

Bangladesh Power Equipment Manufacturing Company Limited
Asian Tower (13th Floor), Plot -52, Road -21, Nikunja -2
Khilkhet, Dhaka-1229.

Bangladesh Power Equipment Manufacturing Company Limited
Independent Auditor's Report and Financial Statements
As at and for the year ended 30 June 2024

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K. M. HASAN & CO.
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 (The company)**, which comprise the statement of financial position as at 30 June 2024, 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, except for the effects of the described in the basis for opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2024, and 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Management of **Bangladesh Power Equipment Manufacturing Company Limited** 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

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, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- 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.

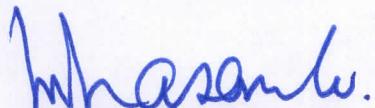


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control. That we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 (Amendment 2020) and We also report the following:

- (a) 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;
- (b) 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;
- (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
Senior Partner
K. M. HASAN & CO.
Chartered Accountants
Enrollment No. :1635
DVC : 2411031635AS346319

Place: Dhaka
Dated: 31 October 2024



Bangladesh Power Equipment Manufacturing Company Limited
Statement of Financial Position
As at 30 June 2024

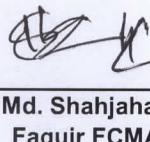
	<u>Notes</u>	<u>2024</u> <u>Taka</u>	<u>2023</u> <u>Taka</u>
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	30,002,858	23,659,318
Right of Use Assets	5	7,097,977	-
Deferred tax asset	6	4,098,012	2,325,264
		41,198,847	25,984,582
Current Assets			
Inventories	7	517,444,226	734,699,748
Accounts Receivable	8	382,952,646	288,355,575
Advance, Deposit and Prepayments	9	5,059,474	55,868,422
Advance Income Tax	10	209,621,763	89,742,499
Investment in Fixed Deposit Receipts	11	195,627,603	275,460,822
Cash and Cash Equivalents	12	938,083,567	100,363,781
		2,248,789,279	1,544,490,847
Total Assets		2,289,988,126	1,570,475,429
EQUITY AND LIABILITIES			
Equity			
Share Capital	13	75,982,080	75,982,080
Retained Earnings		473,296,231	276,897,887
		549,278,311	352,879,967
Current Liabilities			
Lease Liabilities	14	7,437,709	-
Accounts Payable	15	1,405,587,344	1,143,671,644
Liability For Expenses	16	95,413,175	9,610,713
Provision for WPPF	17	20,757,752	8,243,107
Provision for Income Tax	18	211,513,835	56,069,999
		1,740,709,815	1,217,595,462
Total Equity and Liabilities		2,289,988,126	1,570,475,429

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



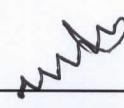
**Prantush Chandra
Shaha FCS**

Company Secretary



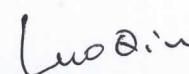
**Md. Shahjahan
Faqir FCMA**

Chief Financial Officer



Md. Salim Bhuiyan

Chief Executive Officer



Mr. Luo. Qin

Director

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



Md. Farhad Husain Suman FCA

Senior Partner

K. M. HASAN & CO.

Chartered Accountants

Enrollment No. :1635

DVC : 2411031635AS346319



Place: Dhaka

Date: 31 October 2024

Bangladesh Power Equipment Manufacturing Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		<u>Taka</u>	<u>Taka</u>
Revenue	19	2,375,608,484	916,634,679
Cost Of Goods Sold	20	(1,923,126,472)	(741,684,155)
Gross Profit		452,482,011	174,950,524
Less: Operating Expenses			
Administrative Expenses	21	48,092,856	28,815,255
Selling and Distribution Expenses	22	1,356,004	219,980
		49,448,860	29,035,235
Operating Profit		403,033,151	145,915,289
Other Income	23	978,365	356,246
Interest Income	24	9,631,352	10,747,648
Finance Expense	25	(19,330,192)	(10,902,353)
		(8,720,475)	201,541
Profit Before Contribution to WPPF		394,312,676	146,116,830
Contribution to WPPF	17	(18,776,794)	(6,957,944)
Profit Before Tax		375,535,882	139,158,886
Provision for Income Tax	18	(173,312,079)	(38,268,694)
Deferred Tax Income	6	1,772,748	1,407,038
Profit After Tax		203,996,552	102,297,230
Other Comprehensive Income		-	-
Total Comprehensive Income		203,996,552	102,297,230

