

Bangladesh Power Equipment Manufacturing Company Limited
Plot- 9/F, Sena Kalyan Commercial Complex
4th Floor, Tongi, Gazipur

Bangladesh Power Equipment Manufacturing Company Limited
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
As at and for the year ended 30 June 2022

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Chartered Accountants
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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
OF
Bangladesh Power Equipment Manufacturing Company Limited**

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **Bangladesh Power Equipment Manufacturing Company Limited**, which comprise the statement of financial position as at 30 June 2022, and the 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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) 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 opinion.

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 auditor's report thereon.

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.



Responsibilities of Management of Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRSs), 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 preparation 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.

Auditor's 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 auditor's 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 of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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, designed and performed 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;
- Obtained an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;



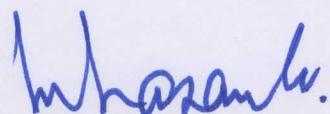
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and We also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the 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 account.



Md. Farhad Husain Suman FCA

Partner

K. M. HASAN & CO.

Chartered Accountants

Enrollment No. :1635

DVC: 2212151635AS221906

Place: Dhaka

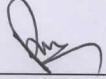
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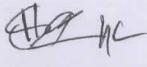


Bangladesh Power Equipment Manufacturing Company Limited
Statement of Financial Position
As at 30 June 2022

	Notes	2022 <u>Taka</u>	2021 <u>Taka</u>
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	29,095,886	34,035,626
Right of Use Assets	5	4,256,465	-
Deferred tax asset	6	918,226	-
		34,270,577	34,035,626
Current Assets			
Inventories	7	34,192,782	132,250,508
Accounts Receivable	8	287,203,503	148,314,101
Advance, Deposit and Prepayments	9	5,420,954	4,190,268
Advance Income Tax	10	17,833,865	53,177,446
Investment in Fixed Deposit Receipts	11	105,022,800	175,022,800
Cash and Cash Equivalents	12	14,730,584	487,362,538
		464,404,488	1,000,317,661
Total Assets		498,675,064	1,034,353,287
EQUITY AND LIABILITIES			
Equity			
Share Capital	13	75,982,080	75,982,080
Retained Earnings		178,399,761	135,749,220
		254,381,841	211,731,300
Current Liabilities			
Lease Liabilities	14	4,571,789	-
Accounts Payable	15	191,063,590	652,488,922
Liability For Expenses	16	26,745,288	2,152,340
Short Term Loan		-	100,000,000
Provision for WPPF		4,111,251	9,711,532
Provision for Income Tax	17	17,801,305	58,269,193
		244,293,223	822,621,987
Total Equity and Liabilities		498,675,064	1,034,353,287

Annexed notes form an integral part of these financial statements.


 Company
Secretary

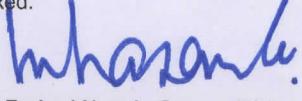

 Chief Financial
Officer


 Chief Executive Officer


 Director


 Director

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


 Md. Farhad Husain Suman FCA
 Partner
 K. M. HASAN & CO.
 Chartered Accountants
 Enrollment No. :1635
 DVC: 2212151635AS221906

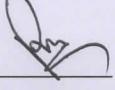
Place: Dhaka
 Dated: 28 November 2022



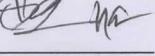
Bangladesh Power Equipment Manufacturing Company Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	2022 Taka	2021 Taka
Revenue			
Cost Of Goods Sold	18	317,141,130 (228,589,732)	965,081,380 (724,632,081)
Gross Profit		88,551,398	240,449,299
Operating Expenses			
Administrative Expenses	19	(24,676,590)	26,456,779
Selling and Distribution Expenses	20	(733,401) (25,409,991)	244,675 26,701,454
Operating Profit		63,141,407	213,747,845
Other Income	21	92,037	304,985
Interest Income	22	6,820,531	3,190,185
Finance Expense	23	(4,111,919) 2,800,650	(13,300,838) (9,805,667)
Profit Before Contribution to WPPF		65,942,056	203,942,178
Contribution to WPPF		(3,140,098)	(9,711,532)
Profit Before Tax		62,801,959	194,230,646
Provision for Income Tax		(17,270,539)	(58,269,194)
Deferred Tax Income		918,226	-
Profit After Tax		46,449,646	135,961,452
Other Comprehensive Income		-	-
Total Comprehensive Income		46,449,646	135,961,452

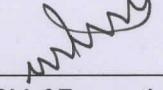
Annexed notes form an integral part of these financial statements.



