

DHAKA ELECTRIC SUPPLY COMPANY LIMITED

For the year ended on June 30, 2021



Solution....Begins

Rahman Mostafa Alam & Co.

Chartered Accountants



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, 2021, 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 52 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, 2021, 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. 141,405,925 for which the entity didn't charge any interest as per section 240 (3).

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 year.</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. 41.00 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.14 and 23 to the Statement of Financial Position

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.

Our procedure includes:

Control test: testing the effectiveness of the entity's control around the recording of loan, interest and repayments.

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 year.

Test the exchange rate applied for recording loans and repayments.

Test interest rates application, calculation and repayments for carrying amount and current and non-current distinguish.

Critically analyze journal entries posted during the year to identify unusual items

Assessing disclosure: considering the adequacy of the entity's disclosure regarding Loan.

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.

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.

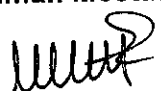
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 year 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.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants
Signature : 
Auditor's Name : Mohammad Mofizul Haque Rinku FCA, Partner/Enr No.: 1204
Date : October 18, 2021
Place : Dhaka
DVC : 2110251204AS785619



DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)

Statement of Financial Position

As at June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
ASSETS			
Non-current Assets		52,202,477,849	40,585,729,350
Property, Plant and Equipment	02.00	39,548,331,203	22,150,701,332
Intangible Assets	03.00	124,793,379	93,234,096
Capital Work-in-progress	04.00	12,529,353,267	18,341,793,922
Current Assets		26,940,114,942	30,117,446,368
Stores and Spares	05.00	5,114,329,315	7,087,670,344
Accounts Receivable	06.00	4,435,002,777	6,067,376,813
Advances and Security Deposits	07.00	853,378,220	717,287,891
Advance Income Tax	08.00	1,380,223,795	1,272,356,002
Investment in FDR	09.00	9,593,600,673	9,400,285,454
Cash and Cash Equivalents	09.01	5,563,580,163	5,572,469,864
Total Assets		79,142,592,791	70,703,175,717
EQUITY AND LIABILITIES			
Capital and Reserves		25,938,786,858	18,589,300,583
Share Capital	10.00	3,975,698,040	3,975,698,040
GOB Equity	11.00	6,073,935,130	5,926,920,000
Revaluation Surplus	12.00	6,860,905,776	-
Retained Earnings	13.00	9,028,247,913	8,686,682,543
Long-term Liabilities		35,182,962,340	33,913,532,799
Long Term Loans (ADB, GOB, AIIB & JICA)	14.00	25,443,619,386	24,332,690,791
Deferred Tax Liability	15.00	2,820,375,998	2,587,027,672
Due to DESA / DPDC (for assets taken over)	16.00	3,557,106,531	3,840,410,313
Consumer Security Deposits	17.00	3,329,069,121	3,125,080,093
Lease Liability (Operating lease)	18.00	32,791,304	28,323,929
Current Liabilities		18,020,843,592	18,200,342,334
Accounts Payable	19.00	7,578,095,838	6,383,646,601
Creditors for Goods/Works	20.00	308,278,780	937,618,707
Others liabilities	21.00	3,210,026,557	3,837,288,426
Liabilities for Expenses	22.00	422,822,268	903,503,600
Current Maturity of Long-term Loans	23.00	1,838,639,479	531,940,185
Accrued Interest on Loans	24.00	4,183,456,642	3,382,932,601
Workers Profit Participation Fund (WPPF)	25.00	177,158,664	142,306,595
Provision for Income Tax	26.00	302,365,363	260,110,605
Loan under Secured Over Draft	27.00	-	1,820,995,013
Total Equity and Liabilities		79,142,592,791	70,703,175,717
Net Assets Value Per share (NAV)	49.00	65.24	46.76

The annexed notes from 1 to 52 and Annexure-A to 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.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku FCA, Partner/Enr No.: 1204

Date : October 18, 2021

Place : Dhaka

DVC : 2110251204AS785619





DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)
Statement of Profit or Loss and Other Comprehensive Income
For the year ended on June 30, 2021

Particulars	Notes	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Distribution Revenue		4,603,084,565	4,323,577,620
Energy Sales (Net of VAT)	28.00	43,470,529,706	39,423,939,203
Less: Energy Purchase (including wheeling charge)	29.00	38,867,445,141	35,100,361,583
Other Operating Revenue	30.01	579,516,404	347,124,656
Late Payment Charge	30.02	332,198,405	287,114,418
Total Operating Revenue		5,514,799,374	4,957,816,694
Less: Cost of Energy Sales		2,326,933,433	1,865,376,127
Direct Operating Expenses	31.00	837,282,121	666,391,356
Depreciation (Direct)	32.00	1,489,651,312	1,198,984,771
Gross Profit		3,187,865,940	3,092,440,567
Less: Operating Expenses		2,972,738,088	2,545,036,938
Administrative Expenses	33.00	433,141,428	431,804,471
Employee Expenses	34.00	2,447,704,293	2,016,465,545
Bad Debts Expenses	06.02	(4,589,389)	4,280,828
Depreciation (Indirect)	32.00	96,481,757	92,486,093
Add :Other Operating Income:		1,527,660,353	1,424,859,938
Interest Income	35.00	735,509,818	940,761,015
Miscellaneous Income	36.00	75,505,242	65,945,684
Others Income	37.00	716,645,293	418,153,239
Total Operating Profit / (Loss)		1,742,788,205	1,972,263,568
Add: Non-operating Income/(Expense)		(1,010,894,757)	(1,073,190,831)
Finance cost	38.00	(1,014,257,649)	(981,984,580)
Exchange Fluctuation Gain / (Loss)	39.00	3,362,892	(91,206,250)
Net Profit Before contribution to WPPF		731,893,448	899,072,737
Less: Contribution to WPPF	40.00	34,852,069	42,812,987
Net Profit Before Tax		697,041,379	856,259,750
Income Tax		42,093,794	(400,612,901)
Current Tax Expenses	41.00	(42,254,758)	(170,584,141)
Deferred Tax Income/(Expenses)	15.01	84,348,553	(230,028,760)
Profit or Loss		739,135,174	455,646,848
Other Comprehensive Income			
Gain on Revaluation of asset		7,178,602,654	-
Less: deferred tax on Revaluation gain		(317,696,879)	-
Total Other Comprehensive Income		6,860,905,776	-
Total Profit or Loss and Other Comprehensive Income		7,600,040,950	455,646,848
Basic Earnings per Share	42.00	1.86	1.15

The annexed notes from 1 to 52 and Annexure-A to 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.

Firm's Name : Rahaman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditors' Name : Mohammad Mofizul Haque Rinku FCA, Partner/Enr No.: 1204

Date : October 18, 2021

Place : Dhaka

DVC : 2110251204AS785619





DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)

Statement of Changes in Equity
For the year ended on June 30, 2021

Particulars	Share Capital	GOB Equity	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2020					
GOB Equity added during the year	3,975,698,040	5,926,920,000	-	8,686,682,543	18,589,300,583
Total Profit or Loss and Other Comprehensive Income	-	147,015,130	-	-	147,015,130
Revaluation gain transferred to Revaluation Surplus	-	-	6,860,905,776	7,600,040,950	7,600,040,950
Cash Dividend	-	-	-	(6,860,905,776)	-
Balance as on June 30, 2021	3,975,698,040	6,073,935,130	6,860,905,776	9,028,247,913	25,938,786,858

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

The annexed notes from 1 to 52 and Annexure-A to B form an integral part of these Financial Statements.

[Signature]

Company Secretary

[Signature]

Executive Director (F&A)

[Signature]

Director

[Signature]

Managing Director

[Signature]

Chairman






DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)

Statement of Cash Flows

For the year ended on June 30, 2021

Particulars	Notes	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Cash Flows from Operating Activities:			
Received from Energy Sales		45,010,533,303	38,802,016,188
Collection of Govt. Duty, VAT & Tax		2,740,270,399	2,503,832,137
Received from Other Operating & Non Operating Activities		1,703,865,344	999,378,527
Received against Financial Income		796,990,646	1,007,333,433
Payment for Energy Purchase		(37,668,982,253)	(36,051,956,463)
Payment for Employee Expenses		(2,439,711,340)	(1,998,371,776)
Payment for Administrative & Other Expenses		(1,018,236,147)	(966,950,080)
Payment for Interest on Long Term Loan		(168,092,475)	(194,862,653)
Advance Income Tax Paid		(107,867,304)	(170,584,141)
Investment in FDR		(193,315,219)	2,762,368,237
Payment for Govt. Duty, VAT & Tax		(2,765,276,007)	(2,278,441,470)
Net Cash Flows from Operating Activities		5,890,178,946	4,413,761,939
Cash Flows from Investing Activities:			
Acquisition of Property & Plant		(492,321,292)	(281,897,418)
Acquisition of Stores & Equipment		(7,471,792,793)	(6,465,603,592)
Net Cash used in Investing Activities		(7,964,114,085)	(6,747,501,010)
Cash Flows from Financing Activities:			
Loan Received (Including Short Term over draft)		3,102,386,912	3,919,452,960
Dividend Paid		(709,691,805)	(550,231,701)
Long Term Loan Paid		(531,638,696)	(647,132,010)
Consumer Security Deposits Received		203,989,028	173,638,218
Net Cash Flows from Financing Activities		2,065,045,439	2,895,727,467
Cash and Cash equivalents increase/(decrease) during the year		(8,889,701)	561,988,396
Cash and Cash equivalents at the beginning of the year		5,572,469,864	5,010,481,467
Cash and Cash Equivalents at the End of the Year		5,563,580,163	5,572,469,864
Net operating cash flows per share (NOCFPS)	50.00	14.82	11.10


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 on June 30, 2021

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.

