

নিরীক্ষা প্রতিবেদন  
AUDITORS' REPORT

OF

Northern Electricity Supply Company Limited  
For the year ended June 30, 2017



Solution.....Begins



রহমান মোস্তফা আলম এন্ড কোং  
**RAHMAN MOSTAFA ALAM & CO.**  
CHARTERED ACCOUNTANTS

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# Rahman Mostafa Alam & Co.

## Chartered Accountants



### Auditors' Report to the shareholders Of Northern Electricity Supply Company Limited

We have audited the accompanying financial statements of **Northern Electricity Supply Company Limited** ("the company") which comprises the Statement of Financial Position as at June 30, 2017, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in notes 1 to 24 and annexure A-B.

#### Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Company Act 1994 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.

#### Auditors' Responsibility

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

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

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

#### Basis for qualified opinion:

Assets of the company acquired during the year were based on a draft vendor's agreement, which excludes land related with the assets. As per para 18 of BFRS 3 Business Combination "the acquirer shall measure the identifiable assets acquired and liability assumed at their acquisition-date fair value" but such valuation report was not produced before us for our verification.

#### Opinion:

In our opinion, except for the effect of the matter disclosed in the basis for qualified opinion paragraph the Financial Statements present fairly, in all material respect, the financial position of **Northern Electricity Supply Company Limited** as at June 30, 2017 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the applicable sections of the Companies Act 1994 and other applicable laws and regulations.

#### We also report that:

- a) we have obtained all the information and explanations which to be best of our knowledge and believe were necessary for the purposes of our audit and made the verification thereof;
- b) in our opinion, proper books of account are required by the law have been kept by the company so far as it appeared from our examination of these books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Dated : Dhaka  
February 19, 2018

  
Rahman Mostafa Alam & Co.  
Chartered Accountants



**Northern Electricity Supply Company Limited**  
**Statement of Financial Position**  
**As at June 30, 2017**

Particulars	Notes	Amount in Tk.	
		June 30, 2017	June 30, 2016
<b>ASSETS:</b>			
<b>Non-current assets</b>		<b>11,637,614,311</b>	<b>3,025,552</b>
Property, plant & equipment	3.00	11,637,614,311	3,025,552
<b>Current assets</b>		<b>12,396,045,617</b>	<b>352,771</b>
Stock and Stores	4.00	490,284,753	-
Account Receivable- Consumers	5.00	5,842,945,809	-
Advance, deposits and prepayments	6.00	269,479,947	226,794
Cash and cash equivalents	7.00	5,030,449,364	125,977
Clearing Accounts Balance	Annx.-B	762,885,745	-
<b>Total assets</b>		<b>24,033,659,929</b>	<b>3,378,323</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity</b>		<b>5,993,486,225</b>	<b>(67,559,629)</b>
Share capital	8.00	999,900	999,900
BPDB's Equity	9.00	8,342,100,000	-
Retained Earnings/(Loss)		(2,349,613,675)	(68,559,529)
<b>Non-current liabilities</b>		<b>3,301,844,691</b>	<b>66,798,918</b>
Loan from BPDB	10.00	74,981,134	64,981,134
Govt Loan (not yet due)	9.00	1,009,500,000	-
Foreign Loan (not yet due)	9.00	2,205,500,000	-
Gratuity and CPF	11.00	3,596,334	1,817,784
Fund For Employees Honorarium	12.00	8,267,223	-
<b>Current liabilities</b>		<b>14,738,329,013</b>	<b>4,139,033</b>
Accounts Payables- BPDB and PGCB	13.00	3,310,683,579	-
Accounts Payable- Contractors & Supplier	14.00	59,047,012	-
Accounts Payable- Others	15.00	1,014,457	-
Other Payables to BPDB	16.00	9,967,436,838	-
Deposit Work	17.00	396,543,137	-
Security Deposit	18.00	999,204,296	-
Liabilities for expenses	19.00	4,399,694	4,139,033
<b>Total equity and liabilities</b>		<b>24,033,659,929</b>	<b>3,378,323</b>

The annexed notes 1 to 24 and Annexure 'A and B' form an integral part of these financial statements.

Company Secretary

Managing Director

Director

Signed in terms of our separate report of even date.

