of assets and the management of the company could not found any indication of impairment loss of assets.

1.06 Stores and Spares:

Stores and spares have been stated at the lower of cost and net realizable value in accordance with IAS - 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.

1.07 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 IAS -21.

1.08 Revenue Recognition:

Under IFRS-15, the entity should recognized revenue when (or as) a performance obligation is satisfied, i.e.: when 'control' of the goods or service underling the particular performances obligations is transferred to the customer.

IFRS-15 is a 5-steps approach to revenue reorganization:

Step 1: Identify the contract(s) with a customer;

Step 2 : Identify the performance obligations in the contract;

Step 3 : Determine the transaction price;

Step 4 : Allocate the transaction price to the performance obligations in the contract;

Step 5 : Recognize revenue when (or as) the entity satisfies a performance obligations.

DESCO is a distribution company of electricity. The company distributes electricity as per the tarrif rate fixed up by Bangladesh Energy Regulatory Commision (BERC). The company purchase electricity from BPDB. Margin between tarrif sales and energy purchase cost is the companies distribution revenue.





The Company (DESCO)) recognizes revenue of energy on issue of bills to the consumers for consumption of energy, demand charge, service charge, meter and transformer rent.

1.09 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS - 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".

1.10 Accounts Receivable:

Accounts Receivable for energy is stated at realizable amount less provision for doubtful debts. The company provides for doubtful debts @ 0.5% of Accounts Receivable against consumers balance standing at the balance sheet date, as decided by the Board of Directors at the meeting held on 17.04.2005.

1.11 Related Party Transaction:

The company in normal course of business carried out a number of transactions with directors/entities that fall within the definition of related party contained in International Accounting Standard (IASs) 24: related party discloser. The discloser relating to related parties have been shown in note 40.00

1.12 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, GOB Equity amounts has not been considered for determining BEPS and no shares have been allotted against these receipts.

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

(c) Diluted Earnings Per Share: No diluted Earnings per share was required to be calculated for the year under review as there is no scope for dilution of Earnings per share for the year.

1.13 Retirement Benefit Plans:

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

(b) **Gratuity:** The Company maintains a Gratuity Fund, approved by the NBR under Income Tax Ordinance, 1984. Under the Gratuity Scheme, the company pays to a retired employee, having completed at least 3 (three) years of service, at the rate of two 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 IAS - 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.

(d) Worker's Profit Participation Fund: In light of the labor law 2006 (amended in 2013) worker's profit participation fund has been implemented in DESCO from Financial Year 2017-18 and 2018-19. Each and every Stakeholder under this law has got benefits accordingly.

1.14 Taxation:

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

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

1.15 Borrowing Cost:

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

1.16 Reporting Currencies:

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

1.17 Reporting Period:

The accounting year of the company covers the year ended from July 01, 2019 to June 30, 2020.

1.18 Restatements:

i) Unabsorbed depreciation had not been considered in prior years in the calculation of deferred tax and current tax which have been considered during this year. Hence prior years figure of deferred tax liabilities and provision to income tax have been restated to conform with current year presentation.

ii) Tax Deducted at source (Tk. 800.00), Advance Income Tax (Tk. 800.00), FDR interest (Tk. 4,159,270.98), Interest receivable on FDR (Tk. 4,159,270.98), Staff Training (Tk. 62,400), others liability(Tk. 23,659,784.98), conveyance (Tk. 142,036.00), Recruitment expenses (Tk. 290,000), office rent (Tk. 289,964.00), Entertainment (Tk. 95,000), Energy purchase(Tk. 22,437,484.98), Repair and maintainance of non operating asset (Tk. 342,900) have been understated inadvertently in previous year (2018-19) because of wrong posting.

Hence previous years figure have been restated to rectify the error.





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
02.00	Property, Plant & Equipment:		
	Cost		
	Opening Balance as at July 01, 2019	31,683,764,281	29,245,160,781
	Less: Disposal During the year	(617,990)	(199,501,516)
		<u>31,683,146,291</u>	<u>29,045,659,265</u>
	Additions during the year (2.01)	2,507,420,819	2,638,105,016
	Closing Balance as at June 30, 2020	<u>34,190,567,110</u>	<u>31,683,764,281</u>
	Depreciation		
	Opening Balance as at July 01, 2019	10,769,233,319	9,470,004,809
	Less: Adjustment for disposals (Note 2.01)	(364,294)	(127,054)
		<u>10,768,869,025</u>	<u>9,469,877,755</u>
	Charged for the year and including prior year adjustment.	1,270,996,752	1,299,355,564
	Closing Balance as at June 30, 2020	<u>12,039,865,777</u>	<u>10,769,233,319</u>
	Written Down Value (WDV)	<u>22,150,701,332</u>	<u>20,914,530,962</u>
02.01	Details of property, plant & equipment and depreciation are shown in Annexure-A.		
03.00	Intangible Asset		
	Opening Balance as at July 01, 2019	140,092,856	60,231,153
	Less: Disposal of Office equipment	-	-
		<u>140,092,856</u>	<u>60,231,153</u>
	Additions during the year (2.01)	3,158,512	79,861,703
	Closing Balance as at June 30, 2020	<u>143,251,368</u>	<u>140,092,856</u>
	Amortization		
	Opening Balance as at July 01, 2019	29,543,158	20,713,632
	Less: Adjustment for disposals (Note 2.01)	-	-
		<u>29,543,158</u>	<u>20,713,632</u>
	Charged for the year and including prior year adjustment.	20,474,114	8,829,526
	Closing Balance as at June 30, 2020	<u>50,017,272</u>	<u>29,543,158</u>
	Written Down Value (WDV)	<u>93,234,096</u>	<u>110,549,698</u>
04.00	Capital Work -in- Progress:		
	Construction of Workshop Building & Others (Note 4.01)	184,374,010	104,127,477
	33/11KV OH/UG Cable Line (Note 4.02)	78,122,810	55,595,903
	33/11Kv Sub- Station - Turnkey Project (Note 4.03)	-	808,247,631
	132/33/11Kv Grid Sub- Station - Turnkey Project (Note 4.04)	5,543,410,581	4,995,968,454
	132/33/11Kv UG Line Construction-Turnkey Project (Note 4.05)	1,941,045,911	1,935,984,233
	33/11 KV 24 Nos Substation Augm. by Siemens Bd. Ltd (Note 4.06)	3,737,595,455	3,572,269,367
	132/33/11 KV Grid Augm.(Bashundhara & Uttara)Hyosung (Note 4.07)	2,013,472,776	1,922,897,740
	33 KV O/H Line converted to 33 KV UG cable (Note 4.08)	4,028,573,780	3,147,860,071
	New SCADA System (Initial cost) (Note 4.09)	147,380,688	120,192,917
	132/33/11Kv Grid Sub- Station - Turnkey Project (Note 4.10)	313,243,075	15,264,509
	132/33/11 KV Grid Augm.(Tongi) Siemens (Note 4.11)	339,208,507	42,229,894
	Software (Customer management) (Note 4.12)	339,938	-
	Smart Card Based (Prepaid Meter) (Note 4.13)	1,700,625	-
	GIS Mapping APP (Note 4.14)	13,325,767	-
	Total Capital Work - In - Progress	<u>18,341,793,922</u>	<u>16,720,638,196</u>
04.01	Construction of Workshop Building & Others		
	Opening Balance as at July 01, 2019	104,127,477	85,913,551
	Addition during the year	120,140,678	68,532,032
		<u>224,268,155</u>	<u>154,445,583</u>
	Transferred to Fixed asset during the year	39,894,145	50,318,106
	Closing Balance as at June 30, 2020	<u>184,374,010</u>	<u>104,127,477</u>

This includes as Work In Progress (WIP) of DESCO Head Office Building (Consultancy Work) & Civil work, Central store at Mirpur area. Satarkul, Mohakhali (DOHS), Uttara, Banani-1, Tongi office Building, Purbachal S/S Building, The total contract price above works is Tk.213.71 million