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 find 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 recognize revenue when (or as) a performance obligation is satisfied, i.e.: when 'control' of the goods or service underlying the particular performance obligations is transferred to the customer.

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

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 obligation.

DESCO is a distribution company of electricity. The company distributes electricity as per the tariff rate fixed up by Bangladesh Energy Regulatory Commission (BERC). The company purchases electricity from BPDB. Margin between tariff sales and energy purchase cost is the company's 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 disclosure. The disclosures relating to related parties have been shown in note 44.00





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, 2020 to June 30, 2021.

1.18 General:

Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation.





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
02.00	Property, Plant & Equipment:		
	Cost		
	Opening Balance as at July 01, 2020	34,184,280,578	31,683,764,281
	Less: Disposal During the year	(142,148)	(617,990)
		34,184,138,430	31,683,146,291
	Additions during the year (2.01)	18,965,254,465	2,507,420,819
	Closing Balance as at June 30, 2021	53,149,392,895	34,190,567,110
	Depreciation		
	Opening Balance as at July 01, 2020	12,033,579,244	10,769,233,319
	Less: Adjustment for disposals (Note 2.01)	(312,037)	(364,294)
		12,033,267,207	10,768,869,025
	Charged during the year	1,567,794,485	1,270,996,752
	Closing Balance as at June 30, 2021	13,601,061,692	12,039,865,777
	Written Down Value (WDV)	39,548,331,203	22,150,701,332
02.01	Details of property, plant & equipment and depreciation are shown in Annexure-A.		
03.00	Intangible Asset		
	Opening Balance as at July 01, 2020	143,251,368	140,092,856
	Less: Disposal of Office equipment	-	-
		143,251,368	140,092,856
	Additions during the year (2.01)	49,897,867	3,158,512
	Closing Balance as at June 30, 2021	193,149,235	143,251,368
	Amortization		
	Opening Balance as at July 01, 2020	50,017,272	29,543,158
	Less: Adjustment for disposals (Note 2.01)	-	-
		50,017,272	29,543,158
	Charged during the year	18,338,584	20,474,114
	Closing Balance as at June 30, 2021	68,355,856	50,017,272
	Written Down Value (WDV)	124,793,379	93,234,096
04.00	Capital Work -in- Progress:		
	Construction of Workshop Building & Others (Note 4.01)	65,618,944	184,374,010
	33/11KV OH/UG Cable Line (Note 4.02)	120,816,718	78,122,810
	132/33/11Kv Grid Sub- Station - Turnkey Project (Note 4.03)	-	5,479,747,727
	132/33/11Kv UG Line Construction-Turnkey Project (Note 4.04)	2,431,769,710	1,941,045,911
	33/11 KV 24 Nos Substation Augm. by Siemens Bd. Ltd (Note 4.05)	4,225,618,790	3,729,103,537
	132/33/11 KV Grid Augm.(Bashundhara & Uttara)Hyosung (Note 4.06)	-	2,077,135,630
	33 KV O/H Line converted to 33 KV UG cable (Note 4.07)	4,199,556,509	4,028,573,780
	New SCADA System (Initial cost) (Note 4.08)	667,762,478	155,872,605
	132/33/11Kv Dhaka Underground Substation Constriction project at Gulshan (Note-4.09)	542,950,286	313,243,075
	132/33/11 KV Grid Augm.(Tongli) Siemens (Note 4.10)	190,626,719	339,208,507
	Software (Customer management) (Note 4.11)	2,281,126	339,938
	Smart Card Based (Prepaid Meter) (Note 4.12)	-	1,700,625
	GIS Mapping APP (Note 4.13)	82,351,987	13,325,767
	Total Capital Work - In - Progress	12,529,353,267	18,341,793,922
04.01	Construction of Workshop Building & Others		
	Opening Balance as at July 01, 2020	184,374,010	104,127,477
	Addition during the year	12,081,162	120,140,678
		196,455,172	224,268,155
	Transferred to Fixed asset during the year	130,836,228	39,894,145
	Closing Balance as at June 30, 2021	65,618,944	184,374,010

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, 2021	June 30, 2020
04.02 33/11KV OH/UG Cable Line			
	Opening Balance as at July 01, 2020	78,122,810	55,595,903
	Addition during the year	108,244,762	66,808,009
		186,367,572	122,403,912
	Transferred to Fixed asset during the year	65,550,854	44,281,102
	Closing Balance as at June 30, 2021	120,816,718	78,122,810
	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.		
04.03 132/33/11Kv Grid Sub- Station - Turnkey Project			
	Opening Balance as at July 01, 2020	5,479,747,727	4,995,968,454
	Addition during the year	463,183,589	525,503,949
		5,942,931,316	5,521,472,403
	Transferred to Fixed asset during the year	5,942,931,316	41,724,676
	Closing Balance as at June 30, 2021	-	5,479,747,727
	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. This turnkey contract has been completed on 30.06.21 and operational acceptance certificate (OAC) issued via memo nos 27.24.0000.029.099.029.21.315-316 dated 07.06.2021 & memo nos 27.24.0000.029.099.029.21.317-319 dated 08.06.2021 respectively. So this CWIP transferred to Fixed asset.		
04.04 132/33/11Kv UG Line Construction-Turnkey Project			
	Opening Balance as at July 01, 2020	1,941,045,911	1,935,984,233
	Addition during the year	491,701,344	17,406,922
		2,432,747,255	1,953,391,155
	Transferred to Fixed asset during the year	977,545	12,345,244
	Closing Balance as at June 30, 2021	2,431,769,710	1,941,045,911
	The Company signed an agreement with LS Cable & System Ltd. for supply & installation (174 KM) 132KV UG cable line on Trunkly Basis under ADB, GoB & DESCO Funding. The total contract price is USD 17.61 Million + BDT 308.26 million.		
04.05 33/11 KV 24 Nos Substation Augm. by Siemens Bd. Ltd			
	Opening Balance as at July 01, 2020	3,729,103,537	3,572,269,367
	Addition during the year	678,681,171	156,904,170
		4,407,784,708	3,729,173,537
	Transferred to Fixed asset during the year	182,165,918	70,000
	Closing Balance as at June 30, 2021	4,225,618,790	3,729,103,537
	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 (17 Nos New and 07 Augmentation & Rehabilitation) under ADB, GoB & DESCO funding. The total contract price is USD 25.81 Million+ Euro 9.72 Million + BDT 579.72 Million.		
04.06 132/33/11 KV Grid Augm.(Bashundhara & Uttara) Hyosung			
	Opening Balance as at July 01, 2020	2,077,135,630	1,922,897,740
	Addition during the year	248,689,803	154,237,890
		2,325,825,433	2,077,135,630
	Transferred to Fixed asset during the year	2,325,825,433	-
	Closing Balance as at June 30, 2021	-	2,077,135,630
	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. This turnkey contract has been completed on 31.12.2020 and operational acceptance certificate (OAC) issued via memo nos 27.24.0000.075.14.001.20.152 dated 20.12.2020. So this CWIP transferred to Fixed asset.		
04.07 33 KV O/H Line converted to 33 KV UG cable			
	Opening Balance as at July 01, 2020	4,028,573,780	3,147,860,071
	Addition during the year	784,769,669	880,713,709
		4,813,343,449	4,028,573,780
	Transferred to Fixed asset during the year	613,786,939	-
	Closing Balance as at June 30, 2021	4,199,556,509	4,028,573,780
	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 Trunkly Basis under AIIB, GoB & DESCO Funding. The total contract price is USD 28.38 Million + BDT 1430.57 Million.		





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
04.08 New SCADA System (Initial Cost)			
	Opening Balance as at July 01, 2020	155,872,605	120,192,917
	Addition during the year	511,908,557	35,679,688
		667,781,162	155,872,605
	Transferred to Fixed asset during the year	18,684	-
	Closing Balance as at June 30, 2021	667,762,478	155,872,605

The Company signed an agreement with Siemens Ltd. India under ADB, GoB & DESCO Funding and The Company signed an agreement 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. The total Contact price of Siemens (India) are USD 6.74 million & BDT 191.44 million and The total contract price of Hifab OY (Finland) are EUR 1.32 Million + BDT 39.45 Million. The duration of the project has been extended up to 30.06.2022 due to the corona pandemic.

04.09 132/33/11Kv Dhaka Underground Substation Constriction project at Gulshan.

	Opening Balance as at July 01, 2020	313,243,075	15,264,509
	Addition during the year	229,707,211	297,978,566
		542,950,286	313,243,075
	Transferred to Fixed asset during the year	-	-
	Closing Balance as at June 30, 2021	542,950,286	313,243,075

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)

04.10 132/33/11 KV Grid Augm.(Tongi) Siemens

	Opening Balance as at July 01, 2020	339,208,507	42,229,894
	Addition during the year	3,889,317	306,062,749
		343,097,824	348,292,643
	Transferred to Fixed asset during the year	152,471,105	9,084,136
	Closing Balance as at June 30, 2021	190,626,719	339,208,507

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.

04.11 Software (Customer management)

	Opening Balance as at July 01, 2020	339,938	-
	Addition during the year	1,941,188	339,938
		2,281,126	339,938
	Transferred to Fixed asset during the year	-	-
	Closing Balance as at June 30, 2021	2,281,126	339,938

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.

04.12 Smart Card Based (Prepaid Meter)

	Opening Balance as at July 01, 2020	1,700,625	-
	Addition during the year	8,898,345	1,700,625
		10,598,970	1,700,625
	Transferred to Fixed asset during the year	10,598,970	-
	Closing Balance as at June 30, 2021	-	1,700,625

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 contact price of Hexing (China) is USD 9.27 million + BDT 17.01 million. This turnky contract has been compleated on 30.04.21 and provisional acceptance certificate (PAC) issued via memo nos 27.24.0000.029.099.029.21.315-316 dated 07.06.2021. So this CWIP transferred to Fixed asset.