Dated: Dhaka  
February 19, 2018



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





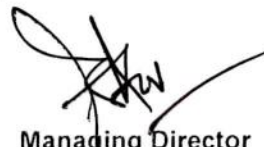
**Northern Electricity Supply Company Limited**  
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended June 30, 2017

Particulars	Notes	Amount in Tk.	
		2016-2017	2015-2016
<b>Revenue from Operations</b>		<b>13,736,901,717</b>	-
Energy Sales		13,564,751,300	-
Other Operating Income	20.00	172,150,417	-
<b>Less: Energy Cost</b>	21.00	<b>15,845,338,697</b>	-
<b>Gross Profit</b>		<b>(2,108,436,980)</b>	-
<b>Operating Expenses:</b>			
General Administrative Expenses	22.00	294,519,502	12,141,081
General Maintenance Expenses	23.00	3,759,386	-
<b>Profit/(Loss) from Operations</b>		<b>(2,406,715,868)</b>	<b>(12,141,081)</b>
Finance Cost		-	-
Other Income	24.00	125,661,722	216,336
<b>Net profit/(loss)</b>		<b>(2,281,054,146)</b>	<b>(11,924,745)</b>

The annexed notes 1 to 24 and Annexure -'A and B' form an integral part of these financial statements.



Company Secretary



Managing Director



Director

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

Dated: Dhaka  
February 19, 2018

  
Rahman Mostafa Alam & Co.  
Chartered Accountants





Northern Electricity Supply Company Limited  
Statement of Changes in Equity  
For the year ended June 30, 2017

Particulars	Share Capital	BPDB's Equity	Retained Earnings	Total
Balance as on July 01, 2015	999,900	-	(56,569,566)	(55,569,666)
Profit/(loss) during the year	-	-	(11,989,963)	(11,989,963)
Balance as on June 30, 2016	999,900	-	(68,559,529)	(67,559,629)
Balance as on July 01, 2016	999,900	-	(68,559,529)	(67,559,629)
Profit/(loss) during the year	-	-	(2,281,054,146)	(2,281,054,146)
Addition during the year	-	8,342,100,000	-	8,342,100,000
Balance as on June 30, 2017	999,900	8,342,100,000	(2,349,613,675)	5,993,486,225

Company Secretary

Managing Director


Director





**Northern Electricity Supply Company Limited**  
Statement of Cash Flows  
For the year ended June 30, 2017

Particulars	Amount in Tk.	
	2016-2017	2015-2016
<b>Cash flows from operating activities</b>		
Net profit/(loss) after tax	(2,281,054,146)	(11,989,963)
<b>Adjustment to net profit/(loss):</b>		
Depreciation	411,759,237	680,726
Increase/(Decrease) in liability for expenses	260,661	889,335
Increase/(Decrease) in Accounts Payables- BPDB and PGCB	3,310,683,579	-
Increase/(Decrease) in Accounts Payable- Contractors & Supplier	59,047,012	-
Increase/(Decrease) in Accounts Payable- Others	1,014,457	-
Increase/(Decrease) in other payables to BPDB	9,967,436,838	-
Increase/(Decrease) in Deposit Work	396,543,137	-
Increase/(Decrease) in Security Deposit	999,204,296	-
Increase/(Decrease) in Fund For Employees Honorarium	8,267,223	-
Increase/(Decrease) in Gratuity and CPF	1,778,550	-
(Increase)/ Decrease in receivables	(5,842,945,809)	-
(Increase)/ Decrease in stores and store	(490,284,753)	-
(Increase)/ Decrease in advance, deposit and prepayment	(269,253,153)	-
(Increase)/ Decrease in clearing accounts	(762,885,745)	-
<b>A. Net cash used in operating activities</b>	<b>5,509,571,383</b>	<b>(10,419,902)</b>
<b>Cash flows from investing activities</b>		
Acquisition of fixed assets	(12,046,347,996)	(524,710)
<b>B. Net cash used in investing activities</b>	<b>(12,046,347,996)</b>	<b>(524,710)</b>
<b>Cash flows from financing activities:</b>		
BPDB's Equity	8,342,100,000	-
Loan from BPDB	10,000,000	-
Govt. Loan (not yet due)	1,009,500,000	-
Foreign Loan (not yet due)	2,205,500,000	-
<b>C. Net cash generated in financing activities</b>	<b>11,567,100,000</b>	<b>-</b>
<b>Increase/(Decrease) in cash and cash equivalent (A+B+C)</b>	<b>5,030,323,387</b>	<b>(10,944,612)</b>
Cash and cash equivalent at beginning of the year	125,977	11,070,589
<b>Cash and cash equivalent at end of the year</b>	<b>5,030,449,364</b>	<b>125,977</b>

