PRIVATE & CONFIDENTIAL

"Bangladesh Power Equipment Manufacturing Company Ltd."

Auditor Report and Audited Financial Statements
For the year ended June 30, 2025.

Khan Wahab Shafique Rahman & Co.
CHARTERED ACCOUNTANTS
SINCE 1968

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Independent Auditor's Report
To the Shareholder
of
Bangladesh Power Equipment Manufacturing Company Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Bangladesh Power Equipment Manufacturing Company Ltd.** which comprise the statement of financial position as at June 30, 2025 and statements 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 present fairly, in all material respects of the statement of financial position of **Bangladesh Power Equipment Manufacturing Company Ltd.** as at 30 June, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

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 Auditors' 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) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Other Matter

The financial statements of the company for the year ended 30.06.2024 were audited by KM Hasan and Co. Chartered Accountants, who expressed an unmodified opinion on those financial statements.

Other Information

Management is responsible for the other information. The other information comprises all of the information 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing 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.

KHAN WAHAB SHAFIQUE RAHMAN & CO Chartered Accountants

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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.

- 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 conclusions 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 company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by company so far as it appeared from our examination of these books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Dated, Dhaka 17 FEB 2026

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Tanjilur Rahman FCA
Partner
ICAB Enrollment No: 1885
Firm Reg. No.: 11970 E.P.
DVC: 2602171885AS106710

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Bangladesh Power Equipment Manufacturing Company Ltd.

Statement of Financial Position

As at 30 June 2025

Particulars	Notes	Amount	
		30 June, 2025	30 June, 2024
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	24,751,864	30,002,858
Right of Use Assets	5	12,044,232	7,097,977
CAP, WIP	4.1	3,311,218	-
Deferred tax asset	6	2,571,385	4,098,012
		42,678,699	**41,198,847**
Current Assets			
Inventories	7	145,044,153	517,444,226
Accounts Receivable	8	1,143,972,246	382,952,646
Advance, Deposit and Prepayments	9	4,386,360	5,059,474
Advance Income Tax	10	132,737,823	209,621,763
Investment in Fixed Deposit Receipts	11	347,786,391	195,627,603
Cash and Cash Equivalents	12	106,463,569	938,083,567
		1,880,390,542	**2,248,789,279**
Total Assets		**1,923,069,241**	**2,289,988,126**
EQUITY AND LIABILITIES			
Equity			
Share Capital	13	75,982,080	75,982,080
Retained Earnings		642,833,698	473,296,231
		718,815,778	**549,278,311**
Current Liabilities			
Lease Liabilities	14	12,415,833	7,437,709.00
Accounts Payable	15	992,237,499	1,405,587,344
Liability For Expenses	16	78,297,501	95,413,175
Provision for WPPF	17	17,398,929	20,757,752
Provision for Income Tax	18	103,903,701	211,513,835
		1,204,253,463	**1,740,709,815**
Total Equity and Liabilities		**1,923,069,241**	**2,289,988,126**

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

Prantush Chandra Shaha FCS	**Md. Shahjahan Faquir FCMA**	**K. M. Nayeem Khan**	**Rocksinda Farhana**
Company Secretary	**Chief Financial Officer**	**Chief Executive Officer**	**Director**

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

Dated, Dhaka 17 FEB 2026

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Tanjilur Rahman FCA
Partner
Enrolment No.: 1885
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KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Bangladesh Power Equipment Manufacturing Company Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2025

Particulars	Notes	Amount	
		30 June, 2025	30 June, 2024
Revenue	19	1,246,282,704	2,375,608,484
Cost Of Goods Sold	20	(992,951,046)	(1,923,126,472)
Gross Profit		**253,331,658**	**452,482,012**
Less: Operating Expenses			
Administrative Expenses	21	45,683,682	48,092,856
Selling and Distribution Expenses	22	1,064,282	1,356,004
		46,747,964	**49,448,860**
Operating Profit		**206,583,694**	**403,033,151**
Other Income	23	285,169	978,365
Interest Income	24	45,680,677	9,631,352
Finance Expense	25	(7,634,687)	(19,330,192)
		38,331,159	**(8,720,475)**
Profit Before Contribution to WPPF		**244,914,853**	**394,312,676**
Contribution to WPPF	17	(11,662,612)	(18,776,794)
Profit Before Tax		**233,252,241**	**375,535,882**
Provision for Income Tax	18	(58,313,060)	(173,312,079)
Deferred Tax Income	6	798,637	1,772,748
Profit After Tax		**175,737,817**	**203,996,552**
Other Comprehensive Income		-	-
Total Comprehensive Income		**175,737,817**	**203,996,552**