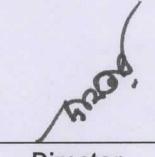
Company
Secretary



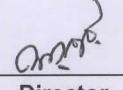
Chief Financial
Officer



Chief Executive
Officer

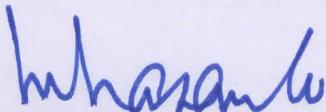


Director



Director

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



Md. Farhad Husain Suman FCA
 Partner
 K. M. HASAN & CO.
 Chartered Accountants
 Enrollment No. :1635
 DVC: 2212151635AS221906

Place: Dhaka
 Dated: 28 November 2022



Bangladesh Power Equipment Manufacturing Company Ltd.
Statement of Changes in Equity
For the year ended 30 June 2022

Amount in Taka

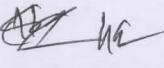
Particular	Share Capital	Retained Earnings	Total
Opening Balance as at 2021	75,982,080	135,749,220	211,731,300
Addition during the year	-	-	-
Cash dividend paid during the year	-	(3,799,104)	(3,799,104)
Profit after tax during the year	-	46,449,646	46,449,646
Balance as at 30 June 2022	75,982,080	178,399,761	254,381,841

For the year ended 30 June 2021

Amount in Taka

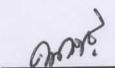
Particular	Share Capital	Share Money Deposits	Retained Earnings	Total
Opening Balance as at 2020	36,000,000	131,352	(212,232)	35,919,120
Addition during the year	39,850,728	-	-	39,850,728
Transferred to share capital	131,352	(131,352)	-	-
Profit after tax during the year	-	-	135,961,452	135,961,452
Balance as at 30 June 2021	75,982,080	-	135,749,220	211,731,300


Company Secretary

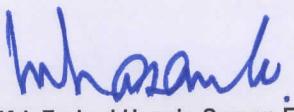

Chief Financial Officer


Chief Executive Officer


Director


Director

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


Md. Farhad Husain Suman FCA
 Partner
K. M. HASAN & CO.
 Chartered Accountants
 Enrollment No. :1635
 DVC: 2212151635AS221906

Place: Dhaka
 Dated: 28 November 2022



Bangladesh Power Equipment Manufacturing Company Ltd.

Statement of Cash Flow

For the year ended 30 June 2022

	2022 <u>Taka</u>	2021 <u>Taka</u>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(Loss) before tax	62,801,959	194,230,646
Adjustments for Non-Cash Items:		
Depreciation	12,049,930	4,111,254
	74,851,888	198,341,900
Changes in working capital:		
(Increase)/Decrease in Inventories	98,057,726	(132,250,508)
(Increase)/Decrease in Accounts receivable	(138,889,402)	(148,314,101)
(Increase)/Decrease in advance, deposits and prepayments	(1,230,686)	(947,518)
(Increase)/Decrease in Advance income tax	35,343,581	(53,127,423)
Increase/(Decrease) in Accounts payable	(461,425,332)	652,488,922
Increase/(Decrease) in Liabilities for expenses	24,592,948	1,008,564
Increase/(Decrease) in Provision for WPPF	(5,600,281)	9,711,532
Income Tax paid	(57,738,426)	(162,578)
Cash flows from/(used in) Operation	(506,889,873)	328,406,890
Net cash flows from/(used in) operating activities	(432,037,984)	526,748,790
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work-in-progress	-	12,696,621
Property, plant and equipment	(725,492)	(38,146,880)
Encashment/(Investment) in Fixed Deposit Receipts (FDR)	70,000,000	(175,022,800)
Net cash flows (used in) investing activities	69,274,508	(200,473,059)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital	-	39,982,080
Share money deposit	-	(131,352)
Cash dividend paid	(3,799,104)	-
Principal payment of lease	(6,069,374)	-
Short term loan (Paid)/Received	(100,000,000)	100,000,000
Net cash flows from financing activities	(109,868,478)	139,850,728
D. Changes in cash and cash equivalents (A+B+C)	(472,631,954)	466,126,458
E. Opening cash and cash equivalents	487,362,538	21,236,079
Closing cash and cash equivalents (D+E)	14,730,584	487,362,538