  
Company Secretary

  
Managing Director

  
Director







**Northern Electricity Supply Company Limited**  
**Notes to the Financial Statements**  
For the year ended June 30, 2017

**1. Background and objectives of the company**

**1.1 Legal Status**

Northern Electricity Supply Company Limited (known as NESCO) is a public limited company under Power Division of Ministry of Power, Energy and Mineral Resources, Government of the Peoples Republic of Bangladesh. Originally it was incorporated as North West Zone Power Distribution Company Limited and registered under the Companies Act 1994 with the Office of the Registrar of Joint Stock Companies and Firms (RJSC) and was known as NWZPDC. The office of RJSC issued Certificate of Incorporation vide No. C-58433 dated 03 August 2005 and a Certificate of Incorporation on the same day. The name of the Company was changed into Northern Electricity Supply Company Ltd. through an EGM held on 31 May 2017 and this change of name was registered with the office of RJSC on 12 September 2017 and confirmed by RJSC vide a Certificate issued on 12 September 2017. The Company is presently known as NESCO.

The Authorized Share Capital of the Company is Tk. 2,500,000,000 (Taka Two Hundred Fifty Crore) divided into 25,000,000 (Two Crore Fifty Lac) Ordinary Shares of Tk. 100 (Taka One Hundred) each while the Paid up Capital of the Company is Tk. 999,900 (Taka Nine Lac Ninety Nine Hundred) divided into 9,999 (Nine Thousand Nine Hundred Ninety Nine) Ordinary Shares of Tk. 100 (Taka One Hundred) each.

The Company was created as a part of the Power Sector Reform Program in order to provide electricity to the consumers of BPDB's distribution areas covering Rajshahi and Rangpur divisions (excluding REB area). The Company was entitled to operate business since the date as mentioned in the Certificate of Commencement of Business. The renewed License Number BERC/POWER/ELED-0005/L/0005(10300) dated 24 January 2017 is valid up to 11 February 2018.

NESCO took over the Commercial Operation and all Assets and Liabilities of BPDB's distribution areas covering Rajshahi and Rangpur divisions with effect from 01 October 2016 vide Letter No. 27.00.0000.088.99.006.16.336 dated 20/09/2016 issued by Power Division, Ministry of Power, Energy and Mineral Resources and Letter No. 102-বিউবো(কর্ম)/05/Lien-366/2016 dated 28/09/2016 issued by Bangladesh Power Development Board (BPDB). The Venor's Agreement / Transfer Deed in this regard is yet to complete.

**1.2 Nature of Business Activities:**

The principal activities of the organization is to generate, harness, develop, accumulate, distribute and supply electricity by setting up power plants by use of solid, liquid and gaseous fuels for the purpose of light, heat motive power and for all other purpose for which electric energy can be employed and to distribution and supply such power either directly or through transmission lines and facilities and other utilities to consumers of electricity of the area under restated Division excluding areas of Rural Electrification Board (REB)/Palli Bidyut Samities.

**1.3 Vision**

Provide quality and reliable electricity to the people of Rajshahi & Rangpur BPDB distribution commercial corporation area for desired customer satisfaction, economic, social and human development of the country.





#### 1.4 Mission

- To deliver quality electricity with service excellence;
- To make electricity available demand within the geographical area of NESCO;
- To ensure customers satisfaction;
- To develop new mindset for all of the employees congruent with corporate culture: & Digitalization of Services, System Automation, Automated Payment Collection System, Increase productivity.
- To reach self-sufficiency and profitability by increasing income and reducing expenditure.

#### 1.5 Principal Activities

The main objective of the company is to distribute electricity to its consumers effectively and efficiently. The main activities are as follow:

- a) Selling and distribution of electricity in the area of NESCO Ltd.;
- b) Maintenance and expansion of electricity distribution system;
- c) Undertaking development work related to electricity distribution, and
- d) Carry out any work supplementary to the major objectives;

### 2. Significant Accounting Policies and Basis for preparation of Financial Statements:

#### 2.1 Statement of Compliance

The Financial Statements of NESCO have been prepared in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), Companies Act 1994, and other applicable Laws and Regulations.

#### 2.2 Measurement bases used in preparing the Financial Statements

The financial statements have been prepared based on the accrual basis of accounting following going concern assumption and prepared under the historical cost convention.

#### 2.3 Functional and Presentational Currency

The financial statements are prepared in Bangladesh Taka (Tk.), which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

#### 2.4 Reporting period

The financial year of the company covers for the year from July 01, 2016 to June 30, 2017.







