Hoda Vasi
Chowdhury & Co

Energypac Power Generation Limited

Consolidated and separate Financial statements

As at and for the year ended 30 June 2022

Independent Auditor's Report to the Shareholders of Energypac Power Generation Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Energypac Power Generation Limited and its subsidiaries (the "Group") as well as separate financial statements of Energypac Power Generation Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give true and fair view of the consolidated financial position of the Group and separate financial position of the Company as at 30 June 2022, and of its consolidated financial performance of the Group and separate financial performance of the Company and its consolidated cash flows of the Group and separate cash flows for the Company for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.08 in the financial statements, which disclose issues related to the Group's ability to continue as a going concern and mitigating factors. Our opinion is not modified in respect of these matters.

Emphasis of Matter

We draw attention to Note 23.02 and Note 40 of the financial statements, which describes the pending income tax matters of the Company and discloses various related party transactions entered by the Group along with regulatory implications, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Revenue recognition and valuation of receivables	
The Company has diversified revenue streams e.g.sales of liquefied petroleum gas (LPG), supply of building materials, hire purchase sales of motor vehicles, sales and installation of power and energy equipment, execution of EPC contracts and other projects, and operation of CNG refueling station. Revenues from the Company's EPC and other Project based contracts are recognized upon completion of performance obligation. Vehicles and other sales on hire purchase represents a portion of collection in the form of finance income. The subsidiaries of the Group produce electricity and sale it to Government entities (BPDB and REB) through Power Purchase Agreement (PPA). The PPA allows multiple types of payment against supply of electricity e.g. capacity, variable operations and maintenance, energy etc. Due to complex calculations involved at times there could be variation in invoice raised by the Group and accepted by the Client which may delay collection and require negotiation. Due to inherent risk associated with determination of revenues and recovery of accounts receivable balance as well as difficulties in forecasting future loss in case of default by debtors this area require significant estimate and judgment. In particular, due to the post COVID 19 related impacts as well as subsequent adverse events like supply chain disruptions, rising inflation, higher energy cost, devaluation of BDT, Russia-Ukraine conflicts and other geo-political events, business and economic activities in Bangladesh continued to be affected. These events have also adversely impacted the Group as well, especially through slower than expected revenue growth, lower margin and increased overdue receivables. Therefore, we have considered this area as a key audit matter.	We have tested the design and operating effectiveness of key controls focusing on the following: • Understanding of various revenue streams and related operational matters; • Assessment of the five step model for revenue recognition adopted by the Company in line with IFRS 15: Revenue, including cut-off point to satisfy performance obligation. • Credit approval process and assigning credit limit to a customer including collection of security related documents to mitigate/minimize loss in customer default; • Periodic balance confirmation from debtors; • Monitoring process for overdue receivables; and • Group's policy of creating provision against overdue receivables and periodic write off in line with IFRS 9. Our substantive procedures in relation to the assessing valuation of receivables comprises the following: • Reconciliation of debtors ageing to general ledger; • Checking of revenues recognized from electricity supply to BPDB/REB and inquire about any overdue receivables; • Conducting cut-off testing at the year-end; • Reviewing subsequent receipt of receivables balance; • Comparing current year rebate accruals to the prior year and issuance of credit notes post year-end; and • Recalculation of provision for trade receivables as required by IFRS 9 and compared against actual write off/loss on repossession in prior periods. The Company's revenue from LPG sales are mostly collected in cash. However, revenue from others segments are mainly on credit or hire purchase basis, which include sales to related parties. At times customers cheques deposited to bank are returned for various reasons including due to insufficient funds, and these returned cheques are subsequently transferred from cash in hand to accounts receivable. Advances received from EPC and other customers are disclosed after netting off against receivables from them and final adjustment is made upon settlement.