Notes	Particulars	Amount in Taka			
		June 30, 2021	June 30, 2020		
04.13 GIS Mapping APP.					
	Opening Balance as at July 01, 2020	13,325,767	-		
	Addition during the year	69,026,220	13,325,767		
		82,351,987	13,325,767		
	Transferred to Fixed asset during the year	-	-		
	Closing Balance as at June 30, 2021	82,351,987	13,325,767		
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)	5,114,329,315	7,085,654,988		
	Stores in Transit (Note 5.02)	-	2,015,356		
	Total	5,114,329,315	7,087,670,344		
05.01 Stores & Spares					
	Cable & Accessories	3,198,007,338	3,798,693,079		
	Pole & Pole fittings	413,561,327	358,962,780		
	Distribution transformers	177,128,967	170,656,764		
	Meter & Meter accessories	315,519,502	2,000,856,893		
	Sub-station equipment & spares	713,316,830	616,428,446		
	Tools, equipment & others	290,126,301	133,308,567		
	Furniture & Fixtures	731,433	751,288		
	Computer, Printer, Tonner & Others	5,937,618	5,997,171		
	Total:	5,114,329,315	7,085,654,988		
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)	3,801,782,562	5,386,870,146		
	Less: Provision for doubtful debts (Note 6.02)	(69,527,122)	(106,943,662)		
	Total Receivable from sales	3,732,255,440	5,279,926,483		
	Receivable from BPDB against Materials & Others (Notes 6.03)	57,462,286	57,462,286		
	Receivable from DPDC against Materials & Others (Notes 6.04)	338,323,028	308,814,859		
	Receivable from Govt Duty /VAT	28,738,231	80,353,171		
	Receivable from WZPDCL	1,197,161	1,197,161		
	Expenses recoverable from Employees	1,411,910	4,106,528		
	Interest Receivable on FDR	186,727,806	248,208,634		
	Receivable from United Trade Int.	17,222,383	17,222,383		
	Accounts Receivable - SREDA	806,825	806,825		
	Accounts Receivable - Licensing Board	806,825	806,825		
	Accounts Receivable-Income Tax for the FY-2013-14	68,471,658	68,471,658		
	Accounts Receivable - PGCB	1,579,224	-		
	Total Receivable:	4,435,002,777	6,067,376,813		
06.01 Receivable from consumers are categorized as follows :					
	Government (Eqv. Month 2020-21: 6.97, 2019-20 : 6.39)	2,523,659,472	3,038,137,708		
	Semi- Government/Autonomous (Eqv. Month 2020-21: 2.38, 2019-20 : 3.22)	861,737,381	1,530,955,152		
	Private (Eqv. Month 2020-21: 1.15, 2019-20 :1.72)	416,385,709	817,777,286		
	Average (Eqv. Month 2020-21: 1.40 , 2019-20: 1.99)	3,801,782,562	5,386,870,146		
06.02	Provision of Tk. (380,17,82,562.00- 412,27,59,691-33,21,98,405)=(65,31,75,534)/= (3,26,58,776.7)/= has been made this year @ 0.5% of the receivables amount outstanding at the Balance Sheet date , as per company's policy.				
	a. Opening Balance	106,943,662	102,662,834		
	b. Provision need to be maintined for accounts Receivable				
	This balance has been arrived as follows:				
	opening Balance	99,088,395	100%	99,088,395	99,088,395
	add: Adjustment for current year balance	653,175,534	0.5%	3,265,878	7,855,267
	Total Cumilative Provision before Write off			102,354,273	106,943,662
	Provision during the year (b-a)			(4,589,389)	4,280,828
	c. Adjustment against off of Accounts Receivable (as per 415th Board Meeting decision)			32,827,151	-
	Provision for the Doubtful Debt at 30.06.2021 (B-C)	69,527,122			106,943,662.00





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
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	1,990,179
		57,462,286	57,462,286
06.04	This balance has been arrived at as under: (DPDC)		
	Opening Balance Receivable from (Material) as at July 01, 2020	307,998,404	59,453,867
	Receivable during this period against (Material)	29,508,169	248,544,537
	Receivable others	816,455	816,455
	Closing Balance as at June 30, 2021	338,323,028	308,814,859
07.00	Advances & Security Deposits:		
	A) Advances:		
	Against goods and services (Note 7.01)	35,111,262	100,033,698
	Advance against Office rent	6,864,281	10,922,526
	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 (7.04)	3,508,138	3,508,138
	Prepayment - Employees	22,417,401	28,812,080
	Advance to - BPDB	6,237,150	6,237,150
	Advance to - DPDC	629,000	629,000
	Advance to Bangladesh Power Management Inst.	10,174,872	5,272,872
	Advance to Advocate Mahabubur Rahman & Jannat Sultana (7.05)	1,269,000	930,400
	Advance to -Power Cell (ERP Software)	23,903,000	23,903,000
	Advance to NDE Ltd. (7.06)	245,600,000	-
	Deferred/Prepaid Exp & Others	-	58,996,703
	Advance to - Share Money Deposit	1,000	165,430
	Sub-Total:	671,732,793	555,428,686
	B) Security Deposits:		
	Telephone/ Mobile	734,671	731,671
	Telephone Shilpha sangstha ltd against rent of store	5,000,000	5,000,000
	Dhaka & Gazipur City Corporation (7.07)	163,554,828	143,586,266
	Dhaka WASA	10,411	10,411
	Central Depository of Bangladesh (CDBL)	500,000	500,000
	Bangladesh Railway, Roads and Highway	6,800,000	7,100,000
	Security Deposit - RDA Building & KDA Building	2,746,318	3,256,658
	Security Deposit - Others	1,109,750	484,750
	Security Deposit - Tangail Zela Samity	1,189,449	1,189,449
	Sub-Total:	181,645,427	161,859,205
	Total (A+B)	853,378,220	717,287,891
07.01	Advance includes Tk. 8.02 million to BPDB against SPC Pole & Tk.3.09 million paid to Telephone Shilpa Sangstha Ltd against purchase of Pre-paid Meter and Tk.24.00 million paid to JV of Trident, BEATS & Arc-1091 for consultancy service.		
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	Tk. 3.5 million (which is 10% of demand notice of Commissionar LTU VAT) paid to Govt. treasury for apply in the Court of Tribunal in (VAT)		
07.05	Advance to Advocate Mahabubur Rahman & Jannat Sultana for lawsuit in regarding recovery of electricity bill.		
07.06	Tk. 245.6 million paid as advance to National Devlopment Engineers Ltd. For constraction of Head Office Building.		
07.07	Tk. 163.6 million paid as advance to Dhaka & Gazipur City Corporation against road cutting for installation of under ground line.		
08.00	Advance Income Tax:		
	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	170,584,141	170,584,141
	Income Tax paid for FY - 2020-21 (Note 8.01)	107,867,793	-
	Closing Balance	1,380,223,795	1,272,356,002





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
08.01 Advance Income Tax paid during the year:			
This arrived at as under:			
Deducted at source (on interest of FDR & STD)		79,583,029	101,140,495
Deducted at source (on imported materials)		26,115,264	68,102,117
Income tax paid for FY 2020-21		2,169,500	1,341,529
		107,867,793	170,584,141
09.00 Investment in FDR			
Fixed Deposit Receipts (FDR)		9,593,600,673	9,400,285,454
		9,593,600,673	9,400,285,454

As per payment schedule of ICB Islamic Bank Ltd. (former Oriental Bank Ltd.) DESCO has been realize accordingly.

Mentioning that, total FDR amounting Tk. 9,593,600,673/- from which amounting Tk 250 crore lien against Secured overdraft (SOD) loan.

09.01 Cash & Cash Equivalents:			
Imprest cash with S&D divisions		2,125,671	2,030,698
Cash at banks (Note 9.02)		5,561,454,492	5,570,439,166
Total:		5,563,580,163	5,572,469,864
09.02 Cash at Banks:			
Current Account (Revenue Collection) (Note 9.03)		3,289,522,310	3,654,253,713
Current Account (VAT)		297,940,665	341,388,359
STD Accounts		1,973,991,517	1,574,797,092
Total:		5,561,454,492	5,570,439,166

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

10.00 Share Capital:

Authorized:

2,000,000,000 No. ordinary shares @ Tk. 10 each	20,000,000,000	5,000,000,000
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As per section 56 of the company Act, 1994 that by (a) special resolution of the company's 23rd AGM dated 09th January, 2021, the registered capital has been increased to Tk. 2000,00,00,000/- from 500,00,00,000/-. Following the event, Form-IV was submitted to Office of the Register of Joint Stock Companies and Firm on 26 January, 2021 and accepted on 27 January, 2021.