Company
Secretary



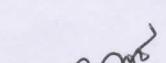
Chief
Financial
Officer



Chief Executive Officer



Director



Director

Place: Dhaka
Dated: 28 November 2022



Bangladesh Power Equipment Manufacturing Company Limited
Notes To The Financial Statements
As at and for the year ended 30 June 2022

1. Reporting entity

1.1 Legal status

"Bangladesh Power Equipment Manufacturing Company Limited" incorporated in Bangladesh with the Register of Joint Stock Companies and Firms (RJSC) vide registration no C-156671/ dated 31 October 2019 as a private limited company under the companies Act, 1994 after getting cabinet approval on 19 August 2019. The Company also got KEMA certificate on 28 May 2020 and Trade License on 30 June 2020. The register office of the company is at House#19, Road#1/B, Sector#9, Uttara, Daka.

1.2 Nature of business

The principal activities of the company is to carry on the bussiness with the object of assembling and manufacturing kwh meters, smart prepayment meters and other related equipment that means smart prepayment meters and other electric items.

2 Summary of significant accounting policies and other material information:

2.1 Statement of Compliance:

The financial statements have been prepared in conformity with the provisions of the Companies Act 1994, International Financial Reporting Standard and other relevant rules and regulations

2.2 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the going concern principle and historical cost convention. The significant accounting policies are set out below.

2.3 Structure Contents and Presentation of Financial Statements

The presentation of the financial statements is in accordance with the guidelines provided by IAS-1:

"Presentation of Financial Statements". A complete set of financial statements comprise:

The financial statements comprise of:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash Flows;
- e) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements.



2.4 Other Regulatory Compliance

The Company is required to comply with amongst others, the following laws and regulations with latest amendments:

- a) The Companies Act 1994;
- b) The Income Tax Ordinance 1984 with latest amendments;
- c) The Income Tax Rules 1984 with latest amendments; and
- d) The Value Added Tax and Supplementary Duty Act, 2012 with latest amendments;
- e) Labor Law 2006, amended in 2013

2.5 Accrual Basis

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

2.6 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment, there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.7 Statement of Cash Flows

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Indirect Method.

3 Property, Plant and Equipment

As per IAS-16, Property, Plant and Equipment are stated at their historical cost less accumulated depreciation. Depreciation is charged on all other assets on straight line method. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the assets are derecognized.

i. Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

ii. Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss, which is determined with reference to the net book value of the assets and net sales proceeds.



iii. Impairment of Asset

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired.

3.1 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost comprises invoice value plus applicable handling charges. Net realizable value is based on estimated selling price less estimated cost to completion and selling expenses.

3.2 Employees' Benefit Scheme

Worker's Profit & Participation Fund

The company makes a regular allocation of 5% on net profit before tax to these funds and payment is made to the worker's as per provision of Labor Law 2006 chapter-15.

3.3 Leases IFRS-16

Bangladesh Power Equipment Manufacturing Company Limited. has applied IFRS 16: "Leases for the first time with the date of initial application of 01 July 2021 using modified retrospective approach where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

In according to IFRS 16 leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement the company recognizes a right-of-use asset and lease liability. The right-of-use asset is initially measured at the amount of the lease liability. After lease commencement, the company measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term.

3.4 Revenue Recognition

As per IFRS-15, Revenue is recognized as control is passed, either over time or at a point in time an entity recognizes revenue over time if one of the following criteria is met: the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; the entity's performance creates or enhances an asset that the customer controls as the asset is created; or the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.



Income refers to increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

3.5 Foreign Currency Transactions

As per IAS-21 Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the date of Statement of Financial position.

3.6 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

3.7 Accounts Receivables

Accounts Receivables are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad debt.

3.8 Accounts Payable

Accounts Payables are stated at their nominal value.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprises cash in hand, bank currents accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

3.10 Income Tax Expenses

The computation of current year income tax has been made in accordance with the provision of Finance Act 2022.

3.11 Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities have also been recognized in the statement of Profit or Loss as per IAS-12 "Income Taxes".