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



Prantush Chandra
Shaha FCS

Company Secretary



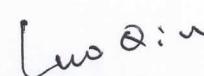
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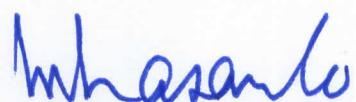
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Bangladesh Power Equipment Manufacturing Company Limited
Statement of Changes in Equity
For the year ended 30 June 2024

Amount in Taka

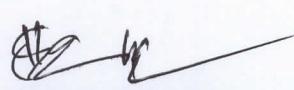
Particular	Share Capital	Retained Earnings	Total
Opening Balance as at 2023	75,982,080	276,897,887	352,879,967
Cash dividend paid during the year	-	(7,598,208)	(7,598,208)
Profit after tax	-	203,996,552	203,996,552
Balance as at 30 June 2024	75,982,080	473,296,231	549,278,311

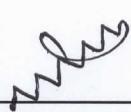
For the year ended 30 June 2023

Amount in Taka

Particular	Share Capital	Retained Earnings	Total
Opening Balance as at 2022	75,982,080	178,399,761	254,381,841
Cash dividend paid during the year	-	(3,799,104)	(3,799,104)
Profit after tax	-	102,297,230	102,297,230
Balance as at 30 June 2023	75,982,080	276,897,887	352,879,967

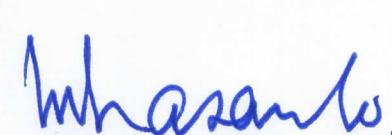

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Place: Dhaka
Date: 31 October 2024



Bangladesh Power Equipment Manufacturing Company Limited

Statement of Cash Flow

For the year ended 30 June 2024

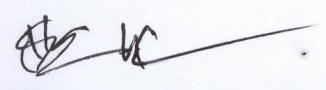
	2024	2023
	<u>Taka</u>	<u>Taka</u>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(Loss) before tax	375,535,882	139,158,886
Adjustments for Non-Cash Items:		
Depreciation	13,551,460	10,035,008
Interest charged on lease liabilities	662,833	-
	389,750,175	149,193,894
Changes in working capital:		
(Increase)/Decrease in Inventories	217,255,522	(700,506,966)
(Increase)/Decrease in Accounts receivable	(94,597,071)	(1,152,073)
(Increase)/Decrease in advance, deposits and prepayments	50,808,948	(50,447,469)
(Increase)/Decrease in Advance income tax	(119,879,264)	(71,908,634)
Increase/(Decrease) in Accounts payable	261,915,700	952,608,055
Increase/(Decrease) in Liabilities for expenses	85,802,462	(17,134,575)
Increase/(Decrease) in Provision for WPPF	12,514,645	4,131,856
Income Tax paid	(17,868,243)	-
Cash flows from/(used in) Operation	395,952,700	115,590,195
Net cash flows from/(used in) operating activities	785,702,875	264,784,088
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(12,797,023)	(341,975)
Encashment/(Investment) in Fixed Deposit Receipts (FDR)	79,833,219	(170,438,023)
Net cash flows (used in) investing activities	67,036,196	(170,779,998)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividend paid	(7,598,208)	(3,799,104)
Principal payment of lease	(7,421,077)	(4,571,789)
Net cash flows from financing activities	(15,019,285)	(8,370,893)
D. Changes in cash and cash equivalents (A+B+C)		
E. Opening cash and cash equivalents	837,719,786	85,633,198
Closing cash and cash equivalents (D+E)	100,363,781	14,730,584
	938,083,567	100,363,781


Prantush Chandra
Shaha FCS

Company Secretary

Place: Dhaka

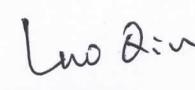
Date: 31 October 2024


Md. Shahjahan
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Mr. Luo. Qin

Director



Bangladesh Power Equipment Manufacturing Company Limited
Notes To The Financial Statements
As at and for the year ended 30 June 2024

1 Company's Background and Nature of Business

1.1 Status, Legal Form and Country of Incorporation

"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.

1.2 Address of registered office and principal place

The register office of the company is at Asian Tower (13th Floor), Plot -52, Road -21, Nikunja -2, Khilkhet, Dhaka-1229.