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

Prantush Chandra Shaha FCS	**Md. Shahjahan Faquir FCMA**	**K. M. Nayeem Khan**	**Rocksinda Farhana**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director

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

Dated, Dhaka 17 FEB 2026

Khan Wahab Shafique Rahman & Co.
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KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Bangladesh Power Equipment Manufacturing Company Ltd.
Statement of Changes in Equity
For the year ended 30 June 2025

Particulars	Share Capital	Retained Earnings	Amount in Taka Total
Opening Balance as at 01 July 2024	75,982,080	473,296,231	549,278,311
Cash dividend paid during the year	-	(3,875,086)	(3,875,086)
Profit after tax	-	175,737,817	175,737,817
Less: Priori year adjustment in deferred tax		(2,325,264)	
Balance as at 30 June 2025	**75,982,080**	**642,833,698**	**721,141,042**

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

Particulars	Share Capital	Retained Earnings	Amount in Taka Total
Opening Balance as at 01 July 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**

Prantush Chandra Shaha FCS	Md. Shahjahan Faquir FCMA	K. M. Nayeem Khan	Rocksinda Farhana
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Bangladesh Power Equipment Manufacturing Company Ltd.
Statement of Cash Flow
For the year ended 30 June 2025

Particulars	Amount	
	2024-25	2023-24
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(Loss) before tax	233,252,241	375,535,882
Adjustments for Non-Cash Items:		
Depreciation	22,159,117	13,551,460
Interest charged on lease liabilities	1,269,349	662,833
	256,680,707	**389,750,175**
Changes in working capital:		
(Increase)/Decrease in Inventories	372,400,073	217,255,522
(Increase)/Decrease in Accounts receivable	(761,019,600)	(94,597,071)
(Increase)/Decrease in advance, deposits and prepayments	673,114	50,808,948
(Increase)/Decrease in Advance income tax	76,883,941	(119,879,264)
Increase/(Decrease) in Accounts payable	(413,349,845)	261,915,700
Increase/(Decrease) in Liabilities for expenses	(17,115,674)	85,802,462
Increase/(Decrease) in Provision for WPPF	(3,358,823)	12,514,645
Income Tax paid	(165,923,194)	(17,868,243)
Cash flows from/(used in) Operation	(910,810,009)	395,952,700
Net cash flows from/(used in) operating activities	**(654,129,301)**	**785,702,875**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(6,837,417)	(12,797,023)
Encashment/(Investment) in Fixed Deposit Receipts (FDR)	(152,158,788)	79,833,219
Net cash flows (used in) investing activities	**(158,996,205)**	**67,036,196**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividend paid	(3,875,086)	(7,598,208)
Principal payment of lease	(14,619,406)	(7,421,077)
Net cash flows from financing activities	**(18,494,492)**	**(15,019,285)**
D. Changes in cash and cash equivalents (A+B+C)	**(831,619,998)**	**837,719,786**
E. Opening cash and cash equivalents	938,083,567	100,363,781
Closing cash and cash equivalents (D+E)	**106,463,569**	**938,083,567**

Prantush Chandra Shaha FCS	**Md. Shahjahan Faquir FCMA**	**K. M. Nayeem Khan**	**Rocksinda Farhana**
Company Secretary	Chief Financial Officer	Chief Executive Officer	Director

SHAFIQUE RAHMAN & CO. Chartered Accountants KHAN WAHAB

Bangladesh Power Equipment Manufacturing Company Ltd.
Notes To The Financial Statements
For the year ended 30 June 2025

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 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 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.

WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

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 2024 to 30 June 2025.

2.9 Comparative Information and Rearrangement thereof

Comparative information have been disclosed in respect of the year 2023-2024 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevent 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.

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

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:

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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 approch 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 exchenge 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 initialilly measured at the present vulue 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.

WAHAB SHAFIQUE RAHMAN & Co. Chartered Accountants

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 accured the interest up to 30 June 2025.

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 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.

M. WAHAB SHAFIQUE RAHMAN & Co. Chartered Accountants

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
- 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 finanacial statements irrespective of whether the same is paid or not up to 30 June 2025.

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.

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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.