## 2.5 Components of Financial Statements:

According to International Accounting Standard (IAS)-1, as adopted by ICAB as BAS-1 "presentation of financial statements" the complete set of financial statements includes the following components:

- (i) Statement of Financial Position
- (ii) Statement of Comprehensive Income
- (iii) Statement of Changes in Equity and
- (iv) Statement of Cash Flows
- (v) Notes to the Financial Statements.

## 2.6 Cash and Cash Equivalents:

Cash comprises of cash at banks. BAS-1 "presentation of financial statement provides that cash and cash equivalents are not restricted in use. Cash in hand and bank balances have been considered as cash and cash equivalents.

## 2.7 Cash flows statement

The net cash flows from operating activities is determined by adjusting profit/ (loss) for the year under indirect method as per BAS 7.

## 2.8 General

- (ii) Figures shown in the accounts have been rounded off to the nearest taka.
- (iii) The Company has not yet held any AGM since incorporation and is in process to obtain permission in this regard from the honorable High Court Division of the Supreme Court of Bangladesh.
- (iv) The Company has not yet obtained TIN and VIN and did not submit Tax and VAT Returns.
- (v) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.





		Amount in Tk.	
		June 30, 2017	June 30, 2016
3.00	Property, plant & equipment		
	Cost at the beginning	12,594,626	12,069,916
	Add: Addition during the year	12,046,347,996	524,710
		<b>12,058,942,622</b>	<b>12,594,626</b>
	Less: Accumulated depreciation	421,328,311	9,569,074
	<b>Written down value</b>	<b>11,637,614,311</b>	<b>3,025,552</b>
	Details shown in annexure-'A'		
4.00	Stock and Stores		
	As per Vendor Agreements	461,800,000	-
	Addition during the year	28,484,753	-
	Adjustment during the year	-	-
	<b>Closing balance</b>	<b>490,284,753</b>	<b>-</b>
5.00	Accounts Receivables- Consumers		
	As per Vendor Agreements	5,644,100,000	-
	Addition during the year	13,564,751,300	-
	Collection during the year	13,365,905,492	-
	<b>Closing balance</b>	<b>5,842,945,809</b>	<b>-</b>
6.00	Advance, deposit & prepayments		
	Tax deducted at source	6.01 7,880,985	158,444
	Telephone security	18,350	18,350
	Advance house rent	6.02 648,000	50,000
	Temporary Advance	232,612	-
	<b>As per Vendor Agreements</b>		
	Advance to employees	219,100,000	-
	Advance to Contractors	5,000,000	-
	Prepaid and Deposit	36,600,000	-
	<b>Closing balance</b>	<b>269,479,947</b>	<b>226,794</b>
6.01	Tax deducted at source		
	Opening balance	158,444	158,444
	Add: Addition made during the year	7,722,541	41,251
		<b>7,880,985</b>	<b>199,695</b>
	Less: Adjustment made during the year	-	41,251
	<b>Closing balance</b>	<b>7,880,985</b>	<b>158,444</b>
6.02	Advance house rent		
	Opening balance	50,000	-
	Addition during the year	730,000	50,000
	Adjustment during the year	132,000	-
	<b>Closing balance</b>	<b>648,000</b>	<b>50,000</b>







		Amount in Tk.	
		June 30, 2017	June 30, 2016
7.00	Cash & cash equivalents		
	FDR- Against Miscellenious/Revenue Fund	1,300,000 ✓	-
	Petty Cash Fund	501,500 ✓	-
	Cash in Bank-Pension Account	71,821 ✓	-
	Cash in Bank-Local Collection Account	2,839,089,837 ✓	-
	Cash in Bank-Miscellaneous Collection Account	4,068,650	-
	Cash in Bank-Consumers Security Deposit Account	104,960,045	-
	Cash in Bank-Regional Accounting Office	128,316,990 ✓	-
	Cash in Bank-Collection Retention Account	-	-
	Cash in Bank-Regional Collection Account	1,065,770,940	125,977
	Cash in Bank- Regional Miscellaneous Collection Account	5,288,343 ✓	-
	Cash in Bank-Regional Consumers Security Deposit Account	19,405,222 ✓	-
	Cash in Bank- Deposit Account	88,503,976 ✓	-
	Cash at Bank- Central Bank Account	-	-
	Cash at Bank - Zonal Central Bank Account	773,172,039 ✓	-
	Closing balance	<u>5,030,449,364</u>	<u>125,977</u>
8.00	Share capital		
	Authorized share capital :		
	25,000,000 Ordinary shares @ Tk. 100 each	<u>2,500,000,000</u>	<u>2,500,000,000</u>
	Subscribed & paid-up capital :		
	9999 Ordinary shares @ Tk. 100 each	<u>999,900</u>	<u>999,900</u>
	8.01		