1.3 Principal Activities and Nature of Operation

The principal activities of the company is to carry on the business 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 for Preparation

2.1 Reporting Framework and Compliance thereof

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Financial Reporting Council (FRC), The Companies Act, 1994 (Amendment 2020) and other relevant local laws and regulations.

2.2 Other Regulatory Compliance

The company is also required to comply the following Status:

1. The Companies Act 1994 (Amendment 2020)
2. The Income Tax Act 2023
3. The Income Tax Rules 1984
4. The Value Added Tax and Supplementary Duties Act, 2012
5. The Value Added Tax and Supplementary Duties Rules, 2016
6. The Custom Act, 1969
7. Bangladesh Labour Act, 2006 (Amended 2013)
8. Bangladesh labour Rules, 2015

2.3 Complete Set of Financial Statements

The Financial Statement comprises of following statements:

- * Statement of Financial Position;
- * Statement of Profit or Loss and Other Comprehensive Income;
- * Statement of Changes in Equity;
- * Statement of Cash Flows;
- * Notes to the financial statements.

2.4 Basis of Measurement

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the Company is historical cost of property, plant and equipment, financial assets and inventories as disclosed in the accounting policies below.

2.5 Functional and Presentational Currency and Level of Precision

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT) except where indicated otherwise, which is both functional currency and presentation currency of the Company.



2.6 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.

2.7 Use of Judgments and Estimates

2.7.1 Estimates

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

Significant estimates made by management in the preparation of these financial statements include assumptions used for trade receivables, depreciation, deferred taxes, provision for tax.

2.7.2 Judgments

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the financial statements is judgmental.

2.8 Reporting Period

The financial period of the company covers twelve months period from 1 July 2023 to 30 June 2024.

2.9 Comparative Information and Rearrangement thereof

Comparative information have been disclosed in respect of the year 2022-2023 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.

2.10 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing business.

2.10 Accrual Basis of Accounting

These financial statements have been prepared on a accrual basis of accounting, except for cash flow information. The items of assets, liabilities, equity, income and expenses (the elements of financial statements) have been recognized when they satisfy the definitions and recognition criteria applicable for these elements as mentioned in the Framework.

2.11 Materiality and Aggregation

These financial statements present separately each material class of similar items. Dissimilar nature or function items are presented separately unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.12 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.



2.13 Events after the Reporting Period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified: Adjusting events:- those that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events:- those that are indicative of conditions that arose after the reporting period. Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements, if applicable.

3. Significant Accounting Policies

3.1 Accounting System

The Financial Statements have been prepared as per formats, requirements and instructions issued by Management and keeping conformity with International Financial Reporting Standard (IFRSs) and International Accounting Standards (IASs) adopted by the Financial Reporting Council (FRC).

3.2 Property, Plant and Equipments

i) Recognition

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if: a) it is probable that future economic benefits will flow to the entity; and b) the cost of the item can be measured reliably.

ii) Measurement

An item of property, plant and equipment qualifying for recognition is initially measured at its cost. Cost comprises expenditure that is directly attributable to the acquisition of the assets. The cost of self-constructed asset includes the following: the cost of materials and direct labour; any other costs directly attributable to bringing the assets to a working condition for their intended use; and when the company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

iii) Subsequent Expenditure

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.

iv) Depreciation

In accordance with the provisions of IAS-16: Property, Plant and Equipment of depreciation on all fixed assets are computed consistently using the straight line method on monthly basis so as to written off the assets over their expected useful life from the date when the corresponding assets are ready for use as per management intention. Total depreciation Charge has been estimated for General and Administrative Expenses and Factory Overhead respectively by the management. The Rate of depreciation for this period as below:

Categories	Rate
Plant Equipment	10%
Office Equipment	20%
Furniture Fixture	20%
Air Condition	20%
Interior Decoration	20%
Motor Vehicle	20%



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 accordance 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

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

3.4 Inventories

Inventories comprise Raw Materials, Packaging Material, and Finished Goods. Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.5 Trade and Other Receivable

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.

3.6 Advance, Deposit and Prepayments

i) Advances

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or changes to other accounts heads.

ii) Deposits

Deposits are measured at actual value.

iii) Prepayments

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

3.7 Investment in Fixed Deposit Receipts

Investment in FDR are classified as Investment in FDR comprises fixed bank deposit with several Government and private bank and accrued the interest up to 30 June 2024.