	The Group has substantial receivable balance from BPDB and other customers on account of electricity supply by subsidiaries of the Group which are not settled by the customers on timely basis. Although there is low default risk, but due to current prevailing situation as well as volatility in BDT and USD exchange rate delays in receiving the payment would expose the Group to higher financing charges, including possible foreign exchange losses. The Company impose service charge (interest) on hire sales of motor vehicles which are netted off against bank interest as the hire sales are primarily financed by bank loans.
See note number 9, 10, 25, 39 and 40 for details	

Valuation of inventories	
The Group had substantial amount of inventories as at 30 June 2022 which were maintained at multiple locations including factory and dealers' premises creating risk of existence and completeness. Inventories are carried at the lower of cost and net realisable value (NRV). As a result, management has applied judgement in determining the appropriate values for inventories which may be slow-moving or obsolete and need to apply impairment provision creating valuation risk. While excess holding of inventories could impact efficient use of working capital similarly lower level of inventories can result in stock outs or irregular supply to the market. Moreover, due to post COVID 19 situation and other macro-economic condition as described above, there is likelihood of excess inventories due to slowdown in business. If there is significant drop in selling price during subsequent period this can create lower NRV and hence potential impairment. Furthermore, due to the COD of EPVTL the inventory size of the Group has also increased significantly. Therefore, this area we have considered as a key audit matter.	We evaluated the design and implementation of key inventory controls operating across the product lines and multiple locations within the Group. We observed physical inventory counts and reviewed the reconciliation process of the count results to the inventory records maintained in the system. We compared the net realizable value on test basis through a review of subsequent period sales and the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete. We reviewed the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year. We discussed with management about their sales forecasting procedures and ordering of stocks, and inquired about remedial action taken in case of access or shortage of inventories due to difference in forecast and actual results. We have assessed the business performance during the last quarter of 2021-2022 as well as subsequent period covering the First quarter of 2022-2023 and observed inventory built-up especially in contract assets.

	Management has confirmed that inventories used for various BMD projects are regularly tracked and upon completion of the relevant project it will be transferred to COGS to match with BMD revenue to be recognised from that project. The carrying value of inventories in projects are periodically assessed for NRV issue by internal experts. In addition, the Company has paid customs duties and taxes during importation which are provisionally kept under advance against purchase and subsequently transferred the relevant amount to inventories.
See note number 11 and 12.02 for details	

Valuation of property, plant and equipment (PP&E) including revaluation of land and impairment assessment of other items of PP&E	
Consistent with the accounting policy adopted by the Group, land portfolio is stated at revalued amount. During the last year, the Group has engaged an independent firm of professional valuer to update its previous revaluation. As a result of that revaluation exercise, an additional net amount of BDT 293,951,657 (after deduction of DTL) was added to the revaluation surplus taking the balance to BDT 2,678,850,814 for the Group and BDT 2,263,843,182 for the Company. Determination of fair value in absence of any quoted price and active market require significant judgment and hence considered to be a key audit matter. As per the prevailing industry practice, significant portion of the Company owned LPG cylinders are at the hands of distributors and customers creating inherent existence risk. The Company has implemented internal control process for regular monitoring of sales activities of its distributors and utilization of cylinders. Furthermore, due to subsequent waves of COVID 19, flood situation and other macro economic factors mentioned above business activities of the Group has been impacted resulting lower capacity utilization of PP&E and hence we also considered any potential impairment under IAS 36.	We inquired from management about any material changes in fair value of assets revalued during the prior year and also applied our understanding of various macro-economic assumptions to ensure the fair value of land of the Group is still reasonable. We have evaluated control mechanism of the Company to monitor use of cylinders by its distributors and customers, including assessment of residual value and accounting of subsequent charging of depreciation on these cylinders. The Company has received deposits from customers against supply of cylinder and consistent with the past practice these customer deposits shown as liability with an amount netted off against the carrying value of Cylinders. We reviewed management's assessment of useful life and residual value for depreciation calculation, especially for cylinders and plant and machineries, and note that these are done on the basis of recommendation from in-house technical team. For capex program we checked capitalization of costs including borrowing costs and its timely transfer to PP&E including start of charging depreciation. Upon completion of the work at EPVTL and COD most part of capex has been transferred to PP&E. However, a portion is still shown in capex due to the absence of formal hand over of the project site by the EPC contractor to the EPVTL.