3.12 Provisions

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.13 Related Party Transaction

The objective of Related Party Disclosure IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

The Company transacts with related parties and recognize as per IAS 24 'Related Party Disclosures'. Related party transactions have been disclosed under Note- 24.

3.14 Comparative Information

Comparative information have been disclosed in respect of the year 2020-2021 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding the current years financial statements. Previous year's figures have been rearranged / reclassified / regrouped where necessary to conform to current year's financial presentation.

3.15 Financial Year

For this year financial year means, 01 July 2021 to 30 June 2022.

3.17 General

- i) These notes from an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- ii) Previous year's figure have been re-arranged/re-grouped where necessary to conform to the current year's financial presentation.
- iii) Figures in these notes and annexed financial statements have been rounded off to the nearest taka.

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost						Depreciation				Written down value at 30 June 2022
	As at 01 July 2021	Addition during the year	Disposal during the year	As at 30 June 2022	Rate %	As at 01 July 2021	Charged during the year	Adjustment during the year	As at 30 June 2022		
Plant Equipment	20,657,916	-	-	20,657,916	10%	1,032,896	2,065,792	-	3,098,688	17,559,228	
Office Equipment	838,835	436,588	-	1,275,423	20%	75,354	240,524	-	315,878	959,545	
Furniture Fixture	1,528,700	-	-	1,528,700	20%	270,837	305,740	-	576,577	952,123	
Air Condition	5,125,295	-	-	5,125,295	20%	939,637	1,025,059	-	1,964,696	3,160,599	
Interior Decoration	9,996,134	-	-	9,996,134	20%	1,792,530	1,999,227	-	3,791,757	6,204,377	
Motor Vehicle	-	288,904	-	288,904	20%	-	28,890	-	28,890	260,014	
Balance as at 30.06.2022	38,146,880	725,492	-	38,872,372	-	5,665,232	-	9,776,486	29,095,886		
Balance as at 30.06.2021	-	38,146,880	-	38,146,880	-	-	4,111,254	-	4,111,254	34,035,626	



	2022 <u>Taka</u>	2021 <u>Taka</u>
5 RIGHT OF USE ASSETS		
Opening balance		-
Add: Addition during the year	10,641,163	-
	<u>10,641,163</u>	<u>-</u>
Less: Depreciation on right of use assets	(6,384,698)	-
	<u>(6,384,698)</u>	<u>-</u>
	<u>4,256,465</u>	<u>-</u>
Details are shown in Annexure-A		
6 DEFERRED TAX ASSETS		
Opening balance		-
Add: Deferred tax assets during the year (Note-6.1)	(918,226)	-
	<u>(918,226)</u>	<u>-</u>
6.1 Deferred Tax Assets During The Year		
Carrying value of depreciable fixed assets	29,095,886	-
Tax base value	32,434,889	-
Deductible temporary differences	<u>(3,339,003)</u>	<u>-</u>
Applicable tax rate	27.50%	-
Deferred tax asset	<u>(918,226)</u>	<u>-</u>
7 INVENTORIES		
Raw materials	34,192,782	34,192,782
Work-in-progress	98,057,726	98,057,726
	<u>34,192,782</u>	<u>132,250,508</u>
8 ACCOUNTS RECEIVABLE		
Dhaka PBS-1	58,712,824	19,874,642
Dhaka PBS-3	57,019,824	19,874,642
Dhaka PBS -4	56,606,383	19,874,641
Narayangonj PBS-1	57,530,753	40,923,971
Narayangonj PBS-2	57,333,719	40,923,971
Other Receivables (Note-8.1)	-	6,842,234
	<u>287,203,503</u>	<u>148,314,101</u>
8.1 Other Receivable		
Fixed deposit interest	-	373,974
VAT Receivable	-	6,468,260
	<u>-</u>	<u>6,842,234</u>