Amount in Tk.	
June 30, 2017	June 30, 2016

8.01 Subscribed & paid-up capital has been made as follows:

Name of the Subscriber	Number of share taken by each subscriber	Amount
1 Mr. Nazrul Islam Secretary Power Division Ministry of Power, Energy & Mineral Resources Government of Bangladesh	9,993	999,300
2 Mr Md. Wahidunnabi Choudhury Joint Secretary (Admin) Power Division Ministry of Power, Energy & Mineral Resources Government of Bangladesh	1	100
3 Mr. Rafiqul Islam Secretary Member Distribution ,Bangladesh Power Development Board	1	100
4 Mr. A.B.M Abul Kashem Joint Secretary (Administration & Coordination) Finance Division Ministry of Finance Government of Bangladesh	1	100
5 Engr. Md. Lutfur Rahman Chairman Member Distribution ,Bangladesh Power Development Board	1	100
6 Mr. Md. Lutfar Rahman President Rajshahi Chember of Commerce & Industries,Rajshahi	1	100
7 Mr. Serajul Islam President Rajshahi Chember of Commerce & Industries,Rajshahi	1	100
	9,999	999,900







Amount in Tk.	
June 30, 2017	June 30, 2016

**9.00 BPDB's Equity**

This was made up as per vendor agreement between BPDB and NESCO Ltd.

**A. Assets:**

Building	382,300,000
Plant and Machinery	11,445,100,000
Transport/Vehicles	19,100,000
Furniture and Fixture	114,800,000
Stores	461,800,000
<b>Total Assets</b>	<b>12,423,100,000</b>

**B. Liabilities:**

Consumer Security Deposit	866,000,000
Govt. Loan (not yet due)	1,009,500,000
Foreign Loan (not yet due)	2,205,500,000
<b>Total Liabilities</b>	<b>4,081,000,000</b>

**BPDB's Equity (A-B)**

**8,342,100,000**

**10.00 Loan from BPDB**

Janata bank Ltd. (Abdul gani road branch)	10,470,250	10,470,250
Agrini bank Ltd. (WAPDA branch)	8,743,250	8,743,250
Agrini bank Ltd. (WAPDA branch)	16,124,700	16,124,700
Pubali bank Ltd.	23,804,057	23,804,057
AB bank Ltd.	6,838,777	6,838,777
Addition during the year	10,000,000	-
	<b>75,981,034</b>	<b>65,981,034</b>
Less: Accounts receivable	999,900	999,900
<b>Closing balance</b>	<b>74,981,134</b>	<b>64,981,134</b>

**11.00 Gratuity and CPF**

Gratuity	11.01	2,518,200	1,739,100
CPF	11.02	1,078,134	78,684
		<b>3,596,334</b>	<b>1,817,784</b>

**11.01 Gratuity**

Opening balance	1,739,100	-
Addition during the year	779,100	1,739,100
Adjustment during the year	-	-
<b>Closing balance</b>	<b>2,518,200</b>	<b>1,739,100</b>

**11.02 CPF**

Opening balance	78,684	-
Addition during the year	999,450	78,684
Adjustment during the year	-	-
<b>Closing balance</b>	<b>1,078,134</b>	<b>78,684</b>





