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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 2023

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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 2023, 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 2023, 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.

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 Statements

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 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, 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.

Place: Dhaka

Dated: 09 November 2023



Md. Farhad Husain Suman FCA

Senior Partner

K. M. HASAN & CO.

Chartered Accountants

Enrollment No. :1635




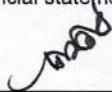
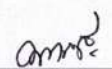
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Bangladesh Power Equipment Manufacturing Company Limited
Statement of Financial Position
As at 30 June 2023

	<u>Notes</u>	<u>2023</u> <u>Taka</u>	<u>2022</u> <u>Taka</u>
ASSETS			
Non Current Assets			
Property, Plant and Equipments	5	23,659,318	29,095,886
Right of Use Assets	6	-	4,256,465
Deferred tax asset	7	2,325,264	918,226
		25,984,582	34,270,577
Current Assets			
Inventories	8	734,699,748	34,192,782
Accounts Receivable	9	288,355,575	287,203,503
Advance, Deposit and Prepayments	10	55,868,422	5,420,954
Advance Income Tax	11	89,742,499	17,833,865
Investment in Fixed Deposit Receipts	12	275,460,822	105,022,800
Cash and Cash Equivalents	13	100,363,781	14,730,584
		1,544,490,847	464,404,488
Total Assets		1,570,475,429	498,675,064
EQUITY AND LIABILITIES			
Equity			
Share Capital	14	75,982,080	75,982,080
Retained Earnings	15	276,897,887	178,399,761
		352,879,967	254,381,841
Current Liabilities			
Lease Liabilities	16	-	4,571,789
Accounts Payable	17	1,143,671,644	191,063,590
Liability For Expenses	18	9,610,713	26,745,288
Provision for WPPF	19	8,243,107	4,111,251
Provision for Income Tax	20	56,069,999	17,801,305
		1,217,595,462	244,293,223
Total Equity and Liabilities		1,570,475,429	498,675,064

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

				
Prantush Chandra Shaha	Md. Shahjahan Faquir ACMA	Md. Salim Bhuiyan	Mahfuza Akhter	Md. Abdus Sabur
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
Senior Partner
K. M. HASAN & CO.
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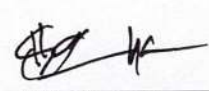
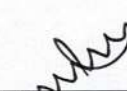


Place: Dhaka
Dated: 09 November 2023




Bangladesh Power Equipment Manufacturing Company Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	2023 Taka	2022 Taka
Revenue	21	916,634,679	317,141,130
Cost of Goods Sold	22	(741,684,155)	(228,589,732)
Gross Profit		174,950,524	88,551,398
Operating Expenses			
Administrative Expenses	23	(28,815,255)	(24,676,590)
Selling and Distribution Expenses	24	(219,980)	(733,401)
		(29,035,235)	(25,409,991)
Operating Profit		145,915,289	63,141,407
Other Income	25	356,246	92,037
Interest Income	26	10,747,648	6,820,531
Finance Expense	27	(10,902,353)	(4,111,919)
		201,541	2,800,650
Profit before Contribution to WPPF		146,116,830	65,942,056
Contribution to WPPF		(6,957,944)	(3,140,098)
Profit before Tax		139,158,886	62,801,959
Provision for Income Tax		(38,268,694)	(17,270,539)
Deferred Tax Income		1,407,038	918,226
Profit after Tax		102,297,230	46,449,646
Other Comprehensive Income		-	-
Total Comprehensive Income		102,297,230	46,449,646

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

 Prantush Chandra Shaha Company Secretary	 Md. Shahjahan Faquir ACMA Chief Financial Officer	 Md. Salim Bhuiyan Chief Executive Officer	 Mahfuza Akhter Director	 Md. Abdus Sabur Director
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Signed in terms of our separate report of even date annexed.


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Place: Dhaka
Dated: 09 November 2023



Bangladesh Power Equipment Manufacturing Company Ltd.
Statement of Changes in Equity
For the year ended 30 June 2023


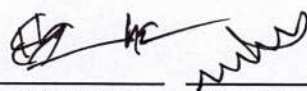



Amount in Taka

Particular	Share Capital	Retained Earnings	Total
Balance as at 01 July 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 during the year	-	102,297,230	102,297,230
Balance as at 30 June 2023	75,982,080	276,897,887	352,879,967

For the year ended 30 June 2022

Amount in Taka

Particular	Share Capital	Retained Earnings	Total
Balance as at 01 July 2021	75,982,080	135,749,220	211,731,300
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