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
04.02 33/11KV OH/UG Cable Line			
Opening Balance as at July 01, 2019		55,595,903	26,786,250
Addition during the year		66,808,009	55,595,903
		<u>122,403,912</u>	<u>82,382,153</u>
Transferred to Fixed asset during the year		44,281,102	26,786,250
Closing Balance as at June 30, 2020		<u>78,122,810</u>	<u>55,595,903</u>
33 kv, 11 KV overhead & under ground cable line construction works are in progress at Mirpur, Gulshan and Tongi circle respectively. The total contract price of the works is Tk.493.71million.			
04.03 33/11Kv Sub- Station - Turnkey Project			
Opening Balance as at July 01, 2019		808,247,631	807,321,281
Addition during the year		-	926,350
		<u>808,247,631</u>	<u>808,247,631</u>
Transferred to Fixed asset during the year		808,247,631	-
Closing Balance as at June 30, 2020		<u>-</u>	<u>808,247,631</u>
The Company signed an agreement with Ideal Enterprise to implement 8(Eight) nos. 33/11Kv Sub -Stations of which 07 (Seven) nos Sub Stations have already been completed and transferred to Fixed Asset and Energypac to implement 04 (Four) nos 33/11Kv Sub -Stations under DESCO Funding. The total contract price are Tk 1,503.31 & 805.00 million respectively.			
04.04 132/33/11Kv Grid Sub- Station - Turnkey Project			
Opening Balance as at July 01, 2019		4,995,968,454	3,668,197,802
Addition during the year		589,166,803	1,371,948,482
		<u>5,585,135,257</u>	<u>5,040,146,284</u>
Transferred to Stores and Spares during the year		41,724,676	44,177,830
Closing Balance as at June 30, 2020		<u>5,543,410,581</u>	<u>4,995,968,454</u>
The Company signed an agreement with Hyosung Corporation to implement 05(Five) nos. 132/33/11Kv Grid Sub -Stations under ADB , GoB & DESCO Funding. The total Contract price is USD 48.09 Million + BDT 779.04 million. The duration of the project has been extended one year due to the corona pandemic.			
04.05 132/33/11Kv UG Line Construction-Turnkey Project			
Opening Balance as at July 01, 2019		1,935,984,233	1,742,684,699
Addition during the year		17,406,922	194,863,496
		<u>1,953,391,155</u>	<u>1,937,548,195</u>
Transferred to Stores and Spares during the year		12,345,244	1,563,962
Closing Balance as at June 30, 2020		<u>1,941,045,911</u>	<u>1,935,984,233</u>
The Company signed an agreement with LS Cable & System Ltd. for supply & installation (174 KM) 132KV UG cable line on Trunky Basis under ADB , GoB & DESCO Funding. The total contract price is USD 17.61 Million + BDT 308.26 million.			
04.06 33/11 KV 24 Nos Substation Augm. by Siemens Bd. Ltd			
Opening Balance as at July 01, 2019		3,572,269,367	1,074,628,497
Addition during the year		165,396,088	2,497,640,870
		<u>3,737,665,455</u>	<u>3,572,269,367</u>
Transferred to Fixed asset during the year		70,000	-
Closing Balance as at June 30, 2020		<u>3,737,595,455</u>	<u>3,572,269,367</u>
The Company signed an agreement with Siemens Ltd. India in Consortium with Siemens Bangladesh Ltd. for Design, Supply, Installation & Commissioning of 24 no's 33/11KV Sub-stations on Turnkey Basis (14 Nos. New & 10 Augmentation) under ADB , GoB & DESCO funding. The total contract price of Siemens Ltd. (India) is USD 25.81 Million+ Euro 9.72 Million + BDT 579.72 Million.			
04.07 132/33/11 KV Grid Augm.(Bashundhara & Uttara) Hyosung			
Opening Balance as at July 01, 2019		1,922,897,740	183,097,453
Addition during the year		90,575,036	1,739,800,287
		<u>2,013,472,776</u>	<u>1,922,897,740</u>
Transferred to Fixed asset during the year		-	-
Closing Balance as at June 30, 2020		<u>2,013,472,776</u>	<u>1,922,897,740</u>
The Company signed an agreement with Hyosung Corporation for Augmentation & Rehabilitation of 132/33/11Kv Grid Sub -Stations at Uttara & Bashundhara under AIIB , GoB & DESCO Funding. The total Contract price are USD 19.94 Million + BDT 185.61 million. The duration of the project has been extended one year due to the corona pandemic.			





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
04.08	33 KV O/H Line converted to 33 KV UG cable		
	Opening Balance as at July 01, 2019	3,147,860,071	396,932,227
	Addition during the year	880,713,709	2,750,927,844
		<u>4,028,573,780</u>	<u>3,147,860,071</u>
	Transferred to Fixed asset during the year	-	-
	Closing Balance as at June 30, 2020	<u>4,028,573,780</u>	<u>3,147,860,071</u>

The Company signed an agreement with LS Cable & System Ltd. for supply, installation, up-grading and conversion of existing 33KV Overhead lines into Underground cables (498 KM) on Trunk Basis under AIIB, GoB & DESCO Funding. The total contract price is USD 28.38 Million + BDT 1430.57 Million. The duration of the project has been extended by one year due to the corona pandemic.

04.09	New SCADA System (Initial Cost)		
	Opening Balance as at July 01, 2019	120,192,917	42,910,906
	Addition during the year	27,187,771	77,282,011
		<u>147,380,688</u>	<u>120,192,917</u>
	Transferred to Fixed asset during the year	-	-
	Closing Balance as at June 30, 2020	<u>147,380,688</u>	<u>120,192,917</u>

The Company signed an agreement with Hifab OY (Finland) in Association with Hifab International AB (Sweden) & BCL Associated Ltd. (Bangladesh) for consultancy services for project management, supervision and Implementation support for SCADA Project and the company signed an agreement with Siemens Ltd. India under ADB, GoB & DESCO Funding. The total contract price of Hifab OY (Finland) are EUR 1.32 Million + BDT 39.45 Million & Total Contact price of Siemens (India) are USD 6.74 million & BDT 191.44 million

04.10	132/33/11Kv Dhaka Underground Substation Constriction project at Gulshan.		
	Opening Balance as at July 01, 2019	15,264,509	-
	Addition during the year	297,978,566	15,264,509
		<u>313,243,075</u>	<u>15,264,509</u>
	Transferred to Fixed asset during the year	-	-
	Closing Balance as at June 30, 2020	<u>313,243,075</u>	<u>15,264,509</u>

The Company signed an agreement with 37 Bridge, Bangladesh for consultancy services for project management, supervision and Implementation support and with TEPCO and TEPCO for engineering service consultant for construction of 132/33/11 KV UG Grid Substation building at Gulshan project under JICA, GoB & DESCO Funding. Contact price of TEPCO and TEPCO are JPY 712.14 million & BDT 200.04 million (Excluding VAT & AIT)

04.11	132/33/11 KV Grid Augm.(Tongi) Siemens		
	Opening Balance as at July 01, 2019	42,229,894	-
	Addition during the year	306,062,749	194,700,999
		<u>348,292,643</u>	<u>194,700,999</u>
	Transferred to Fixed asset during the year	9,084,136	152,471,105
	Closing Balance as at June 30, 2020	<u>339,208,507</u>	<u>42,229,894</u>

The Company signed an agreement with Siemens Bangladesh Ltd. for Augmentation & Rehabilitation of 132/33/11Kv Grid Sub - Stations at Tongi under DESCO Funding. The total Contract price are USD 1.62 million + Euro 1.73 million+BDT 26.71 million.

04.12	Software (Customer management)		
	Opening Balance as at July 01, 2019	-	-
	Addition during the year	339,938	-
		<u>339,938</u>	<u>-</u>
	Transferred to Fixed asset during the year	-	-
	Closing Balance as at June 30, 2020	<u>339,938</u>	<u>-</u>

The Company signed an agreement with Technovista for development of Online Customer Management System under own funding. The Total Contract Price is BDT Tk. 6.79 million.





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
04.13 Smart Card Based (Prepaid Meter)			
	Opening Balance as at July 01, 2019	-	-
	Addition during the year	1,700,625	-
		<u>1,700,625</u>	-
	Transferred to Fixed asset during the year	-	-
	Closing Balance as at June 30, 2020	<u>1,700,625</u>	-

The Company signed an agreement with Hexing (China) for supply and installation of 2lac pcs of Smartcard based prepaid meter. The supplier has already supplied the all required quantity and installed 30,000 pcs of prepaid meter. the total contract price of Hexing (China) is USD 9.27 million + BDT 17.01 million

04.14 GIS Mapping APP.

	Opening Balance as at July 01, 2019	-	-
	Addition during the year	13,325,767	-
		<u>13,325,767</u>	-
	Transferred to Fixed asset during the year	-	-
	Closing Balance as at June 30, 2020	<u>13,325,767</u>	-

The Company signed an agreement with Trident Techlab Pvt. Ltd. (India) In association with BEATS Consulting services Ltd.(BETS), Arc Bangladesh for design development & Installation of multi platform GIS-based application for the management of distribution network of DESCO for technical financial & managerial benefits. Work order value USD 14,80,935.00 & BDT 33,84,75,182.00

05.00 Stores & Spares :

	Stores & Spares (Note 5.01)	7,085,654,988	3,681,778,119
	Stores in Transit (Note 5.02)	2,015,356	14,841,020
	Total	<u>7,087,670,344</u>	<u>3,696,619,139</u>

05.01 Cost of Stores & Spares

	Cable & Accessories	3,798,693,079	2,219,215,535
	Pole & Pole fittings	358,962,780	352,151,325
	Distribution transformers	170,656,764	167,820,941
	Meter & Meter accessories	2,000,856,893	172,721,064
	Sub-station equipment & spares	616,428,446	635,057,527
	Tools, equipment & others	133,308,567	134,811,727
	Furniture & Fixtures	751,288	-
	Computer, Printer, Tonner & Others	5,997,171	-
	Total:	<u>7,085,654,988</u>	<u>3,681,778,119</u>

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

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

06.00 Accounts Receivable:

	Receivable from consumers -(Note 6.01)	5,386,870,146	4,392,670,478
	Less: Provision for doubtful debts (Note 6.02)	(106,943,662)	(102,662,834)
	Total Receivable from sales	<u>5,279,926,483</u>	<u>4,290,007,644</u>
	Receivable from BPDB against Materials & Others (Notes 6.03)	57,462,286	58,269,111
	Receivable from DPDC against Materials & Others (Notes 6.04)	308,814,859	60,270,323
	Receivable from Govt Duty /VAT	80,353,171	-
	Receivable from WZPDCL	1,197,161	1,197,161
	Expenses recoverable from Employees	4,106,528	2,051,141
	Interest Receivable on FDR	248,208,634	310,621,780
	Receivable from United Trade Int.	17,222,383	17,222,383
	Accounts Receivable - SREDA	806,825	806,825
	Accounts Receivable - Licensing Board	806,825	806,826
	Accounts Receivable-Income Tax for the FY-2013-14	68,471,658	68,471,658
	Total Receivable:	<u>6,067,376,813</u>	<u>4,809,724,852</u>