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 DESA/BPDB	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

10.01 Composition of shareholding:

The composition of Share holding position as of June 30, 2021 is as follows:

	No. of share holders	Number of share	% of share
Sponsors (GOB)	1	268,866,788	67.63%
General Public	5,647	35,450,849	8.92%
Mutual Fund/Institute	255	93,001,344	23.39%
Foreign Company	36	250,823	0.06%
Total	5,939	397,569,804	100%





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020

10.02 Distribution Schedule:

The distribution Schedule as at June 30, 2021 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	2,249	37.87%	414,238	0.10%
501 to 5,000	2,662	44.82%	4,885,714	1.23%
5,001 to 10,000	416	7.00%	3,090,607	0.78%
10,001 to 20,000	254	4.28%	3,804,396	0.96%
20,001 to 30,000	99	1.67%	2,455,297	0.62%
30,001 to 40,000	49	0.83%	1,724,909	0.43%
40,001 to 50,000	28	0.47%	1,305,837	0.33%
50,001 to 100,000	69	1.16%	5,001,948	1.26%
100,001 to 1,000,000	90	1.52%	28,651,654	7.21%
Over 1,000,000 Shares	23	0.39%	346,235,204	87.09%
	5,939	100%	397,569,804	100%

11.00 GOB Equity

Opening Balance as at July 01, 2020

5,926,920,000 5,694,120,000

Addition during the period

147,015,130 232,800,000

Closing Balance as at June 30, 2021

6,073,935,130 5,926,920,000

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 Revaluation Surplus

Opening Revaluation of Fixed Assets

- -

Addition During the Year

7,178,602,654 -

Deferred tax

(317,696,879) -

6,860,905,776 -

The entity revalued its Property, Plant & Equipment during the year by an independent valuation firm according to paragraph 36 of IAS-16 as per approval of the meeting of 427th Board of Director of the entity Dated 12.10.2021

13.00 Retained Earnings

Opening Balance as at July 01, 2020

8,686,682,543 8,708,313,659

Adjustment of application of lease accounting (IFRS 16)

- (194,200)

Net Profit/(Loss) during the year

739,135,174 455,646,848

9,425,817,717 9,163,766,308

Cash dividend paid for the FY - 2019-2020

(397,569,804) (477,083,765)

Closing Balance as at June 30, 2021

9,028,247,913 8,686,682,543

14.00 Long Term Loans :

(A) Loan from ADB, AIIB, JAICA

ADB Loan no. 1505 (Note 14.01)

- 92,554,450

ADB Loan no. 2332 (Note 14.02)

3,222,931,528 3,650,504,628

ADB Loan no. 3087 (Note 14.03)

13,704,651,505 13,093,104,627

ADB Loan no. 3522 (Note 14.04)

507,018,664 131,012,671

AIIB Loan no. 003 (Note 14.05)

4,788,286,977 4,156,232,017

JICA Loan No - BD P97 (Note 14.06)

296,958,131 208,488,325

Sub-Total:

22,519,846,806 21,331,896,718

(B) Loan from Government of Bangladesh (GOB)

Loan no. 2332 (Note 14.07)

74,359,477 84,274,073

Loan no 3087 (Note 14.08)

2,040,459,714 2,179,200,000

Loan no LN 0003 (Note 14.09)

688,295,608 709,320,000

Loan no BD - P97 (Note 14.10)

60,657,782 28,000,000

Loan no BD - BD 3522 (Note 14.11)

60,000,000 -

Sub-Total:

2,923,772,581 3,000,794,073

Total

25,443,619,386 24,332,690,791





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
14.01	Loan from ADB (No - 1505, 9th Power Project)		
		June 30, 2021	June 30, 2020
		US \$	Taka
	Opening Balance as at July 01, 2020	1,090,801	92,554,450
	Add: Drawn/Adjustment	-	-
		1,090,801	92,554,450
	Less: Transferred to current liability	(1,090,801)	(92,608,968)
		-	(54,518)
	Add: Exchange Loss/(Loss)	-	54,518
	Closing Balance as at June 30, 2021	-	-
		1,090,801	92,554,450

- (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 relnt 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.

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

	June 30, 2021		June 30, 2020	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2020	43,023,036	3,650,504,628	48,084,570	4,063,146,150
Add: Drawn/Adjustment	-	-	-	-
	43,023,036	3,650,504,628	48,084,570	4,063,146,150
Less: Transfer to current liability	(5,061,534)	(429,724,213)	(5,061,534)	(430,230,366)
	37,961,502	3,220,780,415	43,023,036	3,632,915,784
Exchange (Gain)/ loss	-	2,151,113	-	17,588,844
Closing Balance as at June 30, 2021	37,961,502	3,222,931,528	43,023,036	3,650,504,628

- (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, 2021	June 30, 2020

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

	June 30, 2021		June 30, 2020	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2020	154,308,835	13,093,104,627	147,919,633	12,499,209,005
Add: Drawn/Adjustment	18,642,345	1,582,103,649	6,389,202	542,226,466
	172,951,180	14,675,208,276	154,308,835	13,041,435,471
Less: Transfer to current Liability	(11,530,079)	(978,903,679)	-	-
	161,421,101	13,696,304,597	154,308,835	13,041,435,471
Exchange (Gain)/ loss	-	8,346,908	-	51,669,156
Closing Balance as at June 30, 2021	161,421,101	13,704,651,505	154,308,835	13,093,104,627

- (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 has expired on June 30, 2021.

14.04 Loan from ADB (No - 3522)

	June 30, 2021		June 30, 2020	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2020	1,544,050	131,012,671	1,208,409	102,110,602
Add: Drawn/Adjustment	4,427,901	375,509,429	335,641	28,278,448
	5,971,951	506,522,100	1,544,050	130,389,050
Less: Transfer to current Liability	-	-	-	-
	5,971,951	506,522,100	1,544,050	130,389,050
Exchange (Gain)/ loss	-	496,564	-	623,621
Closing Balance as at June 30, 2021	5,971,951	507,018,664	1,544,050	131,012,671

- (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 June 30, 2022.

14.05 Loan from AIIB (No - LN0003)

	June 30, 2021		June 30, 2020	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2020	48,983,288	4,156,232,017	37,698,598	3,185,531,521
Add: Drawn	9,360,649	790,069,518	11,284,690	953,238,940
	58,343,937	4,946,301,535	48,983,288	4,138,770,461
Less: Transfer to current Liability	(1,944,798)	(165,113,344)	-	-
	56,399,139	4,781,188,190	48,983,288	4,138,770,461
Exchange (Gain)/ loss	-	7,098,787	-	17,461,556
Closing Balance as at June 30, 2021	56,399,139	4,788,286,977	48,983,288	4,156,232,017





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
(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 June 30, 2021.		

14.06.01 Loan from JICA - JPY (No - BD P97)

	June 30, 2021		June 30, 2020	
	JPY	Taka	JPY	Taka
Opening Balance as at July 01, 2020	264,277,253	208,488,325	-	-
Add: Drawn/Adjustment (JPY)	95,498,875	75,940,811	264,277,253	207,709,106
	359,776,128	284,429,136	264,277,253	207,709,106
Less: Transfer to current Liability	-	-	-	-
	359,776,128	284,429,136	264,277,253	207,709,106
Exchange Gain	-	(21,209,293)	-	779,219
Closing Balance as at June 30, 2021	359,776,128	263,219,843	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 JICA 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.

14.06.02 Loan from JICA - USD (No - BD P97)

	June 30, 2021		June 30, 2020	
	USD	Taka	USD	Taka
Opening Balance July, 2020	-	-	-	-
Add: Drawn/Adjustment	397,477	33,738,288	-	-
Less: Transfer to current Liability	-	-	-	-
	397,477	33,738,288	-	-
Exchange (Gain)/ loss	-	-	-	-
Exchange Gain	397,477	33,738,288	-	-

- (i) This represents dollars 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 JICA and the GOB.





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
(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.		

14.07 Loan from GOB (loan No 2332)

Opening Balance as at July 01, 2020
Add: Drawn/Adjustment

Less: Transfer to current liability
Closing Balance as at June 30, 2021

Amount in Taka	
2020-2021	2019-2020
84,274,073	94,188,669
-	-
84,274,073	94,188,669
(9,914,596)	(9,914,596)
74,359,477	84,274,073

- (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.

14.08 Loan from GOB (loan No 3087)

Opening Balance as at July 01, 2020
Add: Withdrawn

Less: Transfer to current liability
Less: Refund
Closing Balance as at June 30, 2021

Amount in Taka	
2020-2021	2019-2020
2,179,200,000	2,052,000,000
650,000	127,200,000
2,179,850,000	2,179,200,000
(139,390,286)	-
-	-
2,040,459,714	2,179,200,000

- (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 2021 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.

14.09 Loan from GOB (LN 0003)

Opening Balance as at July 01, 2020
Add: Withdrawn

Less: Transfer to current liability
Less: Refund
Closing Balance as at June 30, 2021

709,320,000	709,320,000
1,960,000	-
711,280,000	709,320,000
(22,984,392)	-
-	-
688,295,608	709,320,000

- (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 2021 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, 2021	June 30, 2020
14.10 Loan from GOB (No - BD P97)			
	Opening Balance as at July 01, 2020	28,000,000	-
	Add: Withdrawn	35,400,087	28,000,000
		63,400,087	28,000,000
	Less: Transfer to current liability	-	-
	Less: Refund	(2,742,305)	-
	Closing Balance as at June 30, 2021	60,657,782	28,000,000
(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.		
14.11 Loan from GOB (No - BD 3522)			
	Opening Balance as at July 01, 2020	-	-
	Add: Withdrawn	60,000,000	-
		60,000,000	-
	Less: Transfer to current liability	-	-
	Less: Refund	-	-
	Closing Balance as at June 30, 2021	60,000,000	-
	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 30 installments with a grace period of 5 years.		
15.00 Deferred Tax liability:			
i. Deferred tax on PPE			
	WDV of Accounting base	32,494,521,928	22,243,935,429
	WDV of Tax base	21,288,260,497	11,775,165,077
	Temporary Difference	11,206,261,431	10,468,770,352
	Less: Permanent difference of vehicle	13,716,000	13,716,000
		11,192,545,431	10,455,054,352
	Effective Tax Rate	22.5%	25%
	Deferred tax liability/(assets)	2,518,322,722	2,613,763,588
ii. Deferred tax on Bad debt			
	Provision for Bad debt	(69,527,122)	(106,943,662)
	Deferred tax liability/(asset) @ 22.5%	(15,643,602)	(26,735,916)
iii. Deferred Tax on Revaluation of Assets			
	Revalued value of Land	6,900,850,177	-
	Revalued value of other than Land	277,752,477	-
	Tax Rate:	4%	-
	On Land	15%	-
	On other than Land	-	-
	Deferred Tax Liabilities		
	For Land	276,034,007	-
	For other than Land	41,662,872	-
		317,696,879	-
	Total Deferred Tax Liability (i+ii+iii)	2,820,375,998	2,587,027,672
15.01 Deferred tax Expenses/(Income)			
	Deferred Tax other than Revalued Assets as at June 30, 2021	2,502,679,120	2,587,027,672
	Deferred Tax other than Revalued Assets as at June 30, 2020	2,587,027,672	2,356,998,912
		(84,348,553)	230,028,760