		Amount in Tk.	
		June 30, 2017	June 30, 2016
<b>12.00 Fund For Employees Honorarium</b>			
Opening balance		-	-
Addition during the year		37,637,759	-
Adjustment during the year		29,370,537	-
<b>Closing balance</b>		<b>8,267,223</b>	-
<b>13.00 Accounts Payables- BPDB and PGCB</b>			
Electricity purchase- BPDB	13.01	2,993,770,071	-
Wheeling charge- PGCB	13.02	316,913,508	-
<b>Closing balance</b>		<b>3,310,683,579</b>	-
<b>13.01 Electricity Purchase- BPDB</b>			
Opening balance		-	-
Addition during the year		12,961,662,159	-
Adjustment during the year		9,967,892,088	-
<b>Closing balance</b>		<b>2,993,770,071</b>	-
<b>13.02 Wheeling charge- PGCB</b>			
Opening balance		-	-
Addition during the year		646,913,508	-
Adjustment during the year		330,000,000	-
<b>Closing balance</b>		<b>316,913,508</b>	-
<b>14.00 Accounts Payables- Contractors and Suppliers</b>			
Opening balance		-	-
Addition during the year		68,341,626	-
Adjustment during the year		9,294,614	-
<b>Closing balance</b>		<b>59,047,012</b>	-
<b>15.00 Accounts Payables- Others</b>			
Opening balance		-	-
Addition during the year		1,059,818	-
Adjustment during the year		45,361	-
<b>Closing balance</b>		<b>1,014,457</b>	-
<b>16.00 Other Payables to BPDB</b>			
This has been made as per Vendor Agreement:			
Cash and cash equivalents		4,062,636,838	-
Accounts Receivables		5,644,100,000	-
Advance to Employee		219,100,000	-
Advance to Contractor		5,000,000	-
Prepaid and Deposit		36,600,000	-
<b>Closing balance</b>		<b>9,967,436,838</b>	-

**Note:** As per provisional vendor agreement between BPDB and NESCO Ltd. cash and cash equivalent tk. 4,775,100,000.00 but physically NESCO Ltd. found in RAO's accounts tk. 4,062,636,837.86. So, tk. 4,062,636,837.86 has been included in NESCO Ltd.'s accounts.







		Amount in Tk.	
		June 30, 2017	June 30, 2016
<b>17.00 Deposit Work</b>			
Opening Balance		-	-
Addition during the year		396,543,137	-
Adjustment during the year		-	-
<b>Closing balance</b>		<b>396,543,137</b>	-
<b>18.00 Security Deposit</b>			
Consumers	18.01	988,726,633	-
Contractors and Suppliers	18.02	10,477,663	-
<b>Total</b>		<b>999,204,296</b>	-
<b>18.01 Opening balance</b>		866,000,000	-
Addition during the year		122,726,633	-
Adjustment during the year		-	-
<b>Closing balance</b>		<b>988,726,633</b>	-
<b>18.02 Security Deposit- Contractors and Suppliers</b>			
Opening balance		-	-
Addition during the year		54,497,719	-
Adjustment during the year		44,020,056	-
<b>Closing balance</b>		<b>10,477,663</b>	-
<b>19.00 Liability for expenses</b>			
Interest Suspense		1,942,293	1,942,293
Salaries		786,840	786,840
Employees other salary deduction		273,209	-
Electricity bill		2,493	2,493
Leave encashment		723,594	723,594
Petrol, Oil & Lubricants		66,148	66,148
Veh. Repair & Maint		24,010	24,010
Telephone bill		4,278	4,278
Internet bill		2,000	2,000
Miscellaneous		11,252	11,252
Audit fee		129,750	34,500
Withholding tax		306,318	414,116
VAT Payable		74,391	74,391
Tax provision		53,118	53,118
<b>Closing balance</b>		<b>4,399,694</b>	<b>4,139,033</b>
<b>20.00 Other Operating Income</b>			
Connection and Disconnection Fees		63,176,184	-
Late Payment Surcharge/Interest on consumers Bill		104,190,208	-
Sale of Scrap Materials		13,840	-
Income from Cargo Transfer		4,613,218	-
Penalty for Unauthorised Connection		156,967	-
<b>Total</b>		<b>172,150,417</b>	-
<b>21.00 Energy Cost</b>			
Cost of Energy		12,961,662,159	-
Wheeling Charge		646,913,508	-
Distribution Operating Expenses	21.01	1,689,627,652	-
Distribution Maintenance Expenses	21.02	165,243,267	-
Depreciation for Plant and Machinery	Anx-A	381,892,101	-
<b>Total</b>		<b>15,845,338,697</b>	-