	For land development expenses capitalized during the year we have obtained certification from in-house engineers certifying the cost incurred thereon and reasonableness of those costs. Finally, we discussed actual capacity utilization during the period and future forecast including expected recovery time from impacts of post COVID 19 and other macro-economic factors to assess whether any impairment is required.
See impairment policy, note number 4, 7 and 18 for details	

Consolidation of subsidiaries by the Group and carrying value of investments in subsidiaries by the Company	
The Company has directly invested in two subsidiaries, namely Energypac Power Venture Limited (EPVL) and EPV Chittagong Limited (EPVCL). As at 30 June 2022 the carrying value of these investments is BDT 2,169,821,587. In addition, there is an indirect investment by the Group in EPV Thakurgaon Limited (EPVTL) through EPVL. All these entities are operating as Independent Power Producer (IPP) and executed Power Purchase Agreement (PPA) to supply electricity to Government entities like BPDB and REB. These investments are stated at Cost in the separate financial statements of the Company and EPVL. In addition, the Company also has receivable from these subsidiaries which are interest-free. Management has conducted impairment assessment and calculated recoverable value of investments in separate financial statements solo books in accordance with IAS 36. During the year ended 30 June 2022, the Company's share money deposit of Tk 1,472,398,600 in EPVL has been transferred to share capital through the issuance of new shares. As a result, the Company now has 99.14% (PY: 90%) ownership in EPVL. In addition, share money deposit of Tk 2,321,680,873 shown in the books of EPVCL has also been transferred to share capital which has not resulted in changes in shareholding ratio.	We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36. The impairment analysis covers the carrying value of investments as well as inter-company receivable balance. In particular, our discussions with management were focused on appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also raised our concern about lack of dividend receipt from these subsidiaries despite making substantial investments. Management has acknowledged this concern and stated that despite adequate retained earnings the Board of subsidiaries have not declared any dividend due to additional working capital requirements resulting from delay in settlement of electricity charges by customers (BPDB) as well as fluctuations in demand of electricity production resulting requirement for buffer working capital. We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources. We inquired from management about the delay in COD of EPVTL and increased project cost which they have ascribed to the results of COVID 19 and other events beyond their control. Management has also confirmed that as EPVTL has commenced operation and they are

Finally, there has been significant changes in share capital of EPVTL where paid up capital has been increased through the issuance of new shares including premium to existing shareholders at the same ratio. Also there has been changes in the composition of the Board of EPVTL. The Group has 51% shareholding in EPVTL and the remaining 49% is held by EMA Power Investment Ltd. In addition, EPVTL has also received aggregate share money deposits of BDT 1,039,994,840 from EMA Power Investment Ltd and its associated entity EMA Investments Ltd against the future issuance of Preference Share. Subsequent to 30 June 2022, EPVTL has issued preference shares which has resulted in 'Loss of Control' of EPVTL by the Group. Certain regulatory formalities like obtaining of certifying copy of new share allotment by the RJSC and other related matters are pending.	negotiating with various lenders for restructuring of the debts as well as settlement of LD with BPDB. Meanwhile, existing and potential shareholders have also injected additional funds to cover cost overrun. Finally, we have assessed the appropriateness of consolidating the results of "EPVTL" by the Group on the basis that the Group had "control" on at 30 June 2022. The Group has ownership in 51% ordinary shares of EPVTL but represented by One director in the Board compared to Two directors from EMA Power and its associated entities having 49% ordinary shares. The Board composition is reflective of the subsequent issuance of preference shares in favour of EMA Power which has resulted in the dilution of effective ownership interest of the Group in EPVTL to 30%. Considering all other relevant matters including the nature of EPVTL's operation, its management structure, PPA contract, shareholders agreement, regulatory precedence and other elements, we concurred with management's assessment that the Group has lost control of EPVTL subsequent to 30 June 2022 upon the issuance of preference shares.
See note number 5, 8, 10 and 17 for details	

Legal, regulatory and other compliance matters	
Upon receiving consent from Bangladesh Securities and Exchange Commission (BSEC), during the year the Company has received BDT 1,500,000,000 as Initial public offering (IPO) proceeds, out of which BDT 402,935,660 as share capital and BDT 1,097,064,340 as share premium. As per IPO document the Company has committed BDT 500,000,000 for repayment of loan, BDT 40,131,508 for IPO expenses and remaining BDT 959,868,492 for business expansion. Moreover, the Company is also considered to be a 'Public Interest Entity' as per the criteria issued by Bangladesh Financial Reporting Council (FRC) vide notification dated 11 March 2020. In addition, the Company and the Group has also taken substantial amount of loans and borrowings from various banks and financial institutions and subject to compliance with related covenants. Accordingly, the Company and the Group operate in a heightened legal and regulatory environment, and	We have conducted the following procedures to assess compliance of various regulatory and other matters applicable for the Company and the Group: **Utilisation of IPO proceed** We have reviewed the prospectus and related IPO approval documents. We assessed controls around administration of IPO funds including deposits in bank and withdrawals made thereon. We have checked the expenses incurred and related documents including certification from another auditor on the utilization of IPO proceeds. Total IPO fund utilized till January 2022 is Tk. 1,503,803,229 and this excess utilized amount of BDT 3,803,229 has been subsequently approved by BSEC.