Notes	Particulars	Amount in Taka			
		June 30, 2020	June 30, 2019		
06.01	Receivable from consumers are categorized as follows :				
	Government (Eqv. Month 2019-20: 6.39, 2018-19 : 5.39)	3,038,137,708	932,619,056		
	Semi- Government/Autonomous (Eqv. Month 2019-20: 3.22, 2018-19 : 2.34)	1,530,955,152	16,363,478		
	Private (Eqv. Month 2019-20: 1.72, 2018-19 :1.45)	817,777,286	3,443,687,944		
	Average (Eqv. Month 2019-20: 1.99 , 2018-19: 1.64)	<u>5,386,870,146</u>	<u>4,392,670,478</u>		
06.02	Provision of Tk. (538,68,70,145.31- 352,87,02,237-28,71,14,418)=15710.53,490 /= 78,55,267.45/= 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	100.0%	99,088,395	99,088,395
	Add: Adjustment	1,571,053,490	0.50%	7,855,267	3,574,439
	Total Cumulative Provision			106,943,662	102,662,834
	Opening Balance as at July 01, 2019			102,662,834	103,169,417
	Provision during the year			<u>4,280,828</u>	<u>(506,583)</u>
06.03	This balance has been arrived at as under: (BPDB)				
	Receivable from BPDB against materials supplied			55,472,107	55,472,107
	Receivable from BPDB against advertising			1,990,179	2,797,004
				<u>57,462,286</u>	<u>58,269,111</u>
06.04	This balance has been arrived at as under: (DPDC)				
	Opening Balance Receivable from (Material) as at July 01, 2019			59,453,867	59,453,868
	Receivable during this period against (Material)			248,544,537	816,455
	Receivable others			816,455	-
	Closing Balance as at June 30, 2020			<u>308,814,859</u>	<u>60,270,323</u>
07.00	Advances & Security Deposits:				
	A) Advances:				
	Against goods and services (Note 7.01)			100,033,698	173,084,806
	Advance against Office rent			10,922,526	17,774,992
	Advance to Rajuk against Land purchase (Note 7.02)			303,367,689	303,367,689
	Advance to Eastern Housing Ltd (Note 7.03)			12,650,000	12,650,000
	Protested Claim (For Vat Appeal in Tribunal)			3,508,138	3,508,138
	Deferred/Prepaid Exp & Others (Note 7.04)			58,996,703	92,059,565
	Prepayment - Employees			28,812,080	23,400,487
	Advance to - PGCB			-	209,443,179
	Advance to - BPDB			6,237,150	-
	Advance to - DPDC			629,000	-
	Advance to Bangladesh Power Management Inst.			5,272,872	-
	Advance to Advocate Mahabubur Rahman & Jannat Sultana)			930,400	-
	Advance to -Power Cell (ERP Software)			23,903,000	-
	Advance to - Others			165,430	-
	Sub-Total:			<u>555,428,686</u>	<u>835,288,856</u>
	B) Security Deposits:				
	Telephone/ Mobile			731,671	123,731
	Telephone Shilpha sangstha ltd against rent of store			5,000,000	5,000,000
	Dhaka & Gazipur City Corporation (against road cutting)			143,586,266	124,832,569
	Dhaka WASA			10,411	10,411
	Central Depository of Bangladesh (CDBL)			500,000	500,000
	Bangladesh Railway, Roads and Highway			7,100,000	7,100,000
	Security Deposit - RDA Building & KDA Building			3,256,658	2,746,318
	Security Deposit - Others			484,750	1,092,691
	Security Deposit - Tangail Zela Samity			1,189,449	-
	Sub-Total:			<u>161,859,205</u>	<u>141,405,720</u>
	Total (A+B)			<u>717,287,891</u>	<u>976,694,576</u>
07.01	Advance includes Tk. 8.1 million to BPDB against SPC Pole & Tk.160.48 million paid to Telephone Shilpa Sangstha Ltd against purchase of Pre-paid Meter and Tk. 4.32 million paid to Standard Asiatic Oil for purchase of transformer oil.				
07.02	Advance includes Tk. 43.34 million for Purbachal 250 million for Uttara Plot 10.03 million for Uttara Sector - 09 to Rajuk for Land purchase.				
07.03	This amount includes paid as advance to Eastern Housing Ltd. for land purchase at Pallabi Tk. 12.65 million.				
07.04	This amount includes paid as advance Tk. 4.06 million for land deployment to Saju Enterprise, Tk.32.73 million paid to Mars Syndicate for constriction work at Tongi East and Tk. 19.84 million paid to Saju enterprise & Desh Engineering for hired vacant land from Telephone Shilpa Sangstha.				





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
08.00	Advance Income Tax:		*Restated
	Income Tax paid for FY - 2015-16	242,891,810	242,891,810
	Income Tax paid for FY - 2016-17	150,259,982	150,259,982
	Income Tax paid for FY - 2017-18	267,938,960	267,938,960
	Income Tax paid for FY - 2018-19	440,681,109	440,681,109
	Income Tax paid for FY - 2019-20 (Note 8.01)	170,584,141	-
	Closing Balance	1,272,356,002	1,101,771,861
08.01	Advance Income Tax paid during the year:		
	This arrived at as under:		
	Deducted at source (on interest of FDR & STD)	101,140,495	83,838,393
	Deducted at source (on imported materials)	68,102,117	355,464,329
	Income tax paid for FY 2019-20	1,341,529	1,378,387
		170,584,141	440,681,109
09.00	Investment in FDR		
	Fixed Deposit Receipts (FDR)	9,400,285,454	12,162,653,691
		9,400,285,454	12,162,653,691

Fixed Deposit Receipts include Tk.25.00 million (2017-2018) 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. No amount has been realized during the year. As per Bangladesh Bank reconstruction scheme balance amount will be realized by 2020.

Mentioning that, total FDR amounting Tk. 9,400,285,454 from which amounting Tk 3,648,168,118 lien against Short term overdraft (SOD) loan.

09.01	Cash & Cash Equivalent:		
	Imprest cash with S&D divisions	2,030,698	1,936,808
	Cash at banks (Note 9.02)	5,570,439,166	5,008,544,659
	Total:	5,572,469,864	5,010,481,467

09.02	Cash at Banks:		
	Current Account (Revenue Collection) (Note 9.03)	3,654,253,713	2,924,848,642
	Current Account (VAT)	341,388,359	218,985,523
	STD Accounts	1,574,797,092	1,864,710,494
	Total:	5,570,439,166	5,008,544,659

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

10.00	Share Capital:		
	Authorized:		
	500,000,000 No. ordinary shares @ Tk. 10 each	5,000,000,000	5,000,000,000

Issued, subscribed and paid up:

Date	No. of Shares	Particulars		
29.03.1998	500,000	Subscription	5,000,000	5,000,000
02.04.1998	7,000,000	Share Money Deposit	70,000,000	70,000,000
30.06.1999	119,619,400	Vendors agreement, Ordinary shares@ Tk.10 each for consideration against Mirpur area assets taken over from	1,196,194,000	1,196,194,000
09.03.2009	6,355,970	Ordinary shares @ Tk.10 each issued as	63,559,700	63,559,700
15.02.2010	26,695,070	Ordinary shares @ Tk.10 each issued as	266,950,700	266,950,700
02.03.2011	48,051,130	Ordinary shares @ Tk.10 each issued as	480,511,300	480,511,300
06.02.2012	52,055,392	Ordinary shares @ Tk.10 each issued as	520,553,920	520,553,920
29.01.2013	39,041,545	Ordinary shares @ Tk.10 each issued as	390,415,450	390,415,450
12.02.2014	44,897,775	Ordinary shares @ Tk.10 each issued as	448,977,750	448,977,750
22.03.2015	34,421,627	Ordinary shares @ Tk.10 each issued as	344,216,270	344,216,270
18.02.2016	18,931,895	Ordinary shares @ Tk.10 each issued as	189,318,950	189,318,950
	Total	397,569,804 share @ tk.10 each	3,975,698,040	3,975,698,040





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019

10.01 Composition of shareholding:

The composition of Share holding position as of June 30, 2020 is as follows:

	No. of share holders	Number of share	% of share
Sponsors (GOB)	2	268,866,788	67.63%
General Public	5,401	33,505,853	8.43%
Mutual Fund/Institute	274	94,434,297	23.75%
Foreign Company	41	762,866	0.19%
Total	5,718	397,569,804	100%

10.02 Distribution Schedule:

The distribution Schedule as at June 30, 2020 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	2,147	37.55%	373,588	0.09%
501 to 5,000	2,559	44.75%	4,799,081	1.21%
5,001 to 10,000	396	6.93%	2,920,779	0.73%
10,001 to 20,000	244	4.27%	3,575,281	0.90%
20,001 to 30,000	109	1.91%	2,685,034	0.68%
30,001 to 40,000	45	0.79%	1,585,530	0.40%
40,001 to 50,000	33	0.58%	1,519,759	0.38%
50,001 to 100,000	65	1.14%	4,987,436	1.25%
100,001 to 1,000,000	97	1.70%	30,879,043	7.77%
Over 1,000,000 Shares	23	0.40%	344,244,273	86.59%
	5,718	100%	397,569,804	100%

11.00 GOB Equity

Opening Balance as at July 01, 2019	5,694,120,000	3,940,140,000
Addition during the period	232,800,000	1,753,980,000
Closing Balance as at June 30, 2020	5,926,920,000	5,694,120,000

This represents 60% of loan received from the Government from time to time under Annual Development Program (ADP) as 60% is "Govt. Equity" and the balance 40% is soft loan. There is no directive from govt. to issue share against such equity.