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
16.00	Due to DPDC for assets taken over (16.01)	3,557,106,531	3,840,410,313
16.01	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
	Less Paid During this period	(283,303,782)	-
	Total	3,557,106,531	3,840,410,313
16.02	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. On the above amount tk. 283.3 million has already paid infavour of DESA.		
16.03	The terms and conditions of repayment to DESA / DPDC against the assets taken over have not yet been determined.		
17.00	Consumer Security Deposits:		
	Opening Balance as at July 01, 2020	3,125,080,093	2,951,441,875
	Received during the year	233,349,393	198,265,276
		3,358,429,486	3,149,707,151
	Refunded during the year	(29,360,365)	(24,627,058)
	Closing Balance as at June 30, 2021	3,329,069,121	3,125,080,093
18.00	Lease Liability (operating lease)		
	Opening Balance as at July 01, 2020	28,323,929	-
	Addition during the year	16,181,984	33,480,312
	Finance Cost during the year	(11,714,609)	2,025,590
	Payment during the year	-	(7,181,973)
	Closing Balance as at June 30, 2021	32,791,304	28,323,929
19.00	Accounts Payable		
	Bangladesh Power Development Board (BPDB)- (Note 19.01)	7,127,895,480	5,981,641,914
	Power Grid Company of Bangladesh (PGCB)- (Note 19.02)	325,427,206	273,217,884
	Dhaka Electric Supply Authority (DESA/DPDC) - (Note 19.03)	123,781,993	127,795,644
	Rural Electrification Board (REB) - (Note 19.04)	379,157	379,157
	Power Grid Company of Bangladesh PGCB - (Note 19.05)	612,000	612,000
		7,578,095,838	6,383,646,601
19.01	Accounts Payable - BPDB		
	Opening Balance as at July 01, 2020	5,981,641,914	6,889,161,414
	Energy purchased during the year	37,171,759,427	33,560,533,276
		43,153,401,341	40,449,694,690
	Payment made during the year	(36,025,505,861)	(34,468,052,776)
	Closing Balance as at June 30, 2021	7,127,895,480	5,981,641,914
19.02	Accounts Payable - PGCB		
	Opening Balance as at July 01, 2020	273,217,884	317,293,264
	Wheeling charge during the year	1,695,685,714	1,539,828,307
		1,968,903,598	1,857,121,571
	Payment made during the year	(1,643,476,392)	(1,583,903,687)
	Closing Balance as at June 30, 2021	325,427,206	273,217,884
19.03	Accounts Payable - DESA/ DPDC		
	Opening Balance as at July 01, 2020	127,795,645	94,526,846
	Material Supply	-	33,784,600
	Consumer bill collection	286,349	1,384,199
		128,081,994	129,695,645
	Paid during this year (DESA Contractor)	(4,300,000)	(1,900,000)
	Closing Balance as at June 30, 2021	123,781,993	127,795,645





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
19.04	Accounts Payable - REB (Material)		
	Opening Balance as at July 01, 2020	379,157	379,157
	Addition during this year	-	-
	Closing Balance as at June 30, 2021	379,157	379,157
19.05	Accounts Payable - PGCB (Material)		
	Opening Balance as at July 01, 2020	612,000	612,000
	Addition during this year	-	-
	Closing Balance as at June 30, 2021	612,000	612,000
20.00	Creditors for Goods/ Works :		
	Equipment & materials (Note 20.01)	48,296,821	38,417,845
	Imported Material through ADB Loan (Note 20.02)	11,061,835	293,853,209
	Bangladesh Telephone shilpa Sangstha	8,304,467	530,291,433
	Ideal Enterprise	2,594,822	2,594,822
	Microtech	6,959,371	25,215,001
	Sun Rise Enterprise	913,800	13,485,756
	Construction of KPE & DEDA	3,288,220	3,288,220
	Master Simex Paper Ltd.	-	120,100
	Control Ware power & AutoEng.	-	17,091,310
	KEI Ind (DESCO Fund)	-	9,492,210
	Engineering Services Ltd.	-	3,768,800
	Bangladesh Machine Tools factory	6,308,665	-
	Basher & Brothers	20,882,340	-
	Energy Pac Bangladesh Ltd.	13,640,715	-
	Hil Ful We Engineering	18,960,000	-
	Rangpur Metel Industries Ltd.	30,336,720	-
	Siemens Bangladesh Ltd. (20.03)	110,734,241	-
	United Trade Mart	25,996,762	-
	Total	308,278,780	937,618,707
20.01	Includes in this figure as payable to Tk. 19.58 million to BISF, Tk. 2.23 million to Computer Services Ltd. Tk. 3.66 million to HR Computer, Tk. 2.29 to HT power engineering, Tk. 4.02 million to Libra Computer Aid ltd. Tk. 3.27 million Milky Way Shipping lines Pvt. Ltd. Tk.6.13 million to Network, and so on.		
20.02	This includes as payable Tk 11.06 million to M/S Hexing Electrical Co. Ltd. against supply of Single phase & Three Phase Prepaid meter under ADB loan of distribution project.		
20.03	Tk. 110.7 million as creditor to Siemens Bangladesh Ltd. For Supply , Installation, and commissioning 24 nos 33/11 KV Sub Station.		
21.00	Others liabilities		
	VAT collected against Electricity Bills(Note 21.01)	334,299,163	433,664,718
	Tax deducted from Contractors, Suppliers & Others	44,685,826	13,617,432
	VAT deducted from Contractors, Suppliers & Others	55,171,293	11,872,610
	Retention money (Contractors & Suppliers)	125,186,235	250,285,625
	Receipts against Deposit Works	2,494,270,525	2,577,756,222
	Unpaid dividend (Note 21.02)	106,694,948	525,756,884
	Security Deposit & Others	49,718,567	24,334,936
	Total	3,210,026,557	3,837,288,426
21.01	VAT collected against electricity bill has paid subsequently is on 13/07/2021 Tk. 191,474,478.59, on 09/08/2021 Tk 213,774,655.26.		
21.02	This includes as dividend payable 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. 6.58 million in (2016-17) Tk.6.61 million in (2017-18) Tk. 8.42 million in (2018-19) Tk. 27.04 (2019-20) million owner are different share holders respectively.		
22.00	Liabilities for Expenses		
	Audit Fees	532,276	414,776
	Payable for Contributory Provident Fund & GPF	18,802,408	17,219,285
	Payable for COSS, LEM, MSS , Civil Cons. & Others (Note 22.01)	201,061,451	166,404,017
	BERC Sales Charge (Note -22.02)	89,570,839	78,703,207
	Employees Welfare Fund	231,525	800
	Guard Force Services & Human Resources	767,691	1,389,877
	JV of DEDA & SSL	-	20,526,333
	The East way Electric Co. & Associates	-	2,643,789
	Liability to REB for Tongi Grid Substation Up gradation Project	-	152,471,105
	Chairman - KDA	7,406,465	16,294,223
	Chairman - RDA	4,611,257	9,232,465
	HT Power Engineering	17,390,000	-
	Payable to - CEGIS	1,780,271	-
	Creditors to others (Note - 22.03)	80,668,086	438,203,724
	Total	422,822,268	903,503,600





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020

22.01 This includes Commercial Operation Support Service (COSS) Tk. 51.54 million, Line & equipment maintenance (LEM) Tk. 44.30 million, Maintenance of Substation (MSS) Tk. 6.20 million, Engineering Services Ltd. Tk. 33.89 million, HH Traders Tk. 2.29 million, Reliable rent-A-Car Tk. 3.83 million, Saju Enterprise Tk. 21.03 million, East Way Electric Co. Tk. 6.03 million, Wahid Traders Tk. 2.64 million, HT Power & Ayon Enterprise Tk. 17.39 million, Sun Rise International 20.49 million.

22.02 This includes Tk. 1,08,67,632.00 on .0025% of Net Sales Tk. 4347,05,29,706.00 as provision against "Annual system operating fees" payable to Bangladesh Energy Regulatory Commission (BERC) as per BERC rules.

22.03 This includes as creditors as different parties whose are Al Arafat Service Pvt. Ltd. Tk. 1.25 million, Elite Security Service Tk. 1.75 million, CONVOY Service Tk. 2.07 million, Rojony Gondha Enterprise Tk. 2.33 million, liabilities for exp. 52.64 million, Tk. 0.70 million to Safa Enterprise.