require to comply with additional regulations in particular BSEC and FRC directives. As a result we focus on compliance with legal, regulatory and other matters as key audit area. In particular we looked at the following matters to assess the Company and the Group's current level of compliance and its preparedness for the future: • Utilization of IPO fund shall be made for the intended purposes within the stipulated time as prescribed in the consent/approval letter of BSEC. • As per Bangladesh Securities and Exchange Commission notification No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 2 September 2006, no issuer company listed with the stock exchanges shall make any loan or give any guarantee or provide any security in connection with a loan made by a third party to certain types of entities. However, nothing in this order shall apply to the making of a loan or giving of any guarantee or providing any security by the said company if such company as a holding company makes the loan or gives the guarantee or provide the security to its subsidiary, but in no case the total amount of the loan shall exceed 50% of the paid up value of the shares held by such director in his own name. • As per Bangladesh Labour (Amendment) Act, 2013, if an entity fulfils certain condition, Workers' Profit Participation Fund (WPPF) shall be applicable. Other employee benefit schemes (i.e. provident fund, gratuity fund etc.) of an entity shall also be in compliance with the regulation.	**Related party transaction** Consistent with the previous arrangements, there are various types of related party transactions between the entities forming part of the Group as well as other related entities outside the Group. The Company has also undertaken various related party transactions. All such transactions are disclosed in note 40 to the financial statements. In accordance with Bangladesh Securities and Exchange Commission notification No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 2 September 2006 Management need to take various compliance steps on related party transaction matters, including sanction of these transactions by the Board of Directors and if applicable, approval at the general meeting. Some of these activities are not yet completed and need to be addressed in the coming AGM. **The Labour Act** The Company has made required provision for the WPPF and set up the Trust and other formalities for disbursement of the WPPF. The subsidiaries of the Group operating as IPP has received legal opinion and concluded that WPPF is not applicable for these entities. As per the existing provident fund rules of the Group an employee is eligible for the employer's contribution upon completion of 5 years of service and management is working towards alignment of this to the Labour Rules. Similarly, the existing policy for Gratuity also need to be aligned with the Labour Act 2006.

Income tax matters	
As per Income Tax Ordinance 1984, the Company and all its subsidiaries including those enjoying tax exemption shall submit income tax return on timely basis. The Company being a listed company is subject to lower corporate tax rate.	The Company's tax assessments for various years until 2017-2018 are pending at the High Court Division of the Supreme Court of Bangladesh. For the financial years 2018-2019 and 2019-2020 appeals are pending at various levels against the initial tax

However, as per Section 82C of ITO 1984, certain types of TDS or withholding income taxes suffered by the Company shall be considered as Minimum Tax and not refundable even if the actual tax liability is lower. The subsidiaries of the Group are primarily involved in producing and supplying electricity under IPP and hence their business income is exempted form income tax.	assessment by the tax authority. Major differences in these two years are related to imposition of minimum tax by the DCT which the Company has claimed as advance tax, disallowances of claimed expenses and presumptive assessment of revenue and gross margin by the tax authority. In addition, the Company has also identified certain error in the earlier submitted income tax return for the year ended 30 June 2020 resulting in additional income tax provision which has been treated as prior year error and related amounts are restated.
Refer to note number 12.03, 23.01 and 33.	