12.00 Retained Earnings

Opening Balance as at July 01, 2019	8,708,313,659	8,032,273,048
Adjustment of application of lease accounting (IFRS 16)	(194,200)	-
Prior year's adjustment (Note-37)	-	(1,190,137)
Net Profit/(Loss) during the year	455,646,848	1,074,800,552
	9,163,766,308	9,105,883,463
Cash dividend paid for the FY - 2018-2019	(477,083,765)	(397,569,804)
Closing Balance as at June 30, 2020	8,686,682,543	8,708,313,659

13.00 Long Term Loans :

(A) Loan from ADB, AIIB, JAICA

ADB Loan no. 1505 (Note 13.01)	92,554,450	184,345,317
ADB Loan no. 2332 (Note 13.02)	3,650,504,628	4,063,146,150
ADB Loan no. 3087 (Note 13.03)	13,093,104,627	12,499,209,005
ADB Loan no. 3522 (Note 13.04)	131,012,671	102,110,602
AIIB Loan no. 003 (Note 13.05)	4,156,232,017	3,185,531,521
JICA Loan No - BD P97 (Note 13.06)	208,488,325	-
Sub-Total:	21,331,896,718	20,034,342,595

(B) Loan from Government of Bangladesh (GOB)

Loan no. 2332 (Note 13.07)	84,274,073	94,188,669
Loan no 3087 (Note 13.08)	2,179,200,000	2,052,000,000
Loan no LN 0003 (Note 13.09)	709,320,000	709,320,000
Loan no BD - P97 (Note 13.10)	28,000,000	-
Sub-Total:	3,000,794,073	2,855,508,669
Total	24,332,690,791	22,889,851,264





Notes:	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019

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

	June 30, 2020		June 30, 2019	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2019	2,181,601	184,345,317	3,272,402	273,900,043
Add: Drawn/Adjustment	-	-	-	-
	2,181,601	184,345,317	3,272,402	273,900,043
Less: Transferred to current liability	(1,090,801)	(92,718,048)	(1,090,801)	(92,172,647)
Add: Exchange Loss/(Loss)	1,090,801	91,627,269	2,181,601	181,727,396
	-	927,181	-	2,617,921
Closing Balance as at June 30, 2020	1,090,801	92,554,450	2,181,601	184,345,317

- (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 June 30, 2004.

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

	June 30, 2020		June 30, 2019	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2019	48,084,570	4,063,146,150	53,146,104	4,448,328,866
Add: Drawn/Adjustment	-	-	-	-
	48,084,570	4,063,146,150	53,146,104	4,448,328,866
Less: Transfer to current liability	(5,061,534)	(430,230,366)	(5,061,534)	(427,699,599)
	43,023,036	3,632,915,784	48,084,570	4,020,629,267
Exchange (Gain)/ loss	-	17,588,844	-	42,516,883
Closing Balance as at June 30, 2020	43,023,036	3,650,504,628	48,084,570	4,063,146,150

- (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 expired on June 30, 2013.





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019

13.03 Loan from ADB (No - 3087) Power System Expansion and Efficiency Improvement Investment Program

	June 30, 2020		June 30, 2019	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2019	147,919,633	12,499,209,005	115,671,586	9,689,244,744
Add: Drawn/Adjustment	6,389,202	542,226,466	32,248,047	2,712,941,079
	154,308,835	13,041,435,471	147,919,633	12,402,185,823
Less Transfer to current Liability	-	-	-	-
	154,308,835	13,041,435,471	147,919,633	12,402,185,823
Exchange (Gain)/ loss	-	51,669,156	-	97,023,182
Closing Balance as at June 30, 2020	154,308,835	13,093,104,627	147,919,633	12,499,209,005

- (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).
- (iv) The term of the project under which the loan was sanctioned will expire on June 30, 2019.

13.04 Loan from ADB (No - 3522)

	June 30, 2020		June 30, 2019	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2019	1,208,409	102,110,602	387,946	32,471,115
Add: Drawn/Adjustment	335,641	28,278,448	820,463	69,363,670
	1,544,050	130,389,050	1,208,409	101,834,785
Less Transfer to current Liability	-	-	-	-
	1,544,050	130,389,050	1,208,409	101,834,785
Exchange (Gain)/ loss	-	623,621	-	275,817
Closing Balance as at June 30, 2020	1,544,050	131,012,671	1,208,409	102,110,602

- (i) This represents dollars amount drawn to date translated at exchange rate prevailing at balance sheet date for import of materials/equipment for Bangladesh Power System Enhancement & Efficiency Improvement 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. 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 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. January 15 and July 15 in each year).
- (iv) The term of the project under which the loan was sanctioned will expire on December 31, 2020.

13.05 Loan from AIIB (No - LN0003)

	June 30, 2020		June 30, 2019	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2019	37,698,598	3,185,531,521	4,801,442	401,880,657
Add: Drawn	11,284,690	953,238,940	32,897,156	2,771,710,948
	48,983,288	4,138,770,461	37,698,598	3,173,591,605
Less Transfer to current Liability	-	-	-	-
	48,983,288	4,138,770,461	37,698,598	3,173,591,605
Exchange (Gain)/ loss	-	17,461,556	-	11,939,916
Closing Balance as at June 30, 2020	48,983,288	4,156,232,017	37,698,598	3,185,531,521





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019

- (i) This represents dollars amount drawn to date translated at exchange rate prevailing at balance sheet date for import of materials/equipment for Distribution System Upgrade & Expansion project under Subsidiary Loan Agreement(SLA) entered into between the Company and the Govt. of Bangladesh (GOB), the primary loan agreement being between the AIIB 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. January 20 and July 20 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. January 20 and July 20 in each year).
- (iv) The term of the project under which the loan was sanctioned will expire on December 31, 2019.

13.06 Loan from JICA (No - BD P97)

	June 30, 2020		June 30, 2019	
	JPY	Taka	JPY	Taka
Opening Balance as at July 01, 2019	-	-	-	-
Add: Drawn	264,277,253	207,709,106	-	-
	264,277,253	207,709,106	-	-
Less Transfer to current Liability	-	-	-	-
	264,277,253	207,709,106	-	-
Exchange (Gain)/ loss	-	779,219	-	-
Closing Balance as at June 30, 2020	264,277,253	208,488,325	-	-

- (i) This represents JPY amount drawn to date translated at exchange rate prevailing at balance sheet date for Dhaka Underground Substation Construction project in Gulshan under Subsidiary Loan Agreement(SLA) entered into between the Company and the Govt. of Bangladesh (GOB), the primary loan agreement being between the AIIB 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. January 20 and July 20 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. January 20 and July 20 in each year).
- (iv) The term of the project under which the loan was sanctioned will expire on December 31, 2023.

13.07 Loan from GOB (Loan No 2332)

Opening Balance as at July 01, 2019	94,188,669	104,103,265
Add: Drawn/Adjustment	-	-
	94,188,669	104,103,265
Less: Transfer to current liability	(9,914,596)	(9,914,596)
Closing Balance as at June 30, 2020	84,274,073	94,188,669

- (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.





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
13.08	Loan from GOB (loan No 3087)		
	Opening Balance as at July 01, 2019	2,052,000,000	1,592,000,000
	Add: Withdrawn	127,200,000	460,000,000
		<u>2,179,200,000</u>	<u>2,052,000,000</u>
	Less: Transfer to current liability	-	-
	Less: Refund	-	-
	Closing Balance as at June 30, 2020	<u>2,179,200,000</u>	<u>2,052,000,000</u>
(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 2020 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.		
13.09	Loan from GOB (LN 0003)		
	Opening Balance as at July 01, 2019	709,320,000	-
	Add: Withdrawn	-	709,320,000
		<u>709,320,000</u>	<u>709,320,000</u>
	Less: Transfer to current liability	-	-
	Less: Refund	-	-
	Closing Balance as at June 30, 2020	<u>709,320,000</u>	<u>709,320,000</u>
(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 AIB 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 2020 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.		
13.10	Loan from GOB (No - BD P97)		
	Opening Balance as at July 01, 2019	-	-
	Add: Withdrawn	28,000,000	-
		<u>28,000,000</u>	<u>-</u>
	Less: Transfer to current liability	-	-
	Less: Refund	-	-
	Closing Balance as at June 30, 2020	<u>28,000,000</u>	<u>-</u>
(i)	This represents 40% of the amount released to the Company by the Government under Annual Development Program (ADP) to pay VAT and AIT on Consultancy, Engineering Service and construction works of UGSS Project under the JICA Loan, as well as to meet other project related expenses. The balance 60% is accounted for under "GOB Equity". The Payment Schedule will be fixed after SLA agreement with GOB.		
(ii)	The loan carries interest at 3% p.a, and is repayable as per Debt Service Liability (DSL) schedule provided by the Government.		
14.00	Deferred Tax liability:		*Restated
	Opening Balance as at July 01, 2019	2,356,998,912	2,657,295,469
	Less: Prior year adjustment for unabsorbed depreciation		(551,893,085)
	Restated balance as at July 01, 2019	<u>2,356,998,912</u>	<u>2,105,402,385</u>
	Deferred tax expnses during the year	230,028,760	251,596,527
	Closing Balance as at June 30, 2020	<u>2,587,027,672</u>	<u>2,356,998,912</u>