 <hr style="width: 100%;"/> Prantush Chandra Shaha Company Secretary	 <hr style="width: 100%;"/> Md. Shahjahan Faquir ACMA Chief Financial Officer	 <hr style="width: 100%;"/> Md. Salim Bhuiyan Chief Executive Officer	 <hr style="width: 100%;"/> Mahfuza Akhter Director	 <hr style="width: 100%;"/> Md. Abdus Sabur Director
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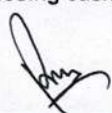
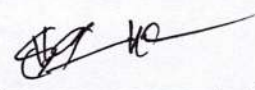

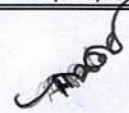
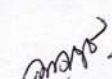
Place: Dhaka
 Dated: 09 November 2023



Bangladesh Power Equipment Manufacturing Company Ltd.

Statement of Cash Flow
For the year ended 30 June 2023

	2023 <u>Taka</u>	2022 <u>Taka</u>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(Loss) before tax	139,158,886	62,801,959
Adjustments for Non-Cash Items:		
Depreciation	10,035,008	12,049,930
	149,193,894	74,851,888
Changes in working capital:		
(Increase)/Decrease in Inventories	(700,506,966)	98,057,726
(Increase)/Decrease in Accounts receivable	(1,152,073)	(138,889,402)
(Increase)/Decrease in advance, deposits and prepayments	(50,447,469)	(1,230,686)
(Increase)/Decrease in Advance income tax	(71,908,634)	35,343,581
Increase/(Decrease) in Accounts payable	952,608,055	(461,425,332)
Increase/(Decrease) in Liabilities for expenses	(17,134,575)	24,592,948
Increase/(Decrease) in Provision for WPPF	4,131,856	(5,600,281)
Income Tax paid	-	(57,738,426)
Cash flows from/(used in) Operation	115,590,195	(506,889,873)
Net cash flows from/(used in) operating activities	264,784,088	(432,037,984)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work-in-progress	-	-
Property, plant and equipment	(341,975)	(725,492)
Encashment/(Investment) in Fixed Deposit Receipts (FDR)	(170,438,023)	70,000,000
Net cash flows (used in) investing activities	(170,779,998)	69,274,508
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital	-	-
Share money deposit	-	-
Cash dividend paid	(3,799,104)	(3,799,104)
Principal payment of lease	(4,571,789)	(6,069,374)
Short term loan (Paid)/Received	-	(100,000,000)
Net cash flows from financing activities	(8,370,893)	(109,868,478)
D. Changes in cash and cash equivalents (A+B+C)	85,633,197	(472,631,954)
E. Opening cash and cash equivalents	14,730,584	487,362,538
Closing cash and cash equivalents (D+E)	100,363,781	14,730,584

				
Prantush Chandra Shaha Company Secretary	Md. Shahjahan Faquir ACMA Chief Financial Officer	Md. Salim Bhuiyan Chief Executive Officer	Mahfuza Akhter Director	Md. Abdus Sabur Director

Place: Dhaka
Dated: 09 November 2023



Bangladesh Power Equipment Manufacturing Company Limited
Notes To The Financial Statements
As at and for the year ended 30 June 2023

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. The Company also got KEMA certificate on 28 May 2020 and Trade License on 30 June 2020.

1.2 Address of registered office and principal place

The register office of the company is at House#19, Road#1/B, Sector#9, Uttara, Daka.

1.3 Principal Activities and Nature of Operation

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 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 2023
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 2022 to 30 June 2023.

2.9 Comparative Information and Rearrangement thereof

Comparative information have been disclosed in respect of the year 2021-2022 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.



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 reducing balance 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 & Administrative Expenses and Factory Overhead respectively by the management..The Rate of depreciation for this period as below:

<u>Categories</u>	<u>Rate</u>
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 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 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 2023.

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 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 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

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 or 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

- 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; and
- 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 2023.



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- 29.

04. 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.



	2023 Taka	2022 Taka
5 Property, Plant & Equipments		
A. At Cost:		
Opening Balance	38,872,372	38,146,880
Addition During the Year	341,975	725,492
Closing balance	39,214,347	38,872,372
B. Accumulated Depreciation:		
Opening Balance	9,776,486	4,111,254
Addition During the Year	5,778,543	5,665,232
Closing Balance	15,555,029	9,776,486
Written Down Value (A-B)	23,659,318	29,095,886

The details Property, Plant & Equipments are shown in **Annexure- A**

6 Right of Use Assets

A. Cost

Opening Balance	10,641,163	-
Add: Addition during the year	-	10,641,163
	10,641,163	10,641,163
Less: Disposal during the year	-	-
	10,641,163	10,641,163