Amount in Tk.	
June 30, 2017	June 30, 2016

**21.01 Distribution Operating Expenses**

Pay of Officers	150,256,920	-
Pay of Staff	480,569,195	-
Allowances of Officers	75,620,724	-
Allowances of Staff	366,678,426	-
Leave encashment	13,046,995	-
Overtime Allowances (Single rate)	11,344,886	-
Overtime Allowances (Double rate)	108,964,150	-
Travelling Expenses/Allowance (Official Work)	16,919,018	-
Travelling Expenses/Allowance (Training)	764,125	-
Convenience Charge	784,307	-
Medical Expenses	3,693,527	-
Washing Expenses	88,699	-
Representation and Entertainment	44,900	-
Bonus for Officer	12,645,200	-
Bonus for Staff	48,932,480	-
Bonus for Officer-BENGALI NEW YEAR	3,054,020	-
Bonus for Staff-BENGALI NEW YEAR	9,726,221	-
Stationary and Printing	10,058,408	-
Taxes, Licence and Fees	11,610,567	-
Office rent	1,808,580	-
Water Charge	27,000	-
Electricity Charges (Own use)	61,342,207	-
Employees Electricity Rebate	38,535,412	-
Electricity Rebate - Freedom fighters	1,142,496	-
Uniforms and Liveries	3,608,185	-
Post and Telegram	267,007	-
Telephone, Talex and Fax	1,921,608	-
Advertising and Promotion	6,843,260	-
Legal Expenses	185,090	-
Books and Periodicals	178,845	-
Petrol, Diesel and Lubricants Used for Transport	37,617,956	-
Stores and Spares Used	5,887,199	-
Freight and Handling	59,065,639	-
Donation and Contribution	519,412	-
Training and Education Expense Local	839,776	-
Employees Others Benefit and Welfare Expenses	591,910	-
Leave encashment on Retirement	21,302,615	-
Leave Salary and Pension Contribution for Transfer	(470,000)	-
Insurance (for Goods and Property)	402,475	-
Insurance for Vehicles & Others	743,481	-
Bank Charge and Commission	28,775,613	-
Honorarium - Punishment/Reward scheme	13,261,521	-
Honorarium - Others	989,095	-
Wages for Hired Labour	79,438,512	-
<b>Total</b>	<b>1,689,627,662</b>	-

**21.02 Distribution Maintenance Expenses**

Structures and Improvement	36,332,318	-
Poles and Fixtures	8,986,995	-
Overhead Conductor and Devices	73,403,856	-
Line Transformer -Purchase	30,138,160	-
Transportation Equipment	12,687,641	-
Office Furniture and Equipments	1,368,652	-
Store Equipment	2,325,645	-
<b>Total</b>	<b>165,243,267</b>	-







22.00 General Administrative Expenses

Amount in Tk.		
	June 30, 2017	June 30, 2016
Pay of Officers	39,643,701	-
Pay of Staff	41,965,663	-
Allowances of Officers	22,072,095	-
Allowances of Staff	26,621,547	-
Leave encashment	563,613	-
Overtime Allowances (Single rate)	969,546	-
Overtime Allowances (Double rate)	6,101,931	-
Travelling Expenses/Allowance (Official Work)	6,422,794	-
Travelling Expenses/Allowance (Training)	313,804	-
Convenence Charge	307,688	-
Medical Expenses	327,827	-
Washing Expenses	10,305	-
Representation and Entertainment	409,897	-
Bonus for Officer	4,263,440	-
Bonus for Staff	3,893,000	-
Bonus for Officer-BENGALI NEW YEAR	757,886	-
Bonus for Staff-BENGALI NEW YEAR	876,656	-
Stationary and Printing	3,431,509	-
Taxes, Licence and Fees	14,972,589	-
Office rent	276,348	-
Electricity Charges (Own use)	1,922,438	-
Employees Electricity Rebate	3,441,016	-
Uniforms and Liveries	171,496	-
Post and Telegram	145,367	-
Telephone, Talex and Fax	682,298	-
Advertising and Promotion	2,912,350	-
Legal Expenses	206,820	-
Books and Priodicals	58,317	-
Diesel/Furnece oil Used for Electricity Generation	603,835	-
Petrol, Disel and Lubricants Used for Transport	3,691,457	-
Stores and Spares Used	14,606	-
Donation and Contribution	779,100	-
Training and Eduction Expense Local	292,000	-
Employees Others Benefit and Welfare Expenses	249,000	-
Board's Contribution to CPF	499,725	-
Leave encashment on Retirement	3,614,992	-
Insurance (for Goods and Property)	363,971	-
Insurance for Vehicles & Others	124,845	-
Group Insurance Premium	20,172	-
Bank Charge and Commision	221,563	-
Honorarium - Punishment/Reward scheme	1,867,061	-
Honorarium - Others	1,201,635	-
Consultant's fee - Foreign	9,000	-
Wages for Hired Labour	13,966,185	-
Computerization of Commercial Operation	52,920,595	-
Depreciation expenses	29,867,135	-
Audit fees	95,250	-
Previous year's expenses	375,434	-
<b>Total</b>	<b>294,519,502</b>	<b>-</b>