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4 PROPERTY, PLANT AND EQUIPMENT

Amount in Taka

Particulars	Cost			Rate %	Depreciation				Written down value at 30 June 2025
	As at 01 July 2024	Addition during the year	As at 30 June 2025		As at 01 July 2024	Charged during the year	Adjustment during the year	As at 30 June 2025	
Plant Equipment	21,008,160	-	21,008,160	10%	7,230,272	2,100,816	-	9,331,088	11,677,072
Office Equipment	1,995,794	555,400	2,551,194	20%	997,836	509,369	26,900	1,534,105	1,017,089
Furniture Fixture	1,528,700	2,585,200	4,113,900	20%	1,188,057	822,780	129,260	2,140,097	1,973,803
Air Condition	5,388,299	3,700,000	9,088,299	20%	4,067,415	1,674,137	41,477	5,783,029	3,305,270
Interior Decoration	21,801,513	(3,314,401)	18,487,112	20%	8,380,480	3,612,310	(197,637)	11,795,153	6,691,959
Vehicle	288,904	-	288,904	20%	144,452	57,781	-	202,233	86,671
Balance as at 30 June 2025	**52,011,370**	**3,526,199**	**55,537,569**		**22,008,512**	**8,777,193**	**-**	**30,785,705**	**24,751,864**
Balance as at 30 June 2024	**39,214,347**	**12,797,023**	**52,011,370**		**15,555,029**	**6,453,483**	**-**	**22,008,512**	**30,002,858**

Allocation of Depreciation	Percentage	2025 Taka	2024 Taka
Manufacturing	24%	2,100,816	2,065,792
Administrative	76%	6,676,377	4,387,691
Total	**100%**	**8,777,193**	**6,453,483**

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Particulars	Amount	
	30 June, 2025	30 June, 2024
4.1 CAP, WIP		
Opening balance	-	-
Add: Addition during the year	3,311,218	-
	3,311,218	-
5 RIGHT OF USE ASSETS		
Opening balance	7,097,977	-
Add: Addition during the year	18,328,180	14,195,953
	25,426,157	14,195,953
Less: Depreciation on right of use assets	13,381,924	7,097,977
	12,044,232	**7,097,977**
6 DEFERRED TAX ASSETS		
Opening balance	4,098,012	2,325,264
Add: Deferred tax income during the year (Note-6.1)	798,637	1,772,748
Less: Prior Year Adjustment in the deferred tax asset	(2,325,264)	
Closing balance	**2,571,385**	**4,098,012**
6.1 Deferred Tax Income During The Year		
Carrying value of depreciable fixed assets	24,751,864	30,002,858
Carrying valueTax base value	34,286,366	36,342,815
Deductible temporary differences (A)	**9,534,502**	**6,339,957**
Lease Liabilities	**19,311,622**	**19,311,622**
Right of Use of Assets	**18,560,585**	**18,560,585**
Deductible temporary differences (B)	**751,037**	**751,037**
Deductible temporary differences (A+B)	**10,285,539**	**7,090,994**
Applicable tax rate	**25.00%**	**25.00%**
Deferred tax Asset	**2,571,385**	**1,772,748**
Deferred Tax Income	**798,637**	
7 INVENTORIES		
Raw materials	10,612,844	10,698,169
Goods In Transit	-	2,000,810
Work-in-progress	134,431,309	504,745,247
	145,044,153	**517,444,226**
8 ACCOUNTS RECEIVABLE		
Dhaka PBS-1	90,686,186	477,491
Dhaka PBS-3	97,704,659	10,472,047
Dhaka PBS -4	107,468,015	59,929,216
Narayangonj PBS-1	89,885,502	67,059,395
Narayangonj PBS-2	100,083,349	570,155
Munshiganj PBS	40,007,209	84,550,015
Gazipur PBS-1	-	3,764,133
DESCO	73,528,957	50,000,002
NESCO	378,129,393	55,724,962
Other Receivables (Note-8.1)	166,479,461	50,405,230
	1,143,972,246	**382,952,646**
8.1 Other Receivable		
Fixed deposit interest	5,378,117	3,222,835
Internet Bill Receivable		8,100
VAT Receivable	161,101,344	47,174,295
	166,479,461	**50,405,230**