B. Accumulated Depreciation

Opening Balance	6,384,698	-
Add: Charged during the year	4,256,465	6,384,698
	10,641,163	6,384,698
Less: Adjustment during the year	-	-
	10,641,163	6,384,698

Written Down Value (A-B)

-	4,256,465
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The Details of Right of Use Assets are shown in **Annexure-B**

7 DEFERRED TAX ASSETS

Opening balance	918,226	-
Add: Deferred tax assets during the year (Notes-7.1)	1,407,038	918,226
	2,325,264	918,226
Less: Adjustment during the year	-	-
	2,325,264	918,226

7.1 Deferred Tax Assets During The Year

Carrying value of depreciable fixed assets	23,659,318	29,095,886
Tax base value	28,775,819	32,434,889
Deductible temporary differences	(5,116,501)	(3,339,003)
Applicable tax rate	27.50%	27.50%
Deferred tax (Income)/Expense	(1,407,038)	(918,226)

8 INVENTORIES

Raw materials	122,247,390	34,192,782
Goods In Transit	120,447,687	-
Work-in-progress	492,004,671	-
	734,699,748	34,192,782



	2023 Taka	2022 Taka
9 ACCOUNTS RECEIVABLE		
Dhaka PBS-1	27,292,468	58,712,824
Dhaka PBS-3	11,310,979	57,019,824
Dhaka PBS -4	9,000,001	56,606,383
Narayangonj PBS-1	14,386,409	57,530,753
Narayangonj PBS-2	8,413,952	57,333,719
DESCO	87,504,805	-
NESCO	98,994,772	-
Other Receivables (Note-9.1)	31,452,189	-
	288,355,575	287,203,503
9.1 Other Receivable		
Fixed deposit interest	105,529	-
Internet Bill Receivable	60,750	-
VAT Receivable	31,285,910	-
	31,452,189	-
10 ADVANCE, DEPOSIT AND PREPAYMENT		
Security deposit for office space	3,695,142	3,192,000
Input VAT	41,204,676	-
Advance against purchase/assignment	107,013	47,450
Prepaid for insurance premium	-	73,288
Margin of bank guarantee	-	2,100,093
Advance to local supplier/consultant	10,822,333	-
Office stores	39,258	8,123
	55,868,422	5,420,954
11 ADVANCE INCOME TAX		
Opening balance	17,833,865	53,177,446
Add: Addition during the year (Notes-11.1)	71,908,634	17,775,049
	89,742,499	70,952,495
Less: Adjustment during the year	-	(53,118,630)
	89,742,499	17,833,865
11.1 Addition during the year		
Advance income tax	48,701,364	-
Tax deducted at source	20,968,182	17,114,415
AIT on bank interest	1,124,889	172,576
AIT on FDR interest	1,114,199	488,059
	71,908,634	17,775,049
12 INVESTMENT IN FIXED DEPOSIT RECEIPTS		
Opening balance	105,022,800	175,022,800
Add: Addition during the year	410,438,022	20,000,000
	515,460,822	195,022,800
Less: Encashment during the year	(240,000,000)	(90,000,000)
	275,460,822	105,022,800
13 CASH & CASH EQUIVALENTS		
Cash in hand	26,028	50,000
Cash at bank (Notes-13.1)	100,337,753	14,680,584
	100,363,781	14,730,584



		2023 Taka	2022 Taka
13.1 Cash at Bank			
United Commercial Bank Limited			
SND:	831301000000222	98,344,454	14,350,755
CD	0831101000001142	24,438	33,511
Prime Bank Ltd.			
SND:	2140314020111	1,942,640	293,522
CD:	2140117020112	881	2,176
CD:	2140116020113	25,340	620
		100,337,753	14,680,584

14 SHARE CAPITAL

A Authorized Share Capital

The authorized share capital of the company is amounting Taka 200,000,000 divided into 20,000,000 ordinary shares of Taka10 each.

200,000,000	200,000,000
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B Issued, Suscribed and Paid up Capital

The Issued, Suscribed and Paid up share capital of the company is amounting Taka 75,982,080 divided into 7,598,208 ordinary shares of Taka 10 each.

