

Bangladesh Power Equipment Manufacturing Company Limited
House # 19, Road #1/B, Sector #9,
Uttara, Dhaka.

Bangladesh Power Equipment Manufacturing Company Limited
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the period from 31 October 2019 to 30 June 2020

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K. M. HASAN & CO.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO 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 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 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 2020, and of its financial performance and its cash flows for the period 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

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 access 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
- Obtained an understanding of internal control relevant to the audit in order to design audit procedure that as 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 the date of our auditor's report. However, future events or conditions may cause the company took 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 the achieves fair presentation.



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

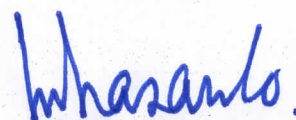
Report on Other Legal and Regulatory Requirements

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.

Place: Dhaka

Dated: 09 March 2021



K. M. HASAN & CO.

Chartered Accountants

Md. Farhad Husain Suman FCA

Partner

Enrollment No. :1635

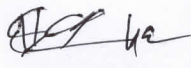
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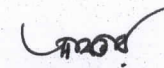
Bangladesh Power Equipment Manufacturing Company Limited
Statement of Financial Position
As at 30 June 2020


| | <u>Notes</u> | <u>30 June 2020</u> <u>Taka</u> |
|-------------------------------------|--------------|------------------------------------|
| ASSETS | | |
| Non Current Assets | | |
| Capital Work In Progress | 4 | 12,696,621 |
| | | 12,696,621 |
| Current Assets | | |
| Advance, Deposit & Prepayments | 5 | 3,242,750 |
| Advance Income Tax | 6 | 50,023 |
| Cash and Cash Equivalents | 7 | 21,236,079 |
| | | 24,528,852 |
| Total Assets | | 37,225,473 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 8 | 36,000,000 |
| Share Money Deposit | | 131,352 |
| Retained Earnings/(Losses) | | (212,232) |
| | | 35,919,120 |
| Current Liabilities | | |
| Liability For Expenses | 9 | 1,143,776 |
| Provision for Income Tax | 10 | 162,577 |
| | | 1,306,353 |
| Total Equity and Liabilities | | 37,225,473 |

The Annexed notes form an integral part of these financial statements.


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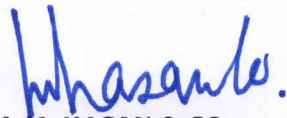

Director


Director

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

Place: Dhaka
Dated: 09 March 2021




K. M. HASAN & CO.
Chartered Accountants
Md. Farhad Husain Suman FCA
Partner
Enrollment No. :1635
DVC:2103111635AS541921

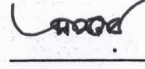
Bangladesh Power Equipment Manufacturing Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period from 31 October 2019 to 30 June 2020

| | | 31 October 2019 to 30 June 2020 <u>Taka</u> |
|--|--------------|--|
| | <u>Notes</u> | |
| Revenue | | - |
| Less: Cost of revenue | | - |
| Gross Profit / (Loss) | | - |
| Less: Operating Expenses | | |
| Administrative Expenses | 11 | (549,893) |
| | | (549,893) |
| Operation income/ (loss) | | (549,893) |
| Other Income | 12 | 500,238 |
| Profit/(Loss)Before Tax | | (49,655) |
| Provision for Income Tax | | (162,577) |
| Profit/(Loss) After Tax | | (212,232) |
| Other Comprehensive Income | | - |
| Total Comprehensive Income/(Loss) | | (212,232) |

The Annexed notes form an integral part of these financial statements.


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CEO


Director

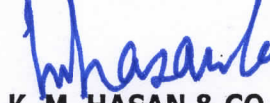

Director

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

Place: Dhaka

Dated: 09 March 2021





K. M. HASAN & CO.
Chartered Accountants
Md. Farhad Husain Suman FCA
Partner
Enrollment No. :1635
DVC:2103111635AS541921


Bangladesh Power Equipment Manufacturing Company Limited
Statement of Changes in Equity
For the period from 31 October 2019 to 30 June 2020

Amount in Taka

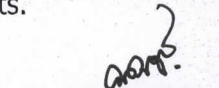
| Particular | Share Capital | Share Money Deposits | Retained Earnings/ (Losses) | Total |
|--|-------------------|----------------------|-----------------------------|-------------------|
| Opening Balance | - | - | - | - |
| Addition during the period | 36,000,000 | 131,352 | - | 36,131,352 |
| Profit/(Loss) after tax for the period | - | - | (212,232) | (212,232) |
| Balance as at 30 June 2020 | 36,000,000 | 131,352 | (212,232) | 35,919,120 |

The Annexed notes form an integral part of these financial statements.


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CEO

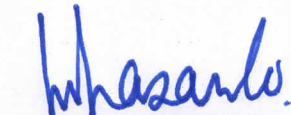

Director


Director

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

Place: Dhaka

Dated: 09 March 2021


K. M. HASAN & CO.

Chartered Accountants
Md. Farhad Husain Suman FCA
Partner
Enrollment No. :1635
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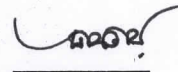
Bangladesh Power Equipment Manufacturing Company Limited
Statement of cash flow