23.00 Current Maturity of Long Term Loans:

ADB Loan No-1505 (Note-23.01)	92,608,968	92,554,428
ADB Loan No-2332 (Note-23.02)	429,724,213	429,471,160
ADB Loan No-3087 (Note-23.03)	978,903,679	-
AIIB Loan No. LN-003 (Note-23.04)	165,113,344	-
GOB Loan No 2332 (Note-23.05)	9,914,596	9,914,596
GOB Loan No 3087 (Note-23.06)	139,390,286	-
GOB Loan No LN - 003 (Note - 23.07)	22,984,392	-
Total	1,838,639,479	531,940,185

23.01 ADB (Loan No. 1505)

	June 30, 2021		June 30, 2020	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2020	1,090,801	92,554,428	1,090,801	92,172,647
Transferred from long	1,090,801	92,608,968	1,090,801	92,718,048
	2,181,601	185,163,396	2,181,601	184,890,695
Paid during the year	1,090,801	(92,500,979)	1,090,801	(92,636,238)
	1,090,801	92,662,417	1,090,801	92,254,457
Exchange loss/(gain)	-	(53,449)	-	299,971
Closing Balance as at June 30, 2021	1,090,801	92,608,968	1,090,801	92,554,428

23.02 ADB (Loan No. 2332)

	June 30, 2021		June 30, 2020	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2020	5,061,534	429,471,160	5,061,534	427,699,599
Transferred from long term loan	5,061,534	429,724,213	5,061,534	430,230,366
	10,123,068	859,195,373	10,123,068	857,929,965
Paid during the year	(5,061,534)	(429,223,121)	(5,061,534)	(429,850,751)
	5,061,534	429,972,252	5,061,534	428,079,214
Exchange loss/(gain)	-	(248,039)	-	1,391,946
Closing Balance as at June 30, 2021	5,061,534	429,724,213	5,061,534	429,471,160

23.03 ADB (Loan No. 3087)

	June 30, 2021		June 30, 2020	
	US \$	Taka	US \$	Taka
Opening Balance as at July 01, 2020	-	-	-	-
Transferred from long term loan	11,530,079	978,903,679	-	-
	11,530,079	978,903,679	-	-
Paid during the year	11,530,079	978,903,679	-	-
	11,530,079	978,903,679	-	-
Exchange loss/(gain)	-	-	-	-
Closing Balance as at June 30, 2021	11,530,079	978,903,679	-	-





Notes	Particulars	Amount in Taka									
		June 30, 2021	June 30, 2020								
23.04	AIIB (Loan No. LN003)										
		<table><tr><th colspan="2">June 30, 2021</th></tr><tr><th>US \$</th><th>Taka</th></tr></table>	June 30, 2021		US \$	Taka	<table><tr><th colspan="2">June 30, 2020</th></tr><tr><th>US \$</th><th>Taka</th></tr></table>	June 30, 2020		US \$	Taka
June 30, 2021											
US \$	Taka										
June 30, 2020											
US \$	Taka										
	Opening Balance as at July 01, 2020										
	Transferred from long term loan	1,944,798	165,113,344								
		1,944,798	165,113,344								
	Paid during the year										
		1,944,798	165,113,344								
	Exchange loss/(gain)	-	-								
	Closing Balance	1,944,798	165,113,344								
23.05	GOB Loan (No: 2332)										
	Opening Balance as at July 01, 2020	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, 2021	9,914,596	9,914,596								
23.06	GOB Loan (No: 3087)										
	Opening Balance as at July 01, 2020										
	Transferred from long term loan	139,390,286	-								
		139,390,286	-								
	Paid during the year	-	-								
	Paid during the year	139,390,286	-								
23.07	GOB Loan (No: LN003)										
	Opening Balance as at July 01, 2020										
	Transferred from long term loan	22,984,392	-								
		22,984,392	-								
	Paid during the year	-	-								
	Paid during the year	22,984,392	-								
24.00	Accrued Interest on Loans										
	Interest payable on ADB Loan (24.01)	3,483,314,297	2,944,416,381								
	Interest payable on 40% (Debt Portion) of GOB Loan(24.02)	314,180,151	233,865,253								
	Interest payable on AIIB - LN003 (24.03)	373,890,555	202,551,927								
	Interest payable on JICA Loan BD-P97 (24.04)	12,071,639	2,099,041								
	Total	4,183,456,642	3,382,932,601								
24.01	Interest on ADB loan										
	Opening Balance as at July 01, 2020	2,944,416,381	2,429,585,699								
	Interest accrued during the year	710,794,577	706,390,102								
		3,655,210,958	3,135,975,801								
	Paid during the year	(171,896,660)	(191,559,420)								
	Closing Balance as at June 30, 2021	3,483,314,297	2,944,416,381								
24.02	Interest on GOB Loan										
	Opening Balance as at July 01, 2020	233,865,253	150,818,391								
	Interest accrued during the year	90,568,453	86,350,094								
		324,433,706	237,168,486								
	Paid/ adjustment during the year	(10,253,555)	(3,303,233)								
	Closing Balance as at June 30, 2021	314,180,151	233,865,253								
24.03	Interest on AIIB LN - 003										
	Opening Balance as at July 01, 2020	202,551,927	51,167,696								
	Interest accrued during the year	171,338,628	151,384,231								
		373,890,555	202,551,927								
	Paid/ adjustment during the year	-	-								
	Closing Balance as at June 30, 2021	373,890,555	202,551,927								





Notes	Particulars	Amount in Taka	
		June 30, 2021	June 30, 2020
24.04	Interest on JICA Loan - BD-P97		
	Opening Balance as at July 01, 2020	2,099,041	-
	Interest accrued during the year	9,972,598	2,099,041
		12,071,639	2,099,041
	Paid/ adjustment during the year	-	-
	Closing Balance as at June 30, 2021	12,071,639	2,099,041
25.00	Workers Profit Participation Fund (WPPF)		
	Opening Balance as at July 01, 2020	142,306,595	99,493,608
	Addition during the year	34,852,069	42,812,987
		177,158,664	142,306,595
	Paid/ adjustment during the year	-	-
	Closing Balance as at June 30, 2021	177,158,664	142,306,595
26.00	Provision for Income Tax:		
	Opening Balance as at July 01, 2020	260,110,605	89,526,464
	Add: Provided during the year (Note-41.01)	42,254,758	170,584,141
	Less Provision adjust with advance income tax	-	-
		302,365,363	260,110,605
	Add: Prior year adjustment as per settlement of Appellate	-	-
	Closing Balance as at June 30, 2021	302,365,363	260,110,605
26.01	Details of Provision for Income Tax :		
	For FY 2019-20	260,110,605	89,526,464
	For FY 2020-21	42,254,758	170,584,141
		302,365,363	260,110,605
27.00	Loan under Secured Overdraft		
	Opening Balance as at July 01, 2020	1,820,995,013	-
	Add: Received during this year	28,283,342	4,823,133,791
		1,849,278,355	4,823,133,791
	Less Paid during this year	(1,849,278,355)	(3,002,138,778)
	Closing Balance as at June 30, 2021	-	1,820,995,013





Notes	Particulars			Amount in Taka	
				July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
28.00	Energy Sales: Taka	Tariff	%	2020-21	2019-20
	Domestic	A	41%	17,877,286,028	16,847,850,712
	Agricultural Pump	B	0%	308,689	269,013
	Small Industries	C1	2%	835,795,798	743,458,998
	Construction	C2	2%	777,083,265	698,962,592
	Charitable Institutions	D1	1%	446,507,497	419,245,095
	Street Light, Pump etc.	D2	0%	150,479,453	168,148,500
	Battery Charging Station	D3	0%	103,473,973	2,389,431
	Commercial & Office	E	12%	5,220,248,497	4,914,448,460
	Domestic	MF3	1%	533,468,749	-
	Domestic	MT1	4%	1,799,523,396	1,481,953,018
	Commercial & Office	MT2	17%	7,371,755,675	6,745,075,804
	Industry	MT3	12%	5,424,501,576	4,621,543,127
	Construction	MT4	0%	116,914,863	116,710,399
	General	MT5	6%	2,469,611,410	2,403,752,249
	Temporary	MT6	0%	64,090,720	6,835,494
	Battery Charging Station	MT7	0%	2,434	-
	General	HT1	0%	25,166,503	19,496,565
	Commercial & Office	HT2	1%	254,311,182	223,325,332
	Temporary	LT-T	0%	-	10,474,411
	Total		100%	43,470,529,706	39,423,939,203
28.01	Energy Sales -Unit	Tariff	%	Unit (Mkwh)	Unit (Mkwh)
	Domestic	A	50%	2,710.04	2,663.13
	Agricultural Pump	B	0%	0.07	0.06
	Small Industries	C1	2%	95.83	87.18
	Construction	C2	1%	60.33	53.95
	Charitable Institutions	D1	1%	71.85	69.49
	Street Light, Pump etc.	D2	0%	18.71	76.86
	Battery Charging Station	D3	0%	14.04	343.20
	Commercial & Office	E	9%	485.78	118.74
	Domestic	MF3	1%	80.81	-
	Domestic (Medium Tention -1)	MT1	4%	193.69	606.34
	Commercial & Office	MT2	14%	764.62	594.48
	Industry	MT3	11%	616.61	148.59
	Construction	MT4	0%	9.20	200.38
	General	MT5	5%	285.36	89.85
	Temporary	MT6	0%	3.80	0.40
	Battery Charging Station	MT7	0%	0.00	0.03
	Temporary	HT1	0%	2.78	24.48
	Commercial & Office	HT2	1%	27.20	2.86
	Temporary	LT-T	0%	-	0.28
	Total		100%	5,440.70	5,080.29

29.00 Energy Purchase:

2020-21		2019-20	
Unit (Mkwh)	Taka	Unit (Mkwh)	Taka
5,762.27	38,867,445,141	5,423.31	35,100,361,583

29.01 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. 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. These tariff rate effective from 1st March-2020.

30.00 Other Operating Revenue:

Received from Consumer (Note 30.01)	579,516,404	347,124,656
Late payment charge (Note 30.02)	332,198,405	287,114,418
Total	911,714,809	634,239,074

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

30.02 Late payment charge (LPC) includes separately with time binding in consumer electricity bill. The consumer whose are not paid in time then they paid due amount with LPC. This LPC shown in accounts as other operating revenue.