75,982,080	75,982,080
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The composition of fully paid up share capital is as follows:

Name of Shareholders	No. of Shares	Value per Share	Amount	Amount
Rural Power Company Limited	3,875,086	10	38,750,860	38,750,860
Shenzhen Star Instrument Co. Ltd.	3,723,122	10	37,231,220	37,231,220
	7,598,208		75,982,080	75,982,080

15 Retained Earnings

Opening balance	178,399,762	135,749,220
Cash dividend paid during the year	(3,799,104)	(3,799,104)
Add: Net Profit/(Loss) after tax for the year	102,297,230	46,449,646
	276,897,888	178,399,762

16 LEASE LIABILITIES

Opening balance	4,571,789	-
Add: Addition during the year	-	10,641,163
Add: Interest charged on lease liabilities	120,451	660,426
	4,692,240	11,301,589
Less: Rent paid during the year	(4,692,240)	(6,729,800)
	-	4,571,789

17 ACCOUNTS PAYABLE

Payable to Shenzhen Star Instrument Co. Ltd.	993,034,943	152,945,218
Payable to local supplier	115,781,407	15,854,445
Security deposits -others	2,396,714	1,377,326
Others Payable	43,614	-
Payable to RPCL	32,414,966	20,886,601
	1,143,671,644	191,063,590

18 LIABILITY FOR EXPENSES

Audit fees	69,000	51,750
Honorarium	226,850	-
Provision for allowance	9,052,352	21,693,538
Provision for doubtful debt (Note 18.1)	262,511	5,000,000
	9,610,713	26,745,288



	2023 Taka	2022 Taka
18.1 Provision for doubtful debt		
Opening balance	5,000,000	-
Add: Provision made during the year	-	5,000,000
	5,000,000	5,000,000
Less: Adjustment during the year	4,737,489	-
	<u>262,511</u>	<u>5,000,000</u>
19 PROVISION FOR WORKER PROFIT PARTICIPATION FUND (WPPF)		
Opening balance	4,111,251	9,711,532
Add: Addition during the year	6,957,944	3,140,098
	11,069,195	12,851,630
Less: Paid during the year	(2,826,088)	(8,740,379)
	<u>8,243,107</u>	<u>4,111,251</u>
20 PROVISION FOR INCOME TAX		
Opening balance	17,801,305	58,269,193
Add: Addition during the year	38,268,694	17,270,539
	56,069,999	75,539,732
Less: Adjustment during the year	-	(57,738,426)
	<u>56,069,999</u>	<u>17,801,305</u>
21 Revenue		
Dhaka Palli Bidyut Shamiti-1	155,864,250	63,428,226
Dhaka Palli Bidyut Shamiti-3	140,790,650	63,428,226
Dhaka Palli Bidyut Shamiti-4	140,790,652	63,428,225
Narayangonj Palli Bidyut Shamiti-1	140,790,650	63,428,227
Narayangonj Palli Bidyut Shamiti-2	144,899,346	63,428,226
Dhaka Electric Supply Company Limited (DESCO)	90,434,783	-
Northern Electricity Supply Company Limited (NESCO)	103,064,348	-
	<u>916,634,679</u>	<u>317,141,130</u>
22 COST OF GOODS SOLD		
Raw material used (Notes-22.1)	247,287,189	-
Direct expenses (Notes-22.2)	11,261,707	21,494,990
Depreciation on plant equipment	2,107,435	2,065,792
	260,656,331	23,560,782
Opening finished goods	-	-
Add: Purchase of finished goods	949,636,581	87,335,026
Currency fluctuation loss	23,395,914	19,636,198
	1,233,688,826	130,532,007
Add: Opening work-in-progress	-	98,057,725
Less: Closing work-in-progress	492,004,671	-
Less: Closing inventory of finished goods	-	-
	<u>741,684,155</u>	<u>228,589,732</u>
22.1 Raw Material Used		
Opening Raw Material	34,192,782	34,192,782
Add: Purchase during the year	335,341,797	-
	369,534,579	34,192,782
Less: Closing Raw Material	(122,247,390)	(34,192,782)
	<u>247,287,189</u>	<u>-</u>
22.2 Direct Expenses		
Meter Installation	9,854,895	15,264,240
Sim/Internet Bill DCU	1,406,812	1,230,750
Doubtful Accounts	-	5,000,000
	<u>11,261,707</u>	<u>21,494,990</u>