Deferred tax provision has been arrived at as under:





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
i.	Deferred tax on PPE		
	WDV of Accounting base	22,243,935,429	21,025,080,660
	WDV of Tax base	11,775,165,077	11,480,706,178
	Temporary Difference	10,468,770,352	9,544,374,482
	Less: Permanent difference of vehicle	13,716,000	13,716,000
		10,455,054,352	9,530,658,482
	Effective Tax Rate	25%	25%
	Deferred tax liability/(assets)	2,613,763,588	2,382,664,621
ii.	Deferred tax on Bad debt		
	Provision for Bad debt	(106,943,662)	(102,662,834)
	Deferred tax liability/(asset) @ 25%	(26,735,916)	(25,665,709)
	Total Deferred tax Provision required	2,587,027,672	2,356,998,912
	Already provided up to last year	2,356,998,912	2,105,402,385
	Deferred tax Provision during the year	230,028,760	251,596,527
15.00	Due to DPDC for assets taken over:	3,840,410,313	3,840,410,313
15.01	Area wise break-up is as under:		
	Gulshan Area (comprising Gulshan, Baridhara, Uttara, Dakshinkhan)	2,029,801,244	2,029,801,244
	Tongi Area (comprising Tongi East and Tongi West)	565,653,114	565,653,114
	Uttara & Bashundhara Grid Substation	1,244,955,955	1,244,955,955
	Total	3,840,410,313	3,840,410,313
15.02	An independent values were appointed to physically verify and value the assets taken over by the company from DESA in the year 2003. The values submitted its report on September 2010. The board finalized the value in its meeting held on May 05, 2019. Based on the finalized valuation report, value of Land decreased by Tk. 105,378,060, Building increased by Tk. 72,110,175, Distribution Equipment decreased by Tk. 425,364,528 and Distribution Line increased by Tk. 259,371,187 which has been adjusted during the year.		
15.03	The terms and conditions of repayment to DESA / DPDC against the assets taken over have not yet been determined.		
16.00	Consumer Security Deposits:		
	Opening Balance as at July 01, 2019	2,951,441,875	2,743,661,381
	Received during the year	198,265,276	245,961,156
		3,149,707,151	2,989,622,537
	Refunded during the year	(24,627,058)	(38,180,662)
	Closing Balance as at June 30, 2020	3,125,080,093	2,951,441,875
17.00	Lease Liability (operating lease)		
	Opening Balance as at July 01, 2019	-	-
	Addition during the year	33,480,312	-
	Finance Cost during the year	2,025,590	-
	Payment during the year	(7,181,973)	-
	Closing Balance as at June 30, 2020	28,323,929	-
18.00	Accounts Payable		
	Bangladesh Power Development Board (BPDB)- (Note 18.01)	5,981,641,914	6,889,161,414
	Power Grid Company of Bangladesh (PGCB)- (Note 18.02)	273,217,884	317,293,264
	Dhaka Electric Supply Authority (DESA/DPDC) - (Note 18.03)	127,795,644	94,526,846
	Rural Electrification Board (REB) - (Note 18.04)	379,157	379,157
	Power Grid Company of Bangladesh PGCB - (Note 18.05)	612,000	612,000
		6,383,646,601	7,301,972,681





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
18.01	Accounts Payable - BPDB		
	Opening Balance as at July 01, 2019	6,889,161,414	5,934,480,510
	Energy purchased during the year	33,560,533,276	33,996,576,302
		40,449,694,690	39,931,056,812
	Payment made during the year	(34,468,052,776)	(33,041,895,398)
	Closing Balance as at June 30, 2020	<u>5,981,641,914</u>	<u>6,889,161,414</u>
18.02	Accounts Payable - PGCB		
	Opening Balance as at July 01, 2019	317,293,264	273,367,870
	Wheeling charge during the year	1,539,828,307	1,564,201,193
		1,857,121,571	1,837,569,063
	Payment made during the year	(1,583,903,687)	(1,520,275,799)
	Closing Balance as at June 30, 2020	<u>273,217,884</u>	<u>317,293,264</u>
18.03	Accounts Payable - DESA/ DPDC		
	Opening Balance as at July 01, 2019	94,526,846	181,607,217
	Material Supply	(33,784,600)	-
	Consumer bill collection	(1,384,199)	(89,097,566)
		129,695,645	92,509,651
	Paid during this year	1,900,000	2,017,195
	Closing Balance as at June 30, 2020	<u>127,795,645</u>	<u>94,526,846</u>
18.04	Accounts Payable - REB (Material)		
	Opening Balance as at July 01, 2019	379,157	379,157
	Addition during this year	-	-
	Closing Balance as at June 30, 2020	<u>379,157</u>	<u>379,157</u>
18.05	Accounts Payable - PGCB (Material)		
	Opening Balance as at July 01, 2019	612,000	612,000
	Addition during this year	-	-
	Closing Balance as at June 30, 2020	<u>612,000</u>	<u>612,000</u>
19.00	Creditors for Goods/ Works :		
	Equipment & materials (Note 19.01)	38,417,845	3,091,056
	Imported Material through ADB Loan (Note 19.02)	293,853,209	80,133,059
	Bangladesh Telephone shilpa Sangstha	530,291,433	91,402,870
	Construction of KPE & DEDA	3,288,220	3,288,220
	Engineering Services Ltd.	3,768,800	3,768,800
	Ideal Enterprise	2,594,822	2,594,822
	Master Simex Paper Ltd.	120,100	3,004,860
	Microtech	25,215,001	25,215,001
	Tara Taraders	-	3,693,500
	Control Ware power & AutoEng.	17,091,310	-
	KEI Ind (DESCO Fund)	9,492,210	-
	Sun Rise Enterprise	13,485,756	-
	Total	<u>937,618,707</u>	<u>216,192,188</u>
19.01	Includes In this figure as payable to S Q Wire & Cable Co. Ltd. JV Bengal Co. Ltd. Tk. 0.67 million, Rangs Electronics Ltd. Tk.0.96 million, Invent Technologist. Tk. 0.78 million, Advance Chemical Industries Ltd. 5.78 million, HT Power Engineering Tk.3.33 million, Milky Way Shipping lines pvt. Ltd. Tk. 2.94 million, Progati Industries Ltd. Tk. 4.85 million, Rainbow Corporation Tk.2.26 million SME Engineering Ltd. Tk. 8.49 million.		
19.02	This includes as payable Tk 1181.06 million to M/S Hexing Electrical Co. Ltd. against supply of Single phase & Three Phase Prepaid meter.		
20.00	Others liabilities		*Restated
	VAT collected against Electricity Bills(Note 20.01)	433,664,718	228,956,372
	Tax deducted from Contractors, Suppliers & Others	13,617,432	4,808,521
	VAT deducted from Contractors, Suppliers & Others	11,872,610	-
	Retention money (Contractors & Suppliers)	250,285,625	135,007,452
	Receipts against Deposit Works	2,577,756,222	2,577,756,222
	Unpaid dividend (Note 20.02)	525,756,884	598,904,821
	Others	24,334,936	47,987,691
	Total	<u>3,837,288,426</u>	<u>3,593,421,078</u>





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
20.01	VAT collected against electricity bill has paid subsequently is on 05/07/2020 Tk. 90,692,842.33, on 10/08/2020 Tk 238054964.25, On 07/09/2020 Tk 210,660,406.91.		
20.02	This includes Tk.320 million as arrear dividend to BPDB. Others dividend are Tk. 0.75 million for FY (2005 - 06), Tk. 1.377 million in (2006 - 07) Tk. 1.38 million in (2007-08), Tk. 1.33 million in (2008 - 09) Tk. 1.42 million in (2009 - 10), Tk. 1.48 in (2010- 11) Tk. 3.88 In (2011-12) Tk.32.26 million(2012-13) Tk. 2.66 million In (2013 -14) Tk.5.57 in (2014-15) Tk.5.91 million (2015-16) TK. 59.34 million in (2016-17) Tk.59.43 million in (2017-18) Tk. 28.94 million in (2018-19) owner are different share holders respectively.		
21.00	Liabilities for Expenses		
	Audit Fees	414,776	307,276
	Payable for Contributory Provident Fund & GPF	17,219,285	14,368,957
	Payable for COSS, LEM, MSS , Civil Cons. & Others (Note 21.01)	166,404,017	132,984,688
	BERC Sales Charge (Note -21.02)	78,703,207	68,847,222
	Employees Welfare Fund	800	346,825
	Guard Force Services & Human Resources	1,389,877	6,238,080
	JV of DEDA & SSL	20,526,333	36,177,663
	The East way Electric Co. & Associates	2,643,789	30,241,560
	Requirement Expenses	-	25,084,050
	Liability to REB for Tongi Grid Substation Up gradation Project	152,471,105	152,471,105
	Chairman - KDA	16,294,223	-
	Chairman - RDA	9,232,465	-
	Creditors to others (Note - 21.03)	438,203,724	43,532,635
	Total	903,503,600	510,600,061

21.01 This includes Commercial Operation Support Service (COSS) Tk. 40.08 million, Line & equipment maintenance (LEM) Tk. 19.91 million, Maintenance of Substation (MSS) Tk. 7.33 million, Engineering Services Ltd.Tk. 37.64 million, HH Traders Tk 1.29 million, MAQ Faragi JV CA Tk.2.40 million, Munshi Engineers. Tk. 1.4 million, Reliable rent-A-Car Tk.1.5 million, Reliance Enterprise Tk.1.9 million, Saju Enterprise Tk.7.53 million, East Way Electric Co. Tk. 2.22 million, Wahid Traders Tk. 2.64 million, HT Power & Saju Enterprise Tk.25.95 million, Sepanta Consultants & Builders Tk. 1.3 million, JV of DEDA & Khan Tk. 2.02 million, and so on.