3.8 Cash and Cash Equivalent

According to IAS-7 "Statement of Cash Flows", cash comprises in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1 cash in hand and bank balances have been considered as cash and cash equivalents.



3.9 Share Capital

Proceeds from issuance of ordinary shares are recognized as share capital in equity when there is no contractual obligation to transfer cash or other financial assets

3.9 Trade Creditors and Other Current Liabilities

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.10 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

3.10 Taxation

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

ii) Deferred Tax

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognized for all temporary taxable differences.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3.11 Revenue from contracts with customers

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods are considered as transferred when (or as) the customer obtains control of those goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates.



(i) Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer when the buyer's provide assurance by giving acceptance on the delivery of goods. Revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable.

3.12 Interest income

Interest on bank deposits has been accounted for on accrual basis.

3.13 Others Income

Other Income including Sale of scraps and others

3.14 Expenditure

All known expenditure have been accounted for in the financial statements irrespective of whether the same is paid or not up to 30 June 2024.

3.15 Financial expenses

Financial expenses comprise of interest expense on bank loan and other borrowings. All borrowing cost are recognized in the statement of profit or loss and other comprehensive income using effective interest method.

3.17 Employees' benefit schemes

Workers' profit participation and welfare fund

The Company recognizes a provision for workers' profit participation and welfare fund (WPPF) @ 5% of income before tax and it has been managing, disbursing and investing as per provisions of the Bangladesh Labour (Amendment) Act, 2013. The Company is making the payment within nine months at the end of the relevant financial year. 80% of the Fund is being paid to eligible employees, 10% to Government Workers Welfare Foundation and remaining 10% to Bangladesh Power Equipment Manufacturing Company Limited as per provision of Bangladesh Labour (Amendment) Act, 2013.

3.18 Related Party Transactions

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- 28.

3.19. General

- i) The figures of financial statements have been rounded off to the nearest Taka.
- ii) Previous year's figure have been rearranged/reclassified/regrouped where necessary to confirm to current year's financial presentation.



4 PROPERTY, PLANT AND EQUIPMENT

Amount in Taka

Particulars	Cost			Rate %	Depreciation			Written down value at 30 June 2024
	As at 01 July 2023	Addition during the year	As at 30 June 2024		As at 01 July 2023	Charged during the year	Adjustment during	
Plant Equipment	20,657,916	350,244	21,008,160	10%	5,164,480	2,065,792	-	7,230,272
Office Equipment	1,354,394	641,400	1,995,794	20%	640,822	357,014	-	997,836
Furniture Fixture	1,528,700	-	1,528,700	20%	882,317	305,740	-	997,958
Air Condition	5,388,299	-	5,388,299	20%	2,989,755	1,077,660	-	1,188,057
Interior Decoration	9,996,134	11,805,379	21,801,513	20%	5,790,984	2,589,496	-	4,067,415
Vehicle	288,904	-	288,904	20%	86,671	57,781	-	8,380,480
Balance as at 30 June 2024	39,214,347	12,797,023	52,011,370		15,555,029	6,453,483	-	22,008,512
Balance as at 30 June 2023	38,872,372	341,975	39,214,347		9,776,486	5,778,543	-	15,555,029
								23,659,318

Allocation of Depreciation	Percentage	2024 Taka	2023 Taka
Manufacturing	32%	2,065,792	2,107,435
Administrative	68%	4,387,691	3,671,108
Total	100%	6,453,483	5,778,543