	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
9 ADVANCE, DEPOSIT AND PREPAYMENT		
Security deposit for office space	3,192,000	3,192,000
Advance against purchase/assignment	47,450	15,000
Prepaid for insurance premium	73,288	65,145
Margin of bank guarantee	2,100,093	880,000
Office stores	8,123	38,123
	<u>5,420,954</u>	<u>4,190,268</u>
10 ADVANCE INCOME TAX		
Opening balance	53,177,446	50,023
Add: Addition during the year (Note-10.1)	17,775,049	53,177,446
Less: Adjustment during the year	70,952,495	53,227,469
	<u>(53,118,630)</u>	<u>(50,023)</u>
	<u>17,833,865</u>	<u>53,177,446</u>
10.1 Addition during the year		
Advance income tax		37,443,127
Tax deducted at source	17,114,415	15,452,698
AIT on bank interest	172,576	122,741
AIT on FDR interest	488,059	158,880
	<u>17,775,049</u>	<u>53,177,446</u>
11 INVESTMENT IN FIXED DEPOSIT RECEIPTS		
Opening balance	175,022,800	20,364,000
Add: Addition during the year	20,000,000	183,300,769
Less: Encashment during the year	195,022,800	203,664,769
	<u>(90,000,000)</u>	<u>(28,641,969)</u>
	<u>105,022,800</u>	<u>175,022,800</u>
12 CASH & CASH EQUIVALENTS		
Cash in hand	50,000	50,000
Cash at bank (Note - 12.1)	14,680,584	487,312,538
	<u>14,730,584</u>	<u>487,362,538</u>
12.1 Cash at Bank		
United Commercial Bank Limited		
SND:	831301000000222	14,350,755
CD	0831101000001142	33,511
Prime Bank Ltd.		
SND:	2140314020111	293,522
CD:	2140117020112	2,176
CD:	2140116020113	620
		848,250
		2,023
		1,310
	<u>14,680,584</u>	<u>487,312,538</u>



	2022 <u>Taka</u>	2021 <u>Taka</u>
13 SHARE CAPITAL		
Authorized Share Capital		
20,000,000 Ordinary shares of TK 10 each	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-up capital		
7,598,208 Ordinary shares of Tk 10/- each fully paid up	<u>75,982,080</u>	<u>75,982,080</u>
The composition of fully paid up share capital is as follows:		
Name of Shareholders	No. of Shares	
Rural Power Company Limited	3,875,086	38,750,860
Shenzhen Star Instrument Co. Ltd.	3,723,122	37,231,220
	<u>7,598,208</u>	<u>75,982,080</u>
14 LEASE LIABILITIES		
Opening balance		
Add: Addition during the year	10,641,163	-
Add: Interest charged on lease liabilities	660,426	-
	<u>11,301,589</u>	<u>-</u>
Less: Rent paid during the year	(6,729,800)	-
	<u>4,571,789</u>	<u>-</u>
15 ACCOUNTS PAYABLE		
Payable to overseas supplier	152,945,218	634,881,032
Payable to local supplier	15,854,445	-
Security deposits -others	1,377,326	42,800
Payable to RPCL	20,886,601	17,565,090
	<u>191,063,590</u>	<u>652,488,922</u>
16 LIABILITY FOR EXPENSES		
Audit fees	51,750	30,000
Honorarium	-	102,000
Provision for allowance	26,693,538	2,020,340
	<u>26,745,288</u>	<u>2,152,340</u>
17 PROVISION FOR INCOME TAX		
Opening balance	58,269,193	162,577
Add: Addition during the year	17,270,539	58,269,194
	<u>75,539,732</u>	<u>58,431,771</u>
Less: Adjustment during the year	(57,738,426)	(162,578)
	<u>17,801,305</u>	<u>58,269,193</u>