21.02 This includes Tk.98,55,985 on .025% of Net Sales Tk. 3942,39,39,203.00 as provision against "Annual system operating fees" payable to Bangladesh Energy Regulatory Commission (BERC) as per BERC rules.

21.03 This includes as creditors as different parties whose are Al Arafat Service Pvt. Ltd. Tk.1.67 million, Ananda Rent - A - Car/Tk.0.32 million, Elite Security Service Tk. 1.61 million, Guard Force Services & Human Res. Tk. 1.39 million, CONVOY Service Tk. 2.86 million, Rojony Gondha Enterprise Tk. 2.83 million, liabilities for exp.422.77 million, Advance received for GPBD Project from REB Tk. 152.47 million, and so on.

22.00 **Current Maturity of Long Term Loans:**

ADB Loan No-1505 (Note-22.01)	92,554,428	92,172,647
ADB Loan No-1731 (Note-22.02)	-	98,179,028
ADB Loan No-2332 (Note-22.03)	429,471,160	427,699,599
GOB Loan No 1505 & 1731 (Note-22.04)	-	16,086,642
GOB Loan No 2332 (Note-22.05)	9,914,596	9,914,596
Total	531,940,185	644,052,512

22.01 **ADB (Loan No. 1505)**

	June 30, 2020		June 30, 2019	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2019	1,090,801	92,172,647	1,090,801	91,300,007
Transferred from long	1,090,801	92,718,048	1,090,801	92,172,647
	2,181,601	184,890,695	2,181,602	183,472,654
Paid during the year	-	(92,636,238)	(1,090,801)	(91,845,407)
	2,181,601	92,254,457	1,090,801	91,627,247
Exchange loss/(gain)	-	299,971	-	545,400
Closing Balance as at June 30, 2020	1,090,801	92,554,428	1,090,801	92,172,647





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
22.02	ADB (Loan No. 1731)		
		June 30, 2020	June 30, 2019
		US \$	Taka
	Opening Balance as at July 01, 2019	1,161,882	98,179,028
	Transferred from long term loan	-	-
		1,161,882	98,179,028
	Paid during the year	(1,161,882)	(98,643,783)
		-	(464,755)
	Exchange loss/(gain)	-	464,755
	Closing Balance as at June 30, 2020	-	-
22.03	ADB (Loan No. 2332)		
		June 30, 2020	June 30, 2019
		US \$	Taka
	Opening Balance as at July 01, 2019	5,061,534	427,699,599
	Transferred from long term loan	5,061,534	430,230,366
		10,123,068	857,929,965
	Paid during the year	(5,061,534)	(429,850,751)
		5,061,534	428,079,214
	Exchange loss/(gain)	-	1,391,946
	Closing Balance as at June 30, 2020	5,061,534	429,471,160
22.04	GOB Loan (No: 1505 & 1731)		
	Opening Balance as at July 01, 2019	16,086,642	32,173,286
	Transferred from long term loan	-	16,086,642
		16,086,642	48,259,928
	Paid during the year	(16,086,642)	(32,173,286)
	Closing Balance as at June 30, 2020	-	16,086,642
22.05	GOB Loan (No: 2332)		
	Opening Balance as at July 01, 2019	9,914,596	9,914,596
	Transferred from long term loan	9,914,596	9,914,596
		19,829,192	19,829,192
	Paid during the year	(9,914,596)	(9,914,596)
	Closing Balance as at June 30, 2020	9,914,596	9,914,596
23.00	Accrued Interest on Loans		
	Interest payable on ADB Loan (23.01)	2,944,416,381	2,429,585,699
	Interest payable on 40% (Debt Portion) of GOB Loan(23.02)	233,865,253	150,818,391
	Interest payable on AIIB - LN003 (23.03)	202,551,927	51,167,696
	Interest payable on JICA Loan BD-P97 (23.04)	2,099,041	-
	Total	3,382,932,601	2,631,571,786
23.01	Interest on ADB loan		
	Opening Balance as at July 01, 2019	2,429,585,699	1,997,569,187
	Interest accrued during the year	706,390,102	647,446,163
		3,135,975,801	2,645,015,350
	Paid during the year	(191,559,420)	(215,429,651)
	Closing Balance as at June 30, 2020	2,944,416,381	2,429,585,699
23.02	Interest on GOB Loan		
	Opening Balance as at July 01, 2019	150,818,391	86,915,810
	Interest accrued during the year	86,350,094	68,453,884
		237,168,486	155,369,694
	Paid/ adjustment during the year	(3,303,233)	(4,551,303)
	Closing Balance as at June 30, 2020	233,865,253	150,818,391





Notes	Particulars	Amount in Taka	
		June 30, 2020	June 30, 2019
23.03	Interest on AIIB LN - 003		
	Opening Balance as at July 01, 2019	51,167,696	6,386,049
	Interest accrued during the year	151,384,231	44,781,647
		<u>202,551,927</u>	<u>51,167,696</u>
	Paid/ adjustment during the year	-	-
	Closing Balance as at June 30, 2020	<u>202,551,927</u>	<u>51,167,696</u>
23.04	Interest on JICA Loan - BD-P97		
	Opening Balance as at July 01, 2019	-	-
	Interest accrued during the year	2,099,041	-
		<u>2,099,041</u>	<u>-</u>
	Paid/ adjustment during the year	-	-
	Closing Balance as at June 30, 2020	<u>2,099,041</u>	<u>-</u>
24.00	Workers Profit Participation Fund (WPPF)		
	Opening Balance as at July 01, 2019	99,493,608	32,314,432
	Addition during the year	42,812,987	67,179,176
		<u>142,306,595</u>	<u>99,493,608</u>
	Paid/ adjustment during the year	-	-
	Closing Balance as at June 30, 2020	<u>142,306,595</u>	<u>99,493,608</u>
25.00	Provision for Income Tax:		*Restated
	Opening Balance as at July 01, 2019	89,526,464	-
	Add: Provided during the year (Note-39.01)	170,584,141	89,526,464
	Less Provision adjust with advance income tax	-	-
		<u>260,110,605</u>	<u>89,526,464</u>
	Add: Prior year adjustment as per settlement of Appellate	-	-
	Closing Balance as at June 30, 2020	<u>260,110,605</u>	<u>89,526,464</u>
25.01	Details of Provision for Income Tax :		
	For FY 2018-19	89,526,464	89,526,464
	For FY 2019-20	170,584,141	-
		<u>260,110,605</u>	<u>89,526,464</u>
26.00	Loan under Secured Overdraft		
	Opening Balance as at July 01, 2019	-	-
	Add: Received during this year	4,823,133,791	-
		<u>4,823,133,791</u>	<u>-</u>
	Less Paid during this year	(3,002,138,778)	-
	Closing Balance as at June 30, 2020	<u>1,820,995,013</u>	<u>-</u>





Notes	Particulars			Amount in Taka	
				July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
27.00	Energy Sales: Taka	Tariff	%	2019-20	2018-19
	Domestic	A	41%	16,847,850,712	16,355,073,773
	Agricultural Pump	B	0%	269,013	340,495
	Small Industries	C1	2%	743,458,998	875,415,761
	Construction	C2	2%	698,962,592	704,490,668
	Charitable Institutions	D1	1%	419,245,095	431,155,545
	Street Light, Pump etc.	D2	0%	168,148,500	114,862,227
	Battery Charching Station	D3		2,389,431	
	Commercial & Office	E	13%	4,914,448,460	5,369,421,017
	Temporary	LT-T	0%	10,474,411	3,763,377
	Domestic	MT1	3%	1,481,953,018	1,390,632,185
	Commercial & Office	MT2	18%	6,745,075,804	7,187,998,300
	Industry	MT3	12%	4,621,543,127	4,836,873,495
	Construction	MT4	0%	116,710,399	74,747,229
	General	MT5	6%	2,403,752,249	2,291,764,108
	General	MT6		6,835,494	
	Temporary	HT1	0%	19,496,565	3,092,397
	Commercial & Office	HT2	0%	223,325,332	13,000,313
	Industry	HT3	1%	-	208,223,408
	Total		100%	39,423,939,203	39,860,854,298
27.01	Energy Sales -Unit	Tariff	%	Unit (Mkwh)	Unit (Mkwh)
	Domestic	A	50%	2,663.13	2,578.19
	Agricultural Pump	B	0%	0.06	0.08
	Small Industries	C1	2%	87.18	103.95
	Construction	C2	1%	53.95	55.31
	Charitable Institutions	D1	1%	69.49	74.29
	Street Light, Pump etc.	D2	0%	76.86	13.89
	Battery Charching Station	D3		343.20	
	Commercial & Office	E	10%	118.74	511.21
	Temporary	LT-T	0%	0.28	0.22
	Domestic (Medium Tention -1)	MT1	3%	606.34	158.00
	Commercial & Office	MT2	16%	594.48	817.97
	Industry	MT3	11%	148.59	581.99
	Construction	MT4	0%	200.38	5.96
	General	MT5	5%	89.85	279.24
	Temporary	MT6		0.40	
	Battery Charching Station	MT7		0.03	
	Agricultural Pump	MT8			
	Temporary	HT1	0%	24.48	0.17
	Commercial & Office	HT2	0%	2.86	1.45
	Industry	HT3	0%	-	23.77
	Total		100%	2,080.29	5,205.71