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Particulars	Amount	
	30 June, 2025	30 June, 2024
9 ADVANCE, DEPOSIT AND PREPAYMENT		
Security deposit for office space	4,074,360	3,695,142
Input VAT	-	969,876
Advance against purchase/assignment	22,000	86,156
Margin of LC	280,000	280,000
Office stores	10,000	28,300
	4,386,360	**5,059,474**
10 ADVANCE INCOME TAX		
Opening balance	209,621,763	89,742,499
Add: Addition during the year (Note-10.1)	89,039,254	209,621,763
	298,661,017	299,364,262
Less: Adjustment during the year	(165,923,194)	(89,742,499)
Closing balance	**132,737,823**	**209,621,763**
10.1 Addition during the year		
Advance income tax	20,616,483	114,566,655
Tax deducted at source	60,536,154	91,475,283
AIT on bank interest	1,704,914	1,918,361
AIT on FDR interest	6,181,702	1,661,464
	89,039,254	**209,621,763**
11 INVESTMENT IN FIXED DEPOSIT RECEIPTS		
Opening balance	195,627,603	275,460,822
Add: Addition during the year	447,760,917	160,166,781
	643,388,520	435,627,603
Less: Encashment during the year	295,602,129	(240,000,000)
Clossing balance	**347,786,391**	**195,627,603**
12 CASH AND CASH EQUIVALENTS		
Cash in hand	36,188	31,360
Cash at bank (Note - 12.1)	106,427,381	9,338,052,207
	106,463,569	**9,338,083,567**
12.1 Cash at Bank		
United Commercial Bank Limited		
SND: 0831301000000222	36,152,622	227,674,369
CD 0831101000001142	10,409	6,989
Mercantile Bank Bank Limited		
SND: 1131000060187	70,220,153	709,366,820
CD 1111001255095	2,414	299
Prime Bank Ltd.		
SND: 2140314020111	25,402	982,566
CD: 2140117020112	1,569	1,846
CD: 2140116020113	14,812	19,318
	106,427,381	**938,052,207**
13 SHARE CAPITAL		
Authorized Share Capital		
60,000,000 Ordinary shares of TK 10 each	**600,000,000**	**600,000,000**

The authorized share capital of the company is Taka 600,000,000 divided into 60,000,000 ordinary shares of Taka 10 each.

Issued, Subcribed and Paid-up capital		
7,598,208 Ordinary shares of Tk 10/- each fully paid up	**75,982,080**	**75,982,080**

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.

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Particulars	Amount	
	30 June, 2025	30 June, 2024

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
	7,598,208			**75,982,080**	**75,982,080**

14 LEASE LIABILITIES

Opening balance	7,437,709	-
Add: Addition during the year	18,328,180	14,195,953
Add: Interest charged on lease liabilities	1,269,349	662,833
	27,035,238	14,858,786
Less: Rent paid during the year	(14,619,405)	(7,421,077)
Closing balance	**12,415,833**	**7,437,709**

15 ACCOUNTS PAYABLE

Payable to overseas supplier	790,329,493	1,109,697,731
Payable to local supplier	193,870,752	269,576,484
Security deposits -others	3,223,955	5,550,277
Others Payable	-	80,000
Payable to RPCL	4,813,299	20,682,852
	992,237,499	**1,405,587,344**

16 LIABILITY FOR EXPENSES

Audit fees	83,950	80,500
Employee Benefits Payable	740,800	
Honorarium	102,600	232,200
Provision for allowance	65,781,796	83,512,121
Provision for doubtful debt (16.1)	11,588,355	11,588,355
	78,297,501	**95,413,175**

16.1 Provision for doubtful debt

Opening balance	11,588,355	262,511
Add: Provision made during the year	-	11,325,844
	11,588,355	11,588,355
Less: Adjustment during the year	-	-
	11,588,355	**11,588,355**

17 PROVISION FOR WORKER PROFIT PARTICIPATION FUND (WPPF)

Opening balance	20,757,752	8,243,107
Add: Provision made during the year	11,662,612	18,776,794
	32,420,364	27,019,901
Less: Adjustment during the year	(15,021,435)	(6,262,149)
	17,398,929	**20,757,752**

18 PROVISION FOR INCOME TAX

Opening balance	211,513,835	56,069,999
Add: Addition during the year	58,313,060	173,312,079
	269,826,895	229,382,078
Less: Adjustment during the year	(165,923,194)	(17,868,243)
	103,903,701	**211,513,835**