For the period from 31 October 2019 to 30 June 2020

| | 2020 Taka |
|--|----------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | |
| Net profit/(Loss) before tax | (49,655) |
| Adjustments for Non-Cash Items: | |
| Depreciation | - |
| Preliminary expenses | - |
| Financial expenses | - |
| | <u>(49,655)</u> |
| Changes in working capital: | |
| (Increase)/Decrease in advance, deposits and prepayments | (3,242,750) |
| (Increase)/Decrease in Advance income tax | (50,023) |
| Increase/(Decrease) in Liabilities for expenses | 1,143,776 |
| Cash flows from/(used in) operation | <u>(2,148,997)</u> |
| Net cash flows from/(used in) operating activities | (2,198,652) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | |
| Capital work -in- progress | (12,696,621) |
| Net cash flows from/(used in) investing activities | (12,696,621) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | |
| Share Capital | 36,000,000 |
| Share Money Deposit | 131,352 |
| Net cash flows from/(used in) financing activities | 36,131,352 |
| D. Changes in cash and cash equivalents (A+B+C) | 21,236,079 |
| Opening cash and cash equivalents | - |
| E. Closing cash and cash equivalents | 21,236,079 |


CFO


CEO


Director


Director

Place: Dhaka

Dated: 09 March 2021



Bangladesh Power Equipment Manufacturing Company Limited

For the period from 31 October 2019 to 30 June 2020

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. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in compliance with the requirement of the International Financial Reporting Standards (IFRSs), The Companies Act ,1994 and other relevant and applicable local laws and regulations.

2.2 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by **IAS 1: Presentation of Financial Statements**.

The financial statements comprise of:

- a) Statement of Financial Position as at 30 June 2020;
- b) Statement of Profit or Loss and Other Comprehensive Income from 31 October 2019 to 30 June 2020;
- c) Statement of Changes in Equity from 31 October 2019 to 30 June 2020;
- d) Statement of Cash Flows from 31 October 2019 to 30 June 2020;
- e) Notes to the financial statements, comprising a summary of significant accounting policies and explanatory information from 31 October 2019 to 30 June 2020;



2.3 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;

2.4 Reporting Currency and Level of Precision

The financial statements are prepared and presented in Bangladeshi Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

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 Reporting Period

The financial year of the Company covers from 31 October 2019 to 30 June 2020.

3 Income Tax Expenses

The computation of current year income tax has been made in accordance with the provision of Finance Act 2020.

3.1 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.



| | 2020 |
|---|--------------------------|
| | <u>Taka</u> |
| 4 CAPITAL WORK IN PROGRESS | |
| Interior Decoration | 12,134,300 |
| Plant & Equipment | 562,321 |
| | <u>12,696,621</u> |
| 5. ADVANCE, DEPOSIT & PREPAYMENT | |
| Security deposit for office space | 3,192,000 |
| Advance to employee for expense | 50,750 |
| | <u>3,242,750</u> |
| 6 ADVANCE INCOME TAX | |
| AIT on Bank Interest | 9,579 |
| AIT on FDR Interest | 40,444 |
| | <u>50,023</u> |
| 7. CASH & CASH EQUIVALENTS | |
| Cash in hand | - |
| Cash at bank (Note - 7.1) | 872,079 |
| Fixed deposit receipt (Note - 7.2) | 20,364,000 |
| | <u>21,236,079</u> |
| 7.1 Cash at Bank | |
| United Commercial Bank Limited (Uttara Branch)- SND 0831301000000222 | 872,079 |
| | <u>872,079</u> |
| 7.2 Fixed Deposit Receipt | |
| United Commercial Bank Limited | 20,364,000 |
| | <u>20,364,000</u> |
| 8. SHARE CAPITAL | |
| Authorized Share Capital | |
| 4,000,000 Ordinary shares of TK 10 each | <u>40,000,000</u> |
| Paid-up capital | |
| 3,600,000 Ordinary shares of Tk 10/- each fully paid up | <u>36,000,000</u> |



2020
Taka

The composition of fully paid up share capital is as follows:

| <u>Name of shareholders</u> | <u>No. of Shares</u> | <u>Value per share</u> | <u>Taka</u> |
|-------------------------------------|----------------------|------------------------|-------------------|
| 1 Rural Power Company Limited | 1,836,000 | 10 | 18,360,000 |
| 2 Shenzhen Star Instrument Co. Ltd. | 1,764,000 | 10 | 17,640,000 |
| Total | 3,600,000 | | 36,000,000 |

9. LIABILITIES FOR EXPENSES

| | |
|----------------------------------|------------------|
| RPCL(Salary & Registration fees) | 506,976 |
| Audit fees | 25,000 |
| Office Rent | 611,800 |
| | 1,143,776 |

10. PROVISION FOR INCOME TAX

| | |
|----------------------------------|----------------|
| Opening balance | - |
| Add: Addition during the year | 162,577 |
| | 162,577 |
| Less: Adjustment during the year | - |
| Closing balance | 162,577 |

11. ADMINISTRATIVE EXPENSES

| | |
|-----------------------|----------------|
| Audit fees | 25,000 |
| Honorarium | 347,252 |
| Registration fee | 47,353 |
| Board Meeting Expense | 109,690 |
| Entertainment Expense | 6,526 |
| Bank Charge | 14,072 |
| | 549,893 |



2020
Taka

12. OTHER INCOME

| | |
|---------------|----------------|
| Bank Interest | 95,794 |
| FDR Interest | 404,444 |
| | <u>500,238</u> |

13. EVENTS AFTER REPORTING PERIOD

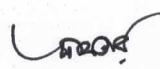
- The Board of Directors of the company in its meeting held on 09 March 2021 approved the financial statements of the company for the year ended 30 June 2020 and authorized the same for issue.
- There is no other significant event that has occurred between the Reporting date and the date when the financial statements were authorized for issue by the Board of Directors.



CFO



CEO



Director



Director

Place: Dhaka

Dated: 09 March 2021