Notes

Particulars	Amount in Taka	
	July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
31.00 Direct Operating Expenses		
Commercial operation support services	191,227,208	165,006,866
Schedule & preventive maintenance (Less Rent of Walkie Talkie)	345,188,662	288,338,790
Special action team & collection drive	1,085,400	1,164,833
Consultancy fees for staking sheet	9,189,422	2,741,334
Maintenance of distribution of line & equipment	89,772,461	69,970,203
R&M of Grid Sub-Station/Switching-Station	71,543,074	33,574,748
Repair & maintenance of transformer	37,356,958	26,078,613
Meter & service cable issue	13,082,648	10,798,459
Revenue stamp charge against consumer bill	45,106,399	53,434,922
System operating fee BERC (Note 31.01)	10,867,632	9,955,985
Communication Expenses - Prepaid Meter	14,222,257	5,326,604
Rent (Operating Purpose)	8,640,000	-
	837,282,121	666,391,356
31.01 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.		
32.00 Depreciation:		
Depreciation (Direct)	1,489,651,312	1,198,984,771
Depreciation (Indirect)	96,481,757	92,486,093
Total	1,586,133,069	1,291,470,864
33.00 Administrative Expenses:		
Director's Fees	3,540,000	3,058,667
Audit fees	462,318	512,000
Advertisement & Notices	7,037,646	6,834,385
Annual General Meeting (AGM)	877,031	653,178
Bank charges	11,237,618	7,555,916
Conveyance	2,002,017	1,761,222
Cleaning expenses	11,914,264	10,955,155
Electricity, gas & water	7,485,013	44,428,576
Entertainment	4,937,706	6,198,432
Fuel for vehicles	13,438,796	20,085,942
Honorarium to various committee members	6,992,656	5,337,494
Insurance of vehicles	2,391,990	2,706,855
Legal & Professional fees	1,543,770	3,398,201
Newspaper & Periodicals	494,783	3,764,897
Office maintenance	14,960,987	6,827,200
Office rent	45,778,430	56,678,507
Office security	66,236,695	62,479,730
Postage, telephone & internet	22,096,667	18,945,439
Printing & Stationery	32,529,182	17,422,952
Rates & Taxes	16,808,885	13,584,371
Repair & Maintenance of non operating assets	19,117,425	9,721,457
Repair & Maintenance of head office building	11,654,422	13,454,453
Repair & Servicing of vehicle	9,262,199	8,198,427
Recruitment expenses	1,805,779	4,781,772
Inspection survey & consultancy fees	7,203,399	5,308,269
Staff training	16,095,612	24,802,305
Listing fee & annual charges	16,918,430	9,806,087
Transport (hired)	40,754,526	28,243,013
Corporate Social Expenses	22,848,604	26,063,223
BERC license fee	5,000	2,300,000
Innovation Expenses	-	181,115
Office Shifting	73,500	11,645
Different day celebration & activities	14,636,078	5,743,587
Total Administrative Expenses:	433,141,428	431,804,471

33.01 Directors are entitled to a remuneration Tk. 12,000/- from 01.03.2020 for attending each Board meeting.





Notes

Particulars	Amount in Taka	
	July 01, 2020	July 01, 2019
	to June 30, 2021	to June 30, 2020

34.00 Employee Expenses:

Salary & Allowances	1,683,514,851	1,431,476,490
Festival bonus	160,301,883	139,171,726
Incentive bonus	131,346,210	118,587,537
Company's contribution to provident fund	93,109,431	80,029,031
Company's contribution to gratuity fund	141,294,501	72,839,695
Group insurance premium	12,146,882	10,649,163
Electricity / telephone expense reimbursed (Note - 34.02)	29,341,594	24,128,960
Medical Expense Reimbursed (Note - 34.02)	111,664,589	76,703,933
Encashment of Earned leave	79,529,443	61,773,209
Uniform	858,509	1,105,801
COVID-19 Incentive Allowance	4,596,400	-
Total	2,447,704,293	2,016,465,545

34.01 Remuneration of Directors and Executives:

	Amount in Taka		Amount in Taka	
	2020-21		2019-20	
	Directors	Executives	Directors	Executives
Salary and bonus	15,077,901	607,957,367	10,598,800	508,791,280
House rent	5,615,785	309,531,009	4,593,859	255,707,604
Provident fund	968,626	53,655,452	910,695	43,015,696
Total	21,662,312	971,143,828	16,103,354	807,514,580

34.02 Employee Electricity & Telephone bills and Medical expense are reimbursed on actual basis to employees, subject to ceiling.

35.00 Interest Income:

Interest earned on FDR	636,107,296	842,024,505
Interest earned on STD	99,402,522	98,736,510
Total	735,509,818	940,761,015

36.00 Miscellaneous Income:

Sale of tender documents	513,500	686,000
Sale of obsolete store materials and Others received	33,688,314	61,409,417
Recovery received against land	-	3,850,267
Received against Depository Works from DMRTDP & Others (Note 36.01)	41,303,428	-
Total	75,505,242	65,945,684

36.01 These amount received as depository work from DMRTDP for construction of electric line and others included LD charge received.

37.00 Others Income:

Miscellaneous Received from Depository Work (Note 37.01)	716,645,293	418,153,239
Total	716,645,293	418,153,239

37.01 These amount received from consumer for line construction at different places of DESCO's jurisdiction in the financial year 2020-21

38.00 Finance Cost:

Interest expense against ADB loan	710,794,577	703,516,369
Interest expense against GOB loan	90,568,453	86,343,676
Interest expense against AIB	171,338,628	151,384,231
Interest expense against - JICA Laon Nos - BD - P97	9,972,598	2,099,041
Interest expense against - SOD - Rupali Bank	28,907,751	36,615,673
Finance Cost of Lease	2,675,642	2,025,590
Total	(1,014,257,649)	(981,984,580)





Notes	Particulars	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
39.00	Exchange Fluctuation Gain / (Loss):	3,362,892	(91,206,250)
	Exchange fluctuation gain of Tk. 2,12,09,293/- has arisen out of translation of foreign currency loan (in JPY) into taka at Financial Position date at the rate of Tk.1.00/JPY 0.7683 (2019-20: at Tk.1.00/JPY 0.7889). Exchange fluctuation Loss of Tk.1,78,46,401.34/- has arisen out of translation of foreign currency loan (in dollar) into taka at Financial Position date at the rate of Tk.84.85/\$1 (2019-20: at Tk.85/\$1).		
40.00	Calculation of Workers profit participation fund (WPPF)		
	Net profit before tax & WPPF	731,893,448	899,072,737
	Transferred to Workers profit participation fund (WPPF) (731,893,448 X 5) /105	<u>34,852,069</u>	<u>42,812,987</u>
41.00	Income Tax :		
	Current tax provision (41.01)	42,254,758	170,584,141
	Deferred tax provision (15.01)	(84,348,553)	230,028,760
	Tax Expenses	<u>(42,093,794)</u>	<u>400,612,901</u>
41.01	The details of current tax calculation are given below:		
	Profit before tax as per income statement	697,041,379	856,259,750
	Add: Tax effect of expenses that are not deductible for tax purposes	1,609,329,989	1,321,814,918
	Less: Tax effect of expenses that are deductible for tax purposes	(3,568,841,129)	(2,338,561,378)
		<u>(1,262,469,760)</u>	<u>(160,486,710)</u>
	Current Tax (at 22.5%)	22.5%	25%
A	Current tax expenses	-	-
B	0.6% of Total Received during this period 7,042,459,727	42,254,758	29,746,900
C	Advance Tax paid during this period	28,284,764	170,584,141
	Minimum Tax which ever is higher (A,B,C)	28,284,764	170,584,141
	Tax expenses	<u>42,254,758</u>	<u>170,584,141</u>
42.00	Earning Per Share (EPS)		
42.01	Earning Per Share shown as below:		
	Earning attributable to ordinary Shareholders (Tk)	739,135,174	455,646,848
	Weighted number of shares outstanding	<u>397,569,804</u>	<u>397,569,804</u>
	Basic Earning Per Share	<u>1.86</u>	<u>1.15</u>
	EPS have been increase significantly compared to last year due to increase in other operating revenue as deposit work. Fluction gain & Tax rate benifit then last year (current year 22.5% last year 25% ie net benefit 2.50% both corrent tax and deffered tax)		
42.02	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.		
43.00	Subsequent Events-Disclosures Under IAS 10 "Events After The Balance Sheet Date"		
43.01	Revaluation has been approved on 12.10.2021. As it is an adjusting event necessary adjustment has been made in this regard.		
43.02	Subsequent to the reporting date, June 30, 2021, the Board of Directors in their meeting held on October 14, 2021 recommended 10% cash dividend (Tk. 1.00 per ordinary share of Tk.10 each held on record date) amounting to Tk. 397,569,804 for the year ended June 30, 2021. The dividend proposal is subject to shareholders' approval at the forthcoming 25th AGM.		
43.03	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.		





44.00 Related Party Transactions:

44.01 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, 2021	June 30, 2020
BPDB	67.63% Shareholding of DESCO	Purchase of Energy	37,171,759,427	33,560,533,277
DPDC	Common Director of DPDC & DESCO	Consumer bill collection	6,035,171	5,748,822
Total			37,177,794,598	33,566,282,099

44.02 DESCO has following outstanding balances with the related parties:

Name of Party	Amount in Taka		Amount in Taka	
	June 30, 2021		June 30, 2020	
	Receivable	Payable	Receivable	Payable
BPDB	57,462,286	7,127,895,480	57,462,286	5,981,641,914
DPDC	338,323,028	123,781,993	308,814,859	127,795,645
Total	395,785,314	7,251,677,473	366,277,145	6,109,437,559

44.03 Key Management Personnel:

	Amount in Taka	
	June 30, 2021	June 30, 2020
Director's Fees	3,540,000	3,058,667
Managing Director Salary	3,575,890	-
Director's Salary	12,082,388	-
General Manager Salary	30,623,726	-

Along with the mentioned cash benefit all the Key Management Personnel avail car facility as non cash benefit.