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Particulars	Amount	
	30 June, 2025	30 June, 2024
19 Sales Revenue		
Dhaka PBS-1	96,047,232	245,234,407
Dhaka PBS-3	97,468,150	245,234,407
Dhaka PBS-4	116,513,997	391,430,059
Narayanganj PBS-1	96,047,451	245,234,407
Narayanganj PBS-2	107,921,949	246,736,421
Munshiganj PBS	11,674,419	204,673,913
Gazipur PBS-1	107,896,057	142,434,783
DESCO	85,090,709	527,092,174
NESCO	527,622,741	127,537,913
	1,246,282,704	**2,375,608,484**
20 COST OF GOODS SOLD		
Raw material used (Note-20.1)	547,566,664	1,785,898,980
Direct expenses (Note-20.2)	37,867,718	37,447,508
Depreciation on plant equipment	2,100,816	2,065,792
	587,535,198	1,825,412,280
Opening finished goods	-	-
Add. Purchase of finished goods	-	-
Currency fluctuation loss	35,101,910	110,454,769
	35,101,910	110,454,769
Add: Opening work-in-progress	504,745,247	492,004,671
Less: Closing work-in-progress	134,431,309	504,745,247
Less: Ending inventory of finished goods	-	-
	992,951,046	**1,923,126,472**
20.1 Raw Material Used		
Opening Raw Material	10,698,169	122,247,390
Add: Purchase during the year	547,566,664	1,674,349,759
	558,264,833	1,796,597,149
Less: Closing Raw Material	(10,698,169)	(10,698,169)
	547,566,664	**1,785,898,980**
20.2 Direct Expense		
Meter Installation	30,766,816	37,245,649
SIM/Internet Bill DCU	737,730	201,859
Local LC Tax expense	4,388,172	
DCU Junction Box Expense	1,975,000	
	37,867,718	**37,447,508**
21 ADMINISTRATIVE EXPENSES		
Salaries, wages allowances	14,826,000	14,966,648
Festival bonus	1,118,858	1,121,635
House Rent expenses	2,396,671	992,307
Utility bill	827,593	783,078
Fuel	166,853	131,374
Travel Expense Local	-	9,875
Repair and Maintenance	175,800	-
Security services	19,500	16,637
Audit Fees	83,950	163,342
Group Insurance	39,296	49,922
Income Tax Expense	-	1,430,524
Honorarium	1,084,260	1,843,996
General expense	989,438	554,188
Entertainment	160,904	740,289
Legal professional fees	56,561	632,754
Printing and Stationery	187,498	212,101
Postage stamp	5,603	23,500

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Particulars	Amount	
	30 June, 2025	30 June, 2024
Consumable office	115,066	15,605
Advertisement	129,565	107,091
Telehone bill	-	1,640
Telecommunication	160,500	96,000
Local conveyance	81,715	309,158
Rent-a-car	969,861	958,209
Casual labour	133,000	1,000
Licenses renewals fees	24,768	22,755
Insurance	97,717	97,717
AGM Expense	433,422	-
Training Conference Fees	16,200	-
Consultancy Fee	1,324,781	-
Bad Debt Expense	-	11,325,844
Depreciation (Note-21.1)	20,058,301	11,485,668
	45,683,682	**48,092,856**

21.1 Depreciation Expenses

Fixed asset	6,676,377	4,387,691
Right of use assets	13,381,924	7,097,977
	20,058,301	**11,485,668**

22 SELLING AND DISTRIBUTION EXPENSES

Transportation	548,822	1,191,564
Customization center	515,460	164,440
	1,064,282	**1,356,004**

23 OTHERS INCOME

Miscellaneous	285,169	978,365
	285,169	**978,365**

24 INTEREST INCOME

Fixed deposit interest	35,485,435	4,226,985
Bank account interest	10,195,241	5,404,368
	45,680,677	**9,631,352**

25 FINANCE EXPENSES

Interest expense on lease	1,269,349	662,833
Interest on borrowing and debts	-	-
Bank charge	802,854	622,566
Bank commission	749,184	8,890,308
Commission on corporate guarantee	4,813,300	9,154,486
	7,634,687	**19,330,192**

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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	1,109,697,731	384,680,000	(704,048,239)	790,329,493
Rural Power Company Limited	Parent	Accounts Payable	20,682,853	4,813,299	(20,682,853)	4,813,299

27 EVENTS AFTER THE REPORTING PERIOD

a) The Board of Directors of the company in it's meeting held on 09 February 2026 approved the financial statements of the company for the year ended 30 June 2025 and authorized the same for issue. The Board of Directors has also decided to declare 10% cash dividend for the year 2024-2025.

b) 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.

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Annexure- A

Bangladesh Power Equipment Manufacturing Company Ltd.
Schedule of Right of Use Assets
As at 30 June 2025

(Amount in Taka)

Particulars	Cost				Depreciation				Written Down Value as at 30.06.2025
	Balance as on 01.07.2024	Addition during the year	Adjustment during the year	Balance as on 30.06.2025	Balance as on 01.07.2024	Charged during the year	Adjustment during the year	Balance as on 30.06.2025	
Right of use assets	14195953	18,328,179.88	0	32,524,132.88	7097977	13,381,924.04		20,479,901.04	12,044,232
Total as at 30 June 2025	-	**18,328,180**	-	**32,524,133**	-	**13,381,924**	-	**20,479,901**	**12,044,232**
Total as at 30 June 2024	-	**14,195,953**	-	**14,195,953**	-	**7,097,977**	-	**7,097,977**	-