	2023 Taka	2022 Taka
23 Administrative Expenses		
Salaries, wages allowances	11,120,715	9,987,014
Festival bonus	735,092	1,047,720
House Rent expenses	2,474,050	-
Utility bill	273,062	234,271
Fuel	150,766	141,546
Repairs & Maintenance	368,143	-
Security services	280,800	165,600
Audit Fees	69,000	51,750
Group Insurance	20,237	-
Uniform liveries	56,375	-
Honorarium	1,520,528	832,960
General expense	328,688	140,944
Entertainment	475,653	48,483
Legal professional fees	45,257	191,641
Printing & Stationery	307,874	125,067
Postage stamp	25,959	19,074
Consumable office	11,086	96,429
Advertisement	388,126	21,250
Telephone bill	3,910	10,890
Telecommunication	88,000	96,000
Local conveyance	58,456	23,119
Rent-a-car	956,726	959,686
Licenses renewals fees	565,500	20,410
Insurance	73,288	89,575
AGM Expense	486,241	373,888
Book and Periodical	4,150	15,135
Depreciation (Note -23.1)	7,927,573	9,984,138
	28,815,255	24,676,590
23.1 Depreciation		
Property, plant & equipments (Annexure- A)	3,671,108	3,599,440
Right of use assets (Annexure- B)	4,256,465	6,384,698
	7,927,573	9,984,138
24 Selling and Distribution Expenses		
Transportation	194,620	-
Customization center	25,360	733,401
	219,980	733,401
25 Other Income		
Miscellaneous	356,246	75,037
Tender sale	-	17,000
	356,246	92,037
26 Interest Income		
Fixed deposit interest	6,995,750	5,094,776
Bank account interest	3,751,898	1,725,755
	10,747,648	6,820,531
27 Finance Expense		
Interest expense on lease	120,451	660,426
Interest on borrowing and debts	1,934,589	431,507
Bank charge	574,438	181,380
Bank commission	2,689,232	1,063,857
Commission on corporate guarantee	5,583,643	1,774,749
	10,902,353	4,111,919



28 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	-	-	-	-
Shenzhen Star Instrument Co. Ltd.	Associates Company	Accounts Payable	152,945,218	840,089,725	-	993,034,943
Rural Power Company Limited	Parent	Accounts Payable	20,886,601	11,528,366	-	32,414,967

29 EVENTS AFTER THE REPORTING PERIOD


- 29.1 The Board of Directors of the company in its meeting held on 09 November 2023 approved the financial statements of the company for the year ended 30 June 2023 and authorized the same for issue. The Board of Directors has also decided to declare 10% cash dividend for the year 2022-2023.
- 29.2 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
Company Secretary


Md. Shahjahan
Faquir ACMA
Chief Financial
Officer


Md. Salim
Bhuiyan
Chief
Executive
Officer


Mahfuza Akhter
Director


Md. Abdus
Sabur
Director

Place: Dhaka
Dated: 09 November 2023



Bangladesh Power Equipment Manufacturing Company Limited
Schedule of Property, Plant and Equipment
As at 30 June 2023

Annexure- A

Amount in Taka

Particulars	Cost				Rate	Depreciation				Written down value at 30 June 2023
	As at 01 July 2022	Addition during the year	Disposal during the year	As at 30 June 2023		As at 01 July 2022	Charged during the year	Adjustment during the year	As at 30 June 2023	
Plant Equipment	20,657,916	-	-	20,657,916	10%	3,098,688	2,065,792	-	5,164,480	15,493,436
Office Equipment	1,275,423	78,971	-	1,354,394	20%	315,878	324,944	-	640,822	713,572
Furniture Fixture	1,528,700	-	-	1,528,700	20%	576,577	305,740	-	882,317	646,383
Air Condition	5,125,295	263,004	-	5,388,299	20%	1,964,696	1,025,059	-	2,989,755	2,398,544
Interior Decoration	9,996,134	-	-	9,996,134	20%	3,791,757	1,999,227	-	5,790,984	4,205,150
Motor Vehicle	288,904	-	-	288,904	20%	28,890	57,781	-	86,671	202,233
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
Balance as at 30 June 2022	38,146,880	725,492	-	38,872,372		4,111,254	5,665,232	-	9,776,486	29,095,886

Allocation of Depreciation	2023 Taka	2022 Taka	Percentage
Manufacturing	2,107,435	2,065,792	36%
Administrative	3,671,108	3,599,440	64%
Total	5,778,543	5,665,232	100%



Annexure- B

Bangladesh Power Equipment Manufacturing Company Limited
Schedule of Right of Use Assets
As at 30 June 2023

(Amount in Taka)

Particulars	Cost				Depreciation				Written Down Value as at 30.06.2023
	Balance as on 01.07.2022	Addition during the year	Adjustment during the year	Balance as on 30.06.2023	Balance as on 01.07.2022	Charged during the year	Adjustment during the year	Balance as on 30.06.2023	
Right of use assets	10,641,163	-		10,641,163	6,384,698	4,256,465		10,641,163	-
Total as at 30 June 2023	10,641,163	-	-	10,641,163	6,384,698	4,256,465	-	10,641,163	-
Total as at 30 June 2022	-	10,641,163	-	10,641,163	-	6,384,698	-	6,384,698	4,256,465