45.00 Contingent Liabilities:

45.01 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.

45.02 An aggregate amount of Tk. 10,74,69,766.00 claimed by BPDB as shown below is disputed by the Company.

Particulars	FY 2020-2021
Arrear Energy bill (November'05 to June 2021)	15,248,181
Arrear Surcharge (Up to June 2021)	58,113,689
PFC Charge (Up to June 2021)	34,107,896
Total	107,469,766

46.00 Credit Facility Availed:

46.01 No credit facility existed under any contract as on June 30, 2021 other than trade credit available in the ordinary course of business.





47.00 Capital Commitment:

The Company has entered into various contracts for construction works, sub-stations, land development, installation, renovation dismantling O/H and U/G cables, etc. amounting to Tk 12,529.35 million, works of which will be started in the next financial year.

48.00 Employees' Salary:

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

Amount in Taka	
2020-21	2019-2020
No. of employees	No. of employees
1,892	1,823
Nil	Nil
1,892	1,823

49.00 Net Asset Value Per Share (NAV):

Share holders equity	25,938,786,858	18,589,300,583
No. of Share outstanding	397,569,804	397,569,804
Net Asset Value Per Share (NAV)	65.24	46.76

50.00 Net Operating Cash Flows Per Share (NOCFPS)

Net cash generated from operating activities	5,890,178,946	4,413,761,939
No. of Share outstanding	397,569,804	397,569,804
Net Operating Cash Flows Per Share	14.82	11.10

The operating cash flow increased in the FY 2020-21 by Tk.3.72 per share due to increase in collection of sales, Govt. duty & Vat.

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

Profit before income tax

Depreciation charged

Exchange Fluctuation Gain/ (Loss)

Provision for bad debt

Investment in FDR

(Increase)/Decrease in Account Receivables

(Increase)/Decrease in Advances, Deposits and Pre-payments

Advance Income Tax

Increase/(Decrease) in Accounts Payable

Creditors for Goods/Works

Creditors for Expenses


Accrued interest

Cash Generated from Operations

Net cash generated from operating activities

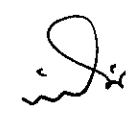
Amount in Taka	
2020-21	2019-2020
697,041,379	856,259,750
1,586,133,069	1,291,470,864
(3,362,892)	91,206,250
4,589,389	4,280,828
(193,315,219)	2,762,368,237
1,632,374,036	(1,257,651,960)
1,279,597,664	(526,745,701)
2,169,500	1,341,529
1,194,449,237	(918,326,081)
(629,339,927)	965,293,867
(480,681,332)	392,903,540
800,524,041	751,360,816
5,890,178,946	4,413,761,939
5,890,178,946	4,413,761,939


Company Secretary


Executive Director (F&A)


Director


Managing Director


Chairman



52.00 Financial risk management (IFRS 7)

52.01 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.

52.02 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	5,563,580,163	-	-	-	5,563,580,163
Accounts Receivable	-	3,801,782,562	-	-	3,801,782,562
Balance at June 30, 2021	5,563,580,163	3,801,782,562	-	-	9,365,362,725

Financial liabilities measured at amortized cost:					
Bank Loan	-	-	-	-	-
Sundry Creditors	-	-	-	-	-

Balance at June 30, 2021	-	-	-	-	-
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52.03 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 companied 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.

52.04 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 39) is limited, as this occurred only from foreign loan.

52.05 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.

52.06 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	25,443,619,386	-	-	-	7,633,085,816	17,810,533,570
Sundry Creditors	7,578,095,838	-	7,578,095,838	-	-	-
Balance at June 30, 2021	33,021,715,223	-	7,578,095,838	-	7,633,085,816	17,810,533,570



Dhaka Electric Supply Company Ltd. (DESCO)
Schedule of Property, Plant & Equipment
As at June 30, 2021

SL No.	Category of Assets	Cost				Rate	Depreciation			Annexure-A Written down value as on 30-06-21
		Balance as on 01-07-20	Addition during the Year	Adjustment	Total as on 30-06-21		Balance as on 01-07-20	Charged during the year	Adjustment	Total as on 30-06-21
1	Land	2,770,255,294	-	-	2,770,255,294	-	-	-	-	2,770,255,294
2	Building	967,473,391	144,811,366	-	1,112,284,757	2.50%	172,330,173	25,881,797	-	198,211,970
3	Motor Vehicles	408,548,497	4,872,000	-	413,420,497	15%	315,513,547	25,514,647	-	341,028,194
4	Furniture & Fixture	70,065,882	6,185,032	-	76,250,914	10%	48,534,581	4,751,829	-	53,286,410
5	Office Equipment	331,102,514	82,789,125	(142,148)	413,749,491	15%-20%	273,644,194	36,883,488	(312,037)	310,215,645
6	Distribution Equipment	11,617,333,360	10,062,374,740	-	21,679,708,100	3%-10%	3,833,634,052	810,493,632	-	4,644,127,684
7	Distribution Line	17,990,707,400	1,468,678,806	-	19,459,386,206	4%-10%	7,389,922,697	653,275,883	-	8,043,198,580
	Sub Total	34,155,486,338	11,769,711,069	(142,148)	45,925,055,259		12,033,579,244	1,556,801,276	(312,037)	13,590,068,483
1	Right-of-use assets	28,794,240	16,940,742	-	45,734,982	-	-	10,993,209	-	10,993,209
	Sub Total	28,794,240	16,940,742	-	45,734,982		-	10,993,209	-	10,993,209
	Revaluation									34,741,773

SL No.	Category of Assets	Cost				Rate	Depreciation			Written down value as on 30-06-21
		Balance as on 01-07-20	Addition during the Year	Adjustment	Total as on 30-06-21		Balance as on 01-07-20	Charged during the year	Adjustment	Total as on 30-06-21
1	Land	-	6,900,850,177	-	6,900,850,177	-	-	-	-	6,900,850,177
2	Building	-	1,067,097,248	-	1,067,097,248	2.50%	-	-	-	1,067,097,248
3	Motor Vehicles	-	57,634,817	-	57,634,817	15%	-	-	-	57,634,817
4	Furniture & Fixture	-	23,952,299	-	23,952,299	10%	-	-	-	23,952,299
5	Office Equipment	-	(8,950,839)	-	(8,950,839)	15%-20%	-	-	-	(8,950,839)
6	Distribution Equipment	-	2,564,349,490	-	2,564,349,490	3%-10%	-	-	-	2,564,349,490
7	Distribution Line	-	(3,426,330,537)	-	(3,426,330,537)	4%-10%	-	-	-	(3,426,330,537)
	Sub Total	-	7,178,602,654	-	7,178,602,654		-	-	-	7,178,602,654
	Grand Total	34,184,280,578	18,965,254,465	(142,148)	53,149,392,895		12,033,579,244	1,567,794,495	(312,037)	13,501,061,692
										39,548,331,203

Notes:

- 1) Building includes Office Building, Store Godown Sheds and Boundary Wall.
- 2) Addition to Motor Vehicle Includes 04 nos. Pickup.
- 3) Office Equipment comprise Communication Equipment, Computer & Peripherals, Electric and Store Equipment etc.

Schedule of Property, Plant & Equipment
As at June 30, 2020

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	Total as on 30-06-20		Balance as on 01-07-19	Charged during the year	Adjustment	Total as on 30-06-20
1	Land	2,766,641,031	3,614,263	-	2,770,255,294	-	-	-	-	2,770,255,294
2	Building	962,673,348	4,800,043	-	967,473,391	2.50%	146,878,554	25,451,619	-	172,330,173
3	Motor Vehicles	403,542,297	5,006,200	-	408,548,497	15%	277,867,223	37,646,324	-	315,513,547
4	Furniture & Fixture	64,935,559	5,130,323	-	70,065,882	10%	44,282,720	4,251,861	-	48,534,581
5	Office Equipment	314,453,190	17,267,314	(617,990)	331,102,514	15%-20%	250,181,226	23,827,262	(364,294)	273,644,194
6	Distribution Equipment	9,685,783,978	1,921,549,382	-	11,617,333,360	3%-10%	3,299,134,839	534,499,213	-	3,833,634,052
7	Distribution Line	17,475,734,879	514,972,321	-	17,990,707,400	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)	34,155,486,338		10,769,233,319	1,264,710,219	(364,294)	12,033,579,244
1	Right-of-use assets	-	35,080,773	-	35,080,773	-	-	6,286,533	-	6,286,533
	Sub Total	-	35,080,773	-	35,080,773		-	6,286,533	-	6,286,533
										28,794,240
										28,794,239



Dhaka Electric Supply Company Ltd.(DESCO)

Schedule of Intangible Assets
As at June 30, 2021

SL No.	Category of Assets	Cost			Rate	Amortization			Written down value as on 30-06-21
		Balance as on 01-07-20	Addition during the Year	Adjustment		Balance as on 01-07-20	Charged during the year	Adjustment	
1	Software & Software development	143,251,368	49,897,867	-	15%	50,017,272	18,338,584	-	124,793,379
	Total	143,251,368	49,897,867	-		50,017,272	18,338,584	-	124,793,379

Allocation of Depreciation:

Depreciation (Direct)	1,489,651,312
Depreciation (Indirect)	96,481,757
	<u>1,586,133,069</u>

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		Balance as on 01-07-19	Charged during the year	Adjustment	
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