	2024	2023
	<u>Taka</u>	<u>Taka</u>
5 RIGHT OF USE ASSETS		
Opening balance	14,195,953	10,641,163
Add: Addition during the year	14,195,953	10,641,163
Less: Depreciation on right of use assets	7,097,977	10,641,163
	7,097,977	-
6 DEFERRED TAX ASSETS		
Opening balance	2,325,264	918,226
Add: Deferred tax income during the year (Note-6.1)	1,772,748	1,407,038
Closing balance	4,098,012	2,325,264
6.1 Deferred Tax Income During The Year		
Carrying value of depreciable fixed assets	30,002,858	23,659,318
Carrying valueTax base value	36,342,815	28,775,819
Deductible temporary differences (A)	6,339,957	5,116,501
Lease Liabilities	19,311,622	-
Right of Use of Assets	18,560,585	-
Deductible temporary differences (B)	751,037	-
Deductible temporary differences (A+B)	7,090,994	5,116,501
Applicable tax rate	25.00%	27.50%
Deferred tax income	1,772,748	1,407,038
7 INVENTORIES		
Raw materials	10,698,169	122,247,390
Goods In Transit	2,000,810	120,447,687
Work-in-progress	504,745,247	492,004,671
	517,444,226	734,699,748
8 ACCOUNTS RECEIVABLE		
Dhaka PBS-1	477,491	27,292,468
Dhaka PBS-3	10,472,047	11,310,979
Dhaka PBS -4	59,929,216	9,000,001
Narayangonj PBS-1	67,059,395	14,386,409
Narayangonj PBS-2	570,155	8,413,952
Munshiganj PBS	84,550,015	-
Gazipur PBS-1	3,764,133	-
DESCO	50,000,002	87,504,805
NESCO	55,724,962	98,994,772
Other Receivables (Note-8.1)	50,405,230	31,452,189
	382,952,646	288,355,575
8.1 Other Receivable		
Fixed deposit interest	3,222,835	105,529
Internet Bill Receivable	8,100	60,750
VAT Receivable	47,174,295	31,285,910
	50,405,230	31,452,189
9 ADVANCE, DEPOSIT AND PREPAYMENT		
Security deposit for office space	3,695,142	3,695,142
Input VAT	969,876	41,204,676
Advance against purchase/assignment	86,156	107,013
Margin of LC	280,000	-
Advance to local supplies/ consultants	-	10,822,333
Office stores	28,300	39,258
	5,059,474	55,868,422



	<u>2024</u>	<u>2023</u>			
	<u>Taka</u>	<u>Taka</u>			
10 ADVANCE INCOME TAX					
Opening balance	89,742,499	17,833,865			
Add: Addition during the year (Note-10.1)	209,621,763	71,908,634			
Less: Adjustment during the year	299,364,262	89,742,499			
Closing balance	<u>(89,742,499)</u>	-			
	<u>209,621,763</u>	<u>89,742,499</u>			
10.1 Addition during the year					
Advance income tax	114,566,655	48,701,364			
Tax deducted at source	91,475,283	20,968,182			
AIT on bank interest	1,918,361	1,124,889			
AIT on FDR interest	1,661,464	1,114,199			
	<u>209,621,763</u>	<u>71,908,634</u>			
11 INVESTMENT IN FIXED DEPOSIT RECEIPTS					
Opening balance	275,460,822	105,022,800			
Add: Addition during the year	160,166,781	410,438,022			
Less: Encashment during the year	435,627,603	515,460,822			
Closing balance	<u>240,000,000</u>	<u>(240,000,000)</u>			
	<u>195,627,603</u>	<u>275,460,822</u>			
12 CASH AND CASH EQUIVALENTS					
Cash in hand	31,360	26,028			
Cash at bank (Note - 12.1)	938,052,207	100,337,753			
	<u>938,083,567</u>	<u>14,730,584</u>			
12.1 Cash at Bank					
United Commercial Bank Limited					
SND: 831301000000222	227,674,369	98,344,454			
CD 0831101000001142	6,989	24,438			
Mercantile Bank Limited					
SND: 1131000060187	709,366,820	-			
CD 1110055095	299	-			
Prime Bank Ltd.					
SND: 2140314020111	982,566	1,942,640			
CD: 2140117020112	1,846	881			
CD: 2140116020113	19,318	25,340			
	<u>938,052,207</u>	<u>100,337,753</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>			
The authorized share capital of the company is Taka 200,000,000 divided into 20,000,000 ordinary shares of Taka 10 each.					
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 Issued, subscribed and paid up capital of the company is Taka 75,982,080 divided into 7,598,208 ordinary shares of Taka 10 each.					
Particular of shareholding position as follows:					
Name of Shareholders	No. of Shares	Value per share	%	Total Taka	Total Taka
Rural Power Company Limited	3,875,086	10	51%	38,750,860	38,750,860
Shenzhen Star Instrument Co. Ltd	3,723,122	10	49%	37,231,220	37,231,220
	<u>7,598,208</u>			<u>75,982,080</u>	<u>75,982,080</u>