Amount in Tk.	
June 30, 2017	June 30, 2016

**23.00 General Maintenance Expenses**

Structures and Improvement	23,300	-
Overhead Conductor and Devices	700	-
Transportation Equipment	3,109,261	-
Office Furniture and Equipments	601,125	-
Store Equipment	25,000	-
<b>Total</b>	<b>3,759,386</b>	<b>-</b>

**24.00 Other Income**

Interest on Bank Account	100,154,856	-
Interest on Security Deposit	100,763	-
Interest on HB Loan etc.	2,878,432	-
House Rent Recovery	1,707,382	-
Transport Charge	71,341	-
Misc. Income	16,864,624	-
Rental Income - Land Lease	3,392,189	-
Interest on Bank Account- DW	492,136	-
<b>Total</b>	<b>125,661,722</b>	<b>-</b>

**25.00 Approval of Financial Statements**

The financial statement were approved by the the Board of Directors in its 62nd meeting held on February 19, 2018.



Northern Electricity Supply Company Limited  
Schedule of Property, Plant and Equipment  
As at June 30, 2017

Annexure-A

Particulars	Cost			Rate (%)	Depreciation			W.D.V as at 30.06.17
	Balance as at 01.07.16	Vendor's Agreement	Addition during the year		Balance as on 01.07.16	Charged during the year	Total as at 30.06.17	
Building	-	382,300,000	25,573,985	3%	-	13,156,397	13,156,397	394,717,588
Distribution Line and Equipment	-	11,445,100,000	46,262,551	3%	-	381,892,101	381,892,101	11,109,470,450
Trucks	10,857,000	19,100,000	-	20%	8,809,483	4,229,503	13,038,986	16,918,014
Office Furniture	1,189,316	114,800,000	9,220,835	10%	644,553	11,995,518	12,640,071	112,570,080
Computer & Equipment	548,310	-	3,990,625	20%	115,038	485,717	600,755	3,938,180
<b>Total</b>	<b>12,594,626</b>	<b>11,961,300,000</b>	<b>85,047,996</b>		<b>9,569,074</b>	<b>411,759,237</b>	<b>421,328,311</b>	<b>11,637,614,311</b>

Note that The Property plant and equipment had been transferred from BPDB on the basis of Vendor's agreement in amounting TK . 1196.13 crore Except Land.

This has been made as per vendor agreement:

Particulars	Cost Value	Accumulated Depreciation	Net Value
Building	1,399,700,000	1,017,400,000	382,300,000
Distribution Line and Equipment	20,544,700,000	9,099,600,000	11,445,100,000
Trucks	172,200,000	153,100,000	19,100,000
Office Furniture	155,900,000	41,100,000	114,800,000
<b>Total</b>	<b>22,272,500,000</b>	<b>10,311,200,000</b>	<b>11,961,300,000</b>








Northern Electricity Supply Company Limited  
Schedule of Clearing Accounts  
For the year ended June 30, 2017

Annexure- B

Code	Titles	Debit	Credit
901	Remittance to Regional Collection Accounts	12,572,560,362	-
903	Principal Remittance from Local Collection Accounts.	-	12,572,560,362
905	Remittance to Central Bank Account	3,390,607,722	-
905A	Remitt. To Zonal Central Bank Account	9,359,057,996	-
906A	Remitt. From Zonal Regional Bank Account	-	9,359,057,996
907A	Remitt. To Regional Bank A/C from Zonal Central Bank A/c	2,339,977,830	-
908	Remittance from Central Bank Account	62,822,000	74,602,000
908A	Remittance From Zonal Central Bank Account	-	2,339,977,830
909	Remittance from Retention Account	42,732,201	14,432,150
912	Remittance Pension Account	779,100	-
915	Remittance GPF / CPF Account	413,458	-
916	Clearing Account - Local Office	608,162,059	608,162,059
918	Clearing Account - Central Office (To be used by RAO)	2,543,244,782	5,303,870,500
919	Remittance Miscellaneous Account	4,870,674	5,012,628
920	Remittance to Regional Consumers S/D Account	96,696,041	96,696,041
921	Remittance to Central Bank Miscellaneous Collection Account	42,587,136	-
922	Remittance to Central Bank Consumers S/D Account	72,746,017	-
	<b>Total</b>	<b>31,137,257,379</b>	<b>30,374,371,634</b>

Debit Balance of Clearing Accounts

762,885,745

  
Company Secretary

  
Managing Director

  
Director