Loans and borrowings	
As at reporting date, the Group and the Company had total loans and borrowings of BDT 28,137,657,007 and BDT 11,752,643,607 respectively, representing 73.5% and 72.5% of the Group's and the Company's total liabilities. Accordingly, both the Group and the Company are highly dependent on continuation and availability of these loans and borrowings. Furthermore, significant portion of the Group's capital work in progress (capex) arte financed through loans and as the capex program is ongoing these loans are mostly disclosed as current liability whereas the capex amounts are shown as non-current assets, resulting in a mismatch between current assets and current liabilities. Therefore, proper disclosure of loans and borrowings as well as checking compliance with loan covenants are considered as key audit matter.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the loans. Amongst other we have obtained understanding on the nature or types of loans, the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans. Substantial portion of the Group's borrowings are mainly to fund construction of two IPP Projects, one of which went through the COD during this year. Consistent with the operation model of these IPP Projects, lenders initially finance these projects as short-term loan to facilitate importation of machineries. At subsequent stage, when the Project become fully operational these short-term loans are converted into long-term loan to match with the revenue inflow. As a result, there will be mismatch in current assets and liabilities during initial phase of IPP Projects since borrowings for funding non-current assets are shown under current liabilities. Accordingly, substantial portion of the Group's loans and borrowings are shown under current liabilities which are expected to be on converted in the form of long-term loan. Considering all these factors we have noted substantial mismatch between current assets and current liabilities resulting net current deficit at the Company and the Group level.

	Finally, the Group has substantial receivable balance from its customers against supply of electricity the settlement of which are delayed and as a result to cover the demand of additional working capital the Group has been forced to take additional external borrowings.
Refer to note number 19, 21 and 24	

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and separate financial statements of the Company in accordance with IFRSs as explained in note 3, the Companies Act 1994, Securities and Exchange Rules 2020 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 decisions of users taken on the basis of these consolidated and separate 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 consolidated and separate 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 Group's and 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 consolidated and separate 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 Group and Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the consolidated and separate financial information of the entities or business activities within the Group and Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report that:

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

(ii) in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of those books;

(iii) the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account; and

(iv) the expenditures incurred were for the purpose of the Group's business.

The engagement partner on the audit resulting in this independent auditor's report is Sabbir Ahmed, FCA.

Sabbir Ahmed, FCA, Partner
ICAB Enrolment no 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Date: 27 October 2022
DVC: 2210300770AS837692

Energypac Power Generation Limited
Consolidated Statement of Financial Position
As at 30 June 2022

Amount in BDT

	Notes	30 June 2022	30 June 2021 As restated
Assets			
Property, plant and equipment	4A.00	25,574,449,570	18,408,899,001
Goodwill	5.00	130,028,294	130,028,294
Intangible assets	6A.00	27,990,974	36,716,502
Capital work in progress	7A.00	2,484,823,298	6,816,028,673
Investment in non-listed companies	8A.00	22,500,000	22,500,000
Non-current assets		**28,239,792,137**	**25,414,172,470**
Trade receivables	9A.00	11,234,014,543	3,247,080,197
Other receivables	10A.00	533,490,859	549,267,736
Inventories	11A.00	4,614,607,191	2,560,681,422
Advances, deposits and prepayment	12A.00	3,612,702,491	4,639,762,569
Investments in shares	13A.00	1,094,379	1,365,801
Assets classified as held for sale		124,376,892	124,376,892
Cash and cash equivalents	14A.00	790,271,811	2,525,793,802
Current assets		**20,910,558,166**	**13,648,328,419**
Total assets		**49,150,350,304**	**39,062,500,888**
Shareholder's equity and liabilities			
Share capital	15A.00	1,901,632,160	1,901,632,160
Share premium	16A.00	1,989,811,384	1,989,811,384
Revaluation surplus	18A.00	2,678,850,814	2,678,850,814
Retained earnings	SOCE	2,591,705,816	2,749,979,972
Shareholders' equity of the parent		**9,162,000,174**	**9,320,274,330**
Non controlling interest (NCI)	SOCE	**701,397,554**	**401,597,679**
Share money deposits from NCI	17A.00	**1,039,994,840**	**1,064,338,794**
Total equity		**10,903,392,569**	**10,786,210,803**
Liabilities			
Term loan-non current portion	19A.01	7,092,561,194	7,950,049,361
Security deposits from customers & dealers	20A.00	1,207,225,678	1,194,895,245
Deferred tax liabilities	33A.03	227,429,712	252,235,613
Non-current liabilities		**8,527,216,584**	**9,397,180,220**
Bank overdraft	21A.00	894,917,933	1,629,389,310
Trade payables	22A.00	5,832,205,129	1,095,532,274
Other payables	23A.00	2,842,440,206	1,636,795,320
Short term bank loan	24A.00	18,072,548,676	10,530,629,671
Term loan-current portion	19A.02	2,077,629,205	3,986,763,291
Current liabilities		**29,719,741,150**	**18,879,109,867**
Total liabilities		**38,246,957,734**	**28,276,290,087**
Total shareholder's equity and liabilities		**49,150,350,303**	**39,062,500,888**
NAVPS	36.00	**48.18**	**49.01**
NAVPS without revaluation	36.01	**34.09**	**34.92**

The annexed note form an integral part of the financial statements.