	<u>2024</u> <u>Taka</u>	<u>2023</u> <u>Taka</u>
14 LEASE LIABILITIES		
Opening balance	-	4,571,789
Add: Addition during the year	14,195,953	-
Add: Interest charged on lease liabilities	662,833	120,451
Less: Rent paid during the year	14,858,786	4,692,240
Closing balance	(7,421,077)	(4,692,240)
	<u>7,437,709</u>	<u>-</u>
15 ACCOUNTS PAYABLE		
Payable to overseas supplier	1,109,697,731	993,034,943
Payable to local supplier	269,576,484	115,781,407
Security deposits -others	5,550,277	2,396,714
Others Payable	80,000	43,614
Payable to RPCL	20,682,852	32,414,966
	<u>1,405,587,344</u>	<u>1,143,671,644</u>
16 LIABILITY FOR EXPENSES		
Audit fees	80,500	69,000
Honorarium	232,200	226,850
Provision for allowance	83,512,121	9,052,352
Provision for doubtful debt (16.1)	11,588,355	262,511
	<u>95,413,175</u>	<u>9,610,713</u>
16.1 Provision for doubtful debt		
Opening balance	262,511	5,000,000
Add: Provision made during the year	11,325,844	-
Less: Adjustment during the year	11,588,355	5,000,000
	<u>-</u>	<u>(4,737,489)</u>
	<u>11,588,355</u>	<u>262,511</u>
17 PROVISION FOR WORKER PROFIT PARTICIPATION FUND (WPPF)		
Opening balance	8,243,107	4,111,251
Add: Provision made during the year	18,776,794	6,957,944
Less: Adjustment during the year	27,019,901	11,069,195
	(6,262,149)	(2,826,088)
	<u>20,757,752</u>	<u>8,243,107</u>
18 PROVISION FOR INCOME TAX		
Opening balance	56,069,999	17,801,305
Add: Addition during the year	173,312,079	38,268,694
Less: Adjustment during the year	229,382,078	56,069,999
	(17,868,243)	-
	<u>211,513,835</u>	<u>56,069,999</u>
19 Sales Revenue		
DPBS-1	245,234,407	155,864,250
DPBS-3	245,234,407	140,790,650
DPBS-4	391,430,059	140,790,652
NPBS-1	245,234,407	140,790,650
NPBS-2	246,736,421	144,899,346
MNPBS	204,673,913	-
GPBS-1	142,434,783	-
DESCO	527,092,174	90,434,783
NESCO	127,537,913	103,064,348
	<u>2,375,608,484</u>	<u>916,634,679</u>



	2024	2023
	<u>Taka</u>	<u>Taka</u>
20 COST OF GOODS SOLD		
Raw material used (Note-20.1)	1,785,898,980	247,287,189
Direct expenses (Note-20.2)	37,447,508	11,261,707
Depreciation on plant equipment	2,065,792	2,107,435
	<u>1,825,412,280</u>	<u>260,656,331</u>
Opening finished goods	-	-
Add. Purchase of finished goods	949,636,581	-
Currency fluctuation loss	110,454,769	23,395,914
	<u>110,454,769</u>	<u>1,233,688,826</u>
Add: Opening work-in-progress	492,004,671	-
Less: Closing work-in-progress	504,745,247	492,004,671
Less: Ending inventory of finished goods	-	-
	<u>1,923,126,472</u>	<u>741,684,155</u>
20.1 Raw Material Used		
Opening Raw Material	122,247,390	34,192,782
Add: Purchase during the year	1,674,349,759	335,341,797
	<u>1,796,597,149</u>	<u>369,534,579</u>
Less: Closing Raw Material	(10,698,169)	(122,247,390)
	<u>1,785,898,980</u>	<u>247,287,189</u>
20.2 Direct Expense		
Meter Installation	37,245,649	9,854,895
SIM/Internet Bill DCU	201,859	1,406,812
	<u>37,447,508</u>	<u>11,261,707</u>
21 ADMINISTRATIVE EXPENSES		
Salaries, wages allowances	14,966,648	11,120,715
Festival bonus	1,121,635	735,092
House Rent expenses	992,307	2,474,050
Utility bill	783,078	273,062
Fuel	131,374	150,766
Travel Expense Local	9,875	-
Repair and Maintenance	-	368,143
Security services	16,637	280,800
Audit Fees	163,342	69,000
Group Insurance	49,922	20,237
Uniform Liveries	-	56,375
Income Tax Expense	1,430,524	-
Honorarium	1,843,996	1,520,528
General expense	554,188	328,688
Entertainment	740,289	475,653
Legal professional fees	632,754	45,257
Printing and Stationery	212,101	307,874
Postage stamp	23,500	25,959
Consumable office	15,605	11,086
Advertisement	107,091	388,126
Telephone bill	1,640	3,910
Telecommunication	96,000	88,000
Local conveyance	309,158	58,456
Rent-a-car	958,209	956,726
Casual labour	1,000	-
Licenses renewals fees	22,755	565,500
Insurance	97,717	73,288
AGM Expense	-	486,241
Books and Periodical	-	4,150
Bad Debt Expense	11,325,844	-
Depreciation (Note-21.1)	11,485,668	7,927,573
	<u>48,092,856</u>	<u>28,815,255</u>