28.00 Energy Purchase:

*Restated

2019-20		2018-19	
Unit (Mkwh)	Taka	Unit (Mkwh)	Taka
5,403.06	35,100,361,583	5,604.45	35,583,214,980

28.01 Electricity is purchased solely from Bangladesh Power Development Board (BPDB) at the rate of Tk 6.4523 at 33 KV & 6.3874 at 132 KV/ kwh effective from 1st December -2019 The company also pays wheeling charge to Power Grid Co. Ltd (PGCB) at Tk 0.2944 at 33 KV & 0.2886 at 132 per Kwh KV

29.00 Other Operating Revenue:

Received from Consumer	347,124,656	577,690,631
Late payment charge	287,114,418	314,823,507
Total	634,239,074	892,514,138

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





Notes	Particulars	Amount in Taka	
		July 01, 2019	July 01, 2018
		to June 30, 2020	to June 30, 2019
30.00	Direct Operating Expenses		
	Commercial operation support services	165,006,866	171,914,216
	Schedule & preventive maintenance (Less Rent of Walkie Talkie)	288,338,790	283,058,502
	Special action team & collection drive	1,164,833	276,756
	Consultancy fees for staking sheet	2,741,334	17,815,276
	Maintenance of distribution of line & equipment	69,970,203	123,840,058
	R&M of Grid Sub-Station/Switching-Station	33,574,748	75,582,430
	Repair & maintenance of transformer	26,078,613	10,627,340
	Meter & service cable issue	10,798,459	11,816,145
	Revenue stamp charge against consumer bill	53,434,922	60,845,450
	System operating fee BERC (Note 30.01)	9,955,985	9,965,214
	Communication Expenses - Prepaid Meter	5,326,604	-
		666,391,356	765,741,387
	Less: Receipt against deposit work	418,153,239	467,236,970
	Total	248,238,117	298,504,417
30.01	This represents provision at 0.025% of net sales value as "annual system operating fees" payable to Bangladesh Energy Regulatory Commission (BERC) as per BERC rules. These amount include Tk.1,00,000.00 One Lac for retail tariff proposal fee regarding changes of electricity bill.		
31.00	Depreciation:		
	Depreciation (Direct)	1,198,984,771	1,237,144,127
	Depreciation (Indirect)	92,486,093	71,040,963
	Total	1,291,470,864	1,308,185,090
32.00	Administrative Expenses:		*Restated
	Director's Fees	3,058,667	2,799,950
	Audit fees	512,000	374,500
	Annual Picnic	-	3,759,413
	Advertisement & Notices	6,834,385	7,869,921
	Annual General Meeting (AGM)	653,178	1,303,903
	Bank charges	7,555,916	6,225,948
	Conveyance	1,761,222	2,204,271
	Cleaning expenses	10,955,155	11,825,119
	Electricity, gas & water	44,428,576	37,771,079
	Entertainment	6,198,432	6,060,053
	Fuel for vehicles	20,085,942	22,679,790
	Honorarium to various committee members	5,337,494	1,834,838
	Insurance of vehicles	2,706,855	3,731,474
	Legal & Professional fees	3,398,201	2,259,419
	Newspaper & Periodicals	3,764,897	512,993
	Office maintenance	6,827,200	3,302,921
	Office rent	56,678,507	57,655,741
	Office security	62,479,730	51,984,631
	Postage, telephone & internet	18,945,439	13,589,320
	Printing & Stationery	17,422,952	19,787,775
	Rates & Taxes	13,584,371	1,990,917
	Repair & Maintenance of non operating assets	9,721,457	9,201,883
	Repair & Maintenance of head office building	13,454,453	9,791,040
	Repair & Servicing of vehicle	8,198,427	7,552,583
	Recruitment expenses	4,781,772	515,738
	Inspection survey & consultancy fees	5,308,269	2,963,569
	Staff training	24,802,305	24,841,337
	Listing fee & annual charges	9,806,087	1,423,758
	Transport (hired)	28,243,013	22,265,669
	Corporate Social Expenses	26,063,223	20,908,444
	BERC license fee	2,300,000	-
	Innovation Expenses	181,115	23,351
	Office Shifting	11,645	42,050
	Different day celebration & activities	5,743,587	-
	Total Administrative Expenses:	431,804,471	359,053,398
32.01	Directors are entitled to a remuneration Tk. 12,000/- from 01.03.2019 for attending each Board meeting.		





Notes	Particulars	Amount in Taka	
		July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
39.00	Income Tax :		
	Current tax provision (39.01)	170,584,141	89,526,464
	Deferred tax provision (14.00)	230,028,760	251,596,527
	Tax Expenses	400,612,901	341,122,991
39.01	The details of current tax calculation are given below:		
	Profit before tax as per income statement	856,259,750	1,343,583,520
	Add: Tax effect of expenses that are not deductible for tax purposes	1,321,814,918	1,328,586,952
	Less: Tax effect of expenses that are deductible for tax purposes	(2,338,561,378)	(2,314,064,616)
		<u>(160,486,710)</u>	<u>358,105,856</u>
	Current Tax (at 25%)	25%	89,526,464
	Current tax expenses	-	89,526,464
	Minimum Tax	170,584,141	36,816,620
	Tax expenses	170,584,141	89,526,464
40.00	Earning Per Share (EPS)		
40.01	Earning Per Share shown as below:		
	Earning attributable to ordinary Shareholders (Tk)	455,646,848	1,074,800,552
	Weighted number of shares outstanding	397,569,804	397,569,804
	Basic Earning Per Share	1.15	2.70
	EPS have been decreased significantly compared to last year due to increase in current tax expenses and increase in employee expenses.		
40.02	Diluted Earning per share		
	No diluted earning per share is required to be calculated for the year as there was no potentially dilutive ordinary shares during the year.		
41.00	Adjustment related to previous year		
	Tranning Exp., PSI Exp. TDS Honorarium, Service charge RDA Building, Recruitment	-	-
	Exp.Adv. Exp. Outstanding to DPDC. Auction material Not provide by DESCO.	-	(1,190,137)
	Total:	<u>-</u>	<u>(1,190,137)</u>
41.01	Prior year Tax		
	Provision for Income Tax For FY -2011-12, 12-13, 13-14,2014-15	-	100,159,079
		<u>-</u>	<u>100,159,079</u>
42.00	Subsequent Events-Disclosures Under IAS 10 "Events After The Balance Sheet Date"		
42.01	Subsequent to the repoting date, June 30, 2020, the Board of Directors in their meeting held on October 22, 2020 recommended 10% cash dividend (Tk.1 per ordinary share of Tk.10 each held on record date) amounting to Tk.39,75,69,804 for the year ended June 30, 2020. The dividend proposal is subject to shareholders' approval at the forthcoming 24th AGM.		
42.02	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.		





43.00 Related Party Transactions:

43.01 DESCO Purchased / Received energy and materials from the following related parties in the normal course of business:

Name of Party	Nature of Relation	Nature of Transaction	Amount in Taka	
			June 30, 2020	June 30, 2019
BPDB	67.63% Shareholding of DESCO	Purchase of Energy	33,560,533,277	33,996,576,299
DPDC	Common Director of DPDC & DESCO	Consumer bill collection	5,748,822	4,364,623
Total			33,566,282,099	34,000,940,922

43.02 DESCO has following outstanding balances with the related parties:

Name of Party	Amount in Taka		Amount in Taka	
	June 30, 2020		June 30, 2019	
	Receivable	Payable	Receivable	Payable
BPDB	57,462,286	5,981,641,914	58,269,111	6,889,161,414
DPDC	308,814,859	127,795,645	60,270,323	94,526,846
Total	366,277,145	6,109,437,559	118,539,434	6,983,688,260

43.03 Key Management Personnel:

	Amount in Taka	
	June 30, 2020	June 30, 2019
Director's Fees	3,058,667	2,799,950
Cash/Stock Dividend	-	-

44.00 Contingent Liabilities:

44.01 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.

44.02 An aggregate amount of Tk. 101,547,035.00 claimed by BPDB as shown below is disputed by the Company.

Particulars	2019-2020
Arrear Energy bill (November'05 to June 2020)	15,248,179
Arrear Surcharge (Up to June 2020)	52,190,960
PFC Charge (Up to June 2020)	34,107,896
Total	101,547,035

45.00 Credit Facility Availed:

45.01 No credit facility existed under any contract as on June 30, 2020 other than trade credit available in the ordinary course of business.

46.01 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 18,882.08 million, works of which will be started in the next financial year.