	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
18 COST OF GOODS SOLD		
Raw material used (Note-18.1)	-	170,963,910
Direct expenses	21,494,990	56,610
Depreciation on plant equipment	2,065,792	1,032,896
	<u>23,560,782</u>	<u>172,053,416</u>
Opening finished goods	-	-
Add. Purchase of finished goods	87,335,026	650,636,390
Currency fluctuation loss	19,636,198	-
	<u>130,532,007</u>	<u>822,689,806</u>
Add: Opening work-in-progress	98,057,725	-
Less: Closing work-in-progress	-	(98,057,725)
Less: Ending inventory of finished goods	-	-
	<u>228,589,732</u>	<u>724,632,081</u>
18.1 Raw Material Used		
Opening Raw Material	34,192,782	-
Add: Purchase during the year	-	205,156,692
	<u>34,192,782</u>	<u>205,156,692</u>
Less: Closing Raw Material	(34,192,782)	(34,192,782)
	<u>-</u>	<u>170,963,910</u>
19 ADMINISTRATIVE EXPENSES		
Salaries, wages allowances	9,987,014	9,535,709
Festival bonus	1,047,720	430,680
House Rent expenses	-	6,723,200
Utility bill	234,271	313,509
Fuel	141,546	89,394
Repairs & Maintenance	-	336,292
Security services	165,600	13,819
Depreciation (Note-19.1)	9,984,138	3,078,358
Audit Fees	51,750	30,000
Uniform liveries	-	58,536
Honorarium	832,960	3,437,760
General expense	140,944	179,457
Entertainment	48,483	373,615
Legal professional fees	191,641	498,000
Printing & Stationery	125,067	217,689
Postage stamp	19,074	15,398
Consumable office	96,429	45,933
Advertisement	21,250	367,434
Telephone bill	10,890	-
Telecommunication	96,000	96,000
Local conveyance	23,119	19,033
Rent-a-car	959,686	481,243
Crockeries cutleries	-	7,812



	<u>2022</u>	<u>2021</u>
	<u>Taka</u>	<u>Taka</u>
Casual labour	-	420
Licenses renewals fees	20,410	74,915
Insurance	89,575	32,573
AGM Expense	373,888	-
Book and Periodical	15,135	-
	<u>24,676,590</u>	<u>26,456,779</u>

19.1 Depreciation Expenses

Fixed asset	3,599,440	3,078,358
Right of use assets	6,384,698	-
	<u>9,984,138</u>	<u>3,078,358</u>

20 SELLING AND DISTRIBUTION EXPENSES

Transportation	105,000	
Customization center	733,401	139,675
	<u>733,401</u>	<u>244,675</u>

21 OTHERS INCOME

Miscellaneous	75,037	217,813
Tender sale	17,000	87,172
	<u>92,037</u>	<u>304,985</u>

22 INTEREST INCOME

Fixed deposit interest	5,094,776	1,962,775
Bank account interest	1,725,755	1,227,410
	<u>6,820,531</u>	<u>3,190,185</u>

23 FINANCE EXPENSES

Interest expense on lease	660,426	-
Interest on borrowing & debts	431,507	9,333,733
Bank charge	181,380	112,016
Bank commission	1,063,857	992,555
Commission on corporate guarantee	1,774,749	2,862,534
	<u>4,111,919</u>	<u>13,300,838</u>



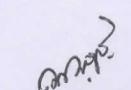
24 RELATED PARTY TRANSACTIONS

The company in the normal course of business has entered into transactions with other entities that fall within the definition of related party contained in IAS-24: Related Party Disclosures. The company believes that the terms of these related party transactions are not significantly different from those that could have been obtained third parties. The significant related party transactions during the year are as follows:

Name of related party	Relationship	Nature of transactions	Opening balance	Addition during the year	Adjustment during the year	Closing balance
Rural Power Company Limited	Parent	Loan Payable	100,000,000	-	(100,000,000)	-
Shenzhen Star Instrument Co. Ltd.	Associates Company	Accounts Payable	634,881,032	-	(481,935,814)	152,945,218
Rural Power Company Limited	Parent	Accounts Payable	17,565,090	3,321,511	-	20,886,601

25 EVENTS AFTER THE REPORTING PERIOD

- The Board of Directors of the company in its meeting held on 28 November 2022 approved the financial statements of the company for the year ended 30 June 2022 and authorized the same for issue.
- There is no other significant event that has occurred between the Reporting date and the date when the financial statements were authorized for issue by the Board of Directors.


Company
Secretary
Chief Financial
Officer
Chief
Executive
Officer
Director
Director

Place: Dhaka

Dated: 28 November 2022



Annexure-A

Bangladesh Power Equipment Manufacturing Company Limited
Schedule of Right of Use Assets
As at 30 June 2022

Amount in Taka

Particulars	Cost	Depreciation	Written Down Value as at 30.06.2022
	Balance as on 01.07.2021	Balance as on 30.06.2022	Balance as on 30.06.2022
Right of use assets	-	10,641,163	10,641,163
Total as at 30 June 2022	-	10,641,163	10,641,163