	<u>2024</u> <u>Taka</u>	<u>2023</u> <u>Taka</u>
21.1 Depreciation Expenses		
Fixed asset	4,387,691	3,671,108
Right of use assets	7,097,977	4,256,465
	<u>11,485,668</u>	<u>7,927,573</u>
22 SELLING AND DISTRIBUTION EXPENSES		
Transportation	1,191,564	194,620
Customization center	164,440	25,360
	<u>1,356,004</u>	<u>219,980</u>
23 OTHERS INCOME		
Miscellaneous	978,365	356,246
	<u>978,365</u>	<u>356,246</u>
24 INTEREST INCOME		
Fixed deposit interest	4,226,985	6,995,750
Bank account interest	5,404,368	3,751,898
	<u>9,631,352</u>	<u>10,747,648</u>
25 FINANCE EXPENSES		
Interest expense on lease	662,833	120,451
Interest on borrowing and debts	-	1,934,589
Bank charge	622,566	574,438
Bank commission	8,890,308	2,689,232
Commission on corporate guarantee	9,154,486	5,583,643
	<u>19,330,192</u>	<u>10,902,353</u>



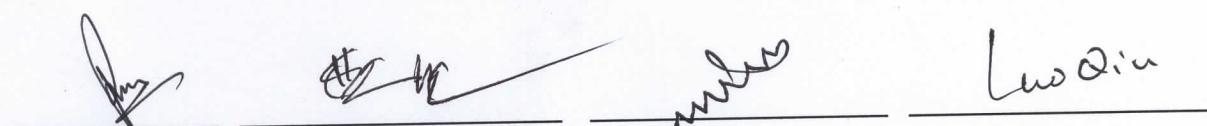
26 RELATED PARTY TRANSACTIONS

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
Shenzhen Star Instrument Co. Ltd.	Associates Company	Accounts Payable	993,034,943	116,662,788	-	1,109,697,731
Rural Power Company Limited	Parent	Accounts Payable	32,414,967	-	(11,732,114)	20,682,853

27 EVENTS AFTER THE REPORTING PERIOD

- The Board of Directors of the company in its meeting held on 31 October 2024 approved the financial statements of the company for the year ended 30 June 2024 and authorized the same for issue. The Board of Directors has also proposed to declare 10% cash dividend for the year 2023-2024.
- 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.



Prantush Chandra Shaha FCS
Company Secretary

Md. Shahjahan Faquir FCMA
Chief Financial Officer

Md. Salim Bhuiyan
Chief Executive Officer

Mr. Luo. Qin
Director

Place: Dhaka
Date: 31 October 2024



Bangladesh Power Equipment Manufacturing Company Limited
Schedule of Right of Use Assets
As at 30 June 2024

Annexure-A

(Amount in Taka)

Particulars	Cost		Depreciation			Written Down Value as at 30.06.2024
	Balance as on 01.07.2023	Addition during the year	Adjustment during the year	Balance as on 30.06.2024	Charged during the year	
Right of use assets	-	14,195,953		14,195,953	-	7,097,977
Total as at 30 June 2024	-	14,195,953	-	14,195,953	-	7,097,977
Total as at 30 June 2023	-	10,641,163	-	10,641,163	-	10,641,163
						-