47.01 Employees' Salary:

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

Amount in Taka	
2019-2020	2018-2019
No. of employees	No. of employees
1,823	1,514
Nil	Nil
1,823	1514

48.01 Net Asset Value Per Share (NAV):

Share holders equity	18,589,300,583	18,378,131,699
No. of Share outstanding	397,569,804	397,569,804
Net Asset Value Per Share (NAV)	46.76	46.23

49.01 Net Operating Cash Flows Per Share (NOCFPS)

Net cash generated from operating activities	4,413,761,939	2,543,661,326
No. of Share outstanding	397,569,804	397,569,804
Net Operating Cash Flows Per Share	11.10	6.40

The operating cash flow increased in the FY 2019-20 by Tk.4.56 due to encashment of FDR

50.01 Reconciliation of Net Income With Cash Flows from Operating Activities:

Amount in Taka		
2019-2020	2018-2019	
Profit before income tax	856,259,750	1,343,583,520
Depreciation charged	1,291,470,864	1,308,185,090
Exchange Fluctuation Gain/ (Loss)	91,206,250	155,303,224
Provision for bad debt	4,280,828	(506,583)
Investment in FDR	2,762,368,237	(1,674,666,916)
(Increase)/Decrease in Account Receivables	(1,257,651,960)	(278,276,323)
(Increase)/Decrease in Advances, Deposits and Pre-payments	(526,745,701)	(10,362,394)
Advance Income Tax	1,341,529	47,509,031
Increase/(Decrease) in Accounts Payable	(918,326,081)	998,606,297
Creditors for Goods/Works	965,293,867	(129,852,512)
Creditors for Expenses	392,903,540	243,438,151
Accrued interest	751,360,816	540,700,740
Cash Generated from Operations	4,413,761,939	2,543,661,326
Net cash generated from operating activities	4,413,761,939	2,543,661,326


Company Secretary


Executive Director (F&A)


Director


Managing Director


Chairman



51.01 Financial risk management (IFRS 7)

51.02 Introduction

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and foreign currency risk), and liquidity risk. The Company's risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors (Treasury Policy). Company Treasury identifies, evaluates, and hedges financial risks in close co-operation with the Company's operating units. The 'Treasury Policy' provides principles for specific areas, such as credit risk, interest rate risk, foreign currency risk, use of derivative financial instruments, and investment of excess liquidity.

This note presents information about the Company's exposure to each of the risks arising from financial instruments and the Company's objectives, policies, and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

51.03 Carrying amounts of financial instruments by category

The following table shows the carrying amounts of financial instruments by category at the end of June:

Maturity analysis

Particulars	Current	>30 days	>90 days	>1 year	Total
Loans and receivables:					
Cash and cash equivalents	5,572,469,864	-	-	-	5,572,469,864
Accounts Receivable	5,386,870,146	-	-	-	5,386,870,146
Balance at June 30, 2020	10,959,340,009	-	-	-	10,959,340,009

Financial liabilities measured at amortized cost:

Bank Loan	1,820,995,013	-	-	-	1,820,995,013
Sundry Creditors	1,841,122,307	-	-	-	1,841,122,307
Balance at June 30, 2020	3,662,117,320	-	-	-	3,662,117,320

51.04 Credit risks:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from cash and cash equivalents, time deposits, and trade accounts receivable.

The credit risk with Accounts Receivable (see note 06) is limited, as the Company has numerous clients located in various geographical regions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. For risk control, the customers are categorized as follows (risk companies): governmental organizations, listed public limited companies, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance or letters of credit; these limits are reviewed regularly (credit check).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position. There are no commitments that could increase this exposure to more than the carrying amounts.

51.05 Market risks

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other prices will affect the Company's result or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

The market risk with exchange fluctuation gain/(loss) (see note 35) is limited, as this occurred only from foreign loan.



51.06 Interest rate risk

At the reporting date, the Company had the following interest-bearing financial instruments: cash and cash equivalents, time deposits, rent deposits, and bank liabilities. All cash and cash equivalents mature or reprise in the short-term, no longer than three months.

Borrowings mainly bear interest at fixed rates. Cash and cash equivalents and borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

The Company Treasury manages the interest rate risk to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Company Treasury focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently, the interest rate exposure is not hedged.

51.07 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Company Treasury manages the Company's liquidity to ensure sufficient liquidity to meet all liabilities when due, under both normal and stressed conditions, without facing unacceptable losses or risking damage to the Company's reputation.

Excess liquidity can be invested in instruments such as time deposits, government, and corporate bonds, shares of publicly listed companies, and capital protected instruments.

The following are the contractual maturities of financial liabilities, including interest payments:

BDT	Carrying amount	Contractual cash flows	Between 1 and 90 days	Between 91 and 360 days	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities						
Bank Loan	-	-	-	-	-	24,332,690,791
Sundry Creditors	-	-	-	6,383,646,601	-	-
Balance at June 30, 2020	-	-	-	6,383,646,601	-	24,332,690,791



Dhaka Electric Supply Company Ltd.(DESCO)
Schedule of Property, Plant & Equipment
As at June 30, 2020

Annexure-A

SL No.	Category of Assets	Cost			Rate	Depreciation		Written down value as on 30-06-20
		Balance as on 01-07-19	Addition during the Year	Adjustment (i)		Total as on 30-06-20	Charged during the year	
1	Land	2,766,641,031	3,614,263	-	-	-	-	2,770,255,294
2	Building	962,673,348	4,800,043	-	2.50%	146,878,554	25,451,619	172,330,173
3	Motor Vehicles	403,542,297	5,006,200	-	15%	277,867,223	37,646,324	315,513,547
4	Furniture & Fixture	64,935,559	5,130,323	-	10%	44,282,720	4,251,861	48,534,581
5	Office Equipment	314,453,190	17,267,314	(617,990)	15%-20%	250,181,226	23,827,262	273,644,194
6	Distribution Equipment	9,695,783,978	1,921,549,382	-	3%-10%	3,299,134,839	534,499,213	3,833,634,052
7	Distribution Line	17,475,734,879	514,972,521	-	3%-10%	6,750,888,757	639,033,940	7,389,922,697
	Sub Total	31,683,764,282	2,472,340,046	(617,990)		10,769,233,319	1,264,710,219	12,033,579,244
1	Right-of-use assets	-	35,080,773	-	-	-	6,286,533	28,794,239
	Sub Total	-	35,080,773	-		-	6,286,533	28,794,239

Schedule of Intangible Assets
As at June 30, 2020

SL No.	Category of Assets	Cost			Rate	Amortization		Written down value as on 30-06-20
		Balance as on 01-07-19	Addition during the Year	Adjustment		Total as on 30-06-20	Charged during the year	
1	Software & Software development	140,092,856	3,158,512	-	15%	29,543,158	20,474,114	93,234,096
	Total	140,092,856	3,158,512	-		29,543,158	20,474,114	93,234,096
	Grand Total	31,823,857,138	2,510,579,331	(617,990)		10,798,776,477	1,291,470,866	22,243,335,429
							1,285,184,333	

Allocation of Depreciation:

Depreciation (Direct)	1,198,984,771
Depreciation (Indirect)	92,486,093
	<u>1,291,470,864</u>

Notes:

- 1) Building includes Office Building, Store Godown Sheds and Boundary Wall.
- 2) Addition to Motor Vehicle Includes 01 nos motor cycle and 01 nos Pickup.
- 3) Office Equipment comprise Communication Equipment , Computer & Peripherals , Electric and Store Equipment etc.





Dhaka Electric Supply Company Ltd. (DESCO)

For the year ended June 30, 2020

Depreciation Schedule as per ITO (Para-3 & Para-5 of the Third Schedule)

Annexure-B

Sl. No.	Particulars	Written down value as on 01-07-19 C	Addition during the year D	Adjustment/Di sposal E	Total as on 30-06-20 F	Depreciation			Adjustment	Total during the year K=(H+J)	Permanent Difference of vehicle	Written down value as on 30-06-20 L=(F-K)
						Rate G	Initial Depreciation H=(D*G)	Normal Depreciation J=(F*I)				
1	Land and Land Development	2,767,877,994	3,614,263		2,771,492,257	0%	-	-	-	-	-	2,771,492,257
2	Building Administrative & Support Building	511,884,519	4,800,043		516,684,562	10%	480,004	51,668,456	-	52,148,461	-	464,536,102
3	Distribution Line & Equipment	5,712,358,528	2,436,521,903		8,148,880,431	25%	609,130,476	1,629,776,086	-	2,238,906,562	-	5,909,973,869
4	Motor Vehicles	116,067,221	2,659,200		118,726,421	0%	-	23,745,284	-	23,745,284	2,347,000	94,981,137
5	Furniture & Fixture	29,279,754	5,130,323		34,410,077	0%	-	3,441,008	-	3,441,008	-	30,969,069
6	Office Equipments	135,360,473	20,425,826	(617,990)	155,168,309	25%	5,106,457	15,516,831	(364,294)	20,258,993	-	134,909,316
7	Store Godown Shed	35,033	-		35,033	0%	-	7,007	-	7,007	-	28,026
8	Store Equipment	270,317	-		270,317	0%	-	54,063	-	54,063	-	216,254
	Total	9,273,133,839	2,473,151,558	(617,990)	11,745,667,407		614,716,937	1,724,208,735	(364,294)	2,338,561,378	2,347,000	9,407,106,029

Initial Depreciation
Normal Depreciation
Total Tax Depreciation

614,716,937
1,724,208,735
2,338,925,672