Chairman **Managing Director** **Director**

Company Secretary **Chief Financial Officer**

As per our report on same date

Sabbir Ahmed, FCA, Partner
ICAB Enrolment no 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 27 October 2022

HODA VASI CHOWDHURY & CO DHAKA

Energypac Power Generation Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	Amount in BDT 2021-2022	Amount in BDT 2020-2021
Revenues	25A.00	20,333,968,493	10,733,927,371
Cost of revenues	26A.00	(16,933,505,082)	(7,685,330,055)
Gross profit		**3,400,463,411**	**3,048,597,316**
Administrative expenses	27A.00	(751,380,424)	(712,313,147)
Distribution expenses	28A.00	(607,729,788)	(522,388,779)
Profit from operating activities		**2,041,353,199**	**1,813,895,389**
Finance income	29A.00	3,104,616	15,376,419
Finance costs	30A.00	(1,479,710,895)	(1,432,737,850)
Non-operating income	31A.00	(580,376,347)	94,907,563
Provision for WPPF	32A.00	(13,777,887)	(18,694,824)
Profit/ (loss) before tax		**(29,407,313)**	**472,746,698**
Income tax	33A.00	(47,709,377)	(84,884,121)
Net profit / (loss)		**(77,116,690)**	**387,862,576**
Profit attributable to:			
Equity holders of parent		71,384,936	385,456,631
Non controlling interest of EPVL		1,264,566	818,736
Non controlling interest of EPVCL		1,930,659	11,475,420
Non controlling interest of EPVTL		(151,696,851)	(9,888,211)
		(77,116,690)	**387,862,576**
Other comprehensive income			
Other comprehensive income	34A	-	293,951,657
Other comprehensive income attributable to:			
Equity holders of parent		-	293,951,657
Non controlling interest of ECPVL		-	-
Non controlling interest of ECPVCL		-	-
Non controlling interest of EPVTL		-	-
Total comprehensive income / (loss)		**(77,116,690)**	**681,814,234**
Earnings per share			
Basic earnings per share (per value Tk 10)	35.00	**0.38**	**2.30**

The annexed note form an integral part of the financial statements.

Chairman **Managing Director** **Director**

Company Secretary **Chief Financial Officer**

As per our report on same date

Sabbir Ahmed, FCA, Partner
ICAB Enrolment no 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 27 October 2022

Energypac Power Generation Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2022

Amount in BDT

Particulars	Attributable to the equity holders of parent					Non Controlling Interest (NCI)	Share Money Deposit from NCI	Total
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total			
Balance as at 01 July 2021	1,901,632,160	1,989,811,384	2,678,850,814	2,749,979,972	9,320,274,330	401,597,679	1,064,338,794	**10,786,210,802**
Net profit for the year	-	-	-	71,384,936	71,384,936	(148,501,627)	-	**(77,116,690)**
Changes in non-controlling interest recognised during the year	-	-	-	(39,495,875)	(39,495,875)	448,301,502	-	**408,805,627**
Other comprehensive income	-	-	-	-	-	-	-	**-**
New share money deposit from EMA	-	-	-	-	-	-	384,532,030	**384,532,030**
Less: Transfer of share money deposit to share capital and share premium in EPVTL	-	-	-	-	-	-	(408,875,984)	**(408,875,984)**
Dividend for the year	-	-	-	(190,163,216)	(190,163,216)	-	-	**(190,163,216)**
Balance as on 30 June 2022	**1,901,632,160**	**1,989,811,384**	**2,678,850,814**	**2,591,705,817**	**9,162,000,175**	**701,397,554**	**1,039,994,840**	**10,903,392,570**

Balance at 01 July 2020								
As previously reported	1,498,696,500	931,600,000	2,240,911,519	2,553,704,844	7,224,912,864	543,170,320	-	**7,768,083,184**
Adjustments for prior year error/reclassification: (Note 3.32)								
Additional income tax provision	-	-	-	(189,320,609)	(189,320,609)	-	-	**(189,320,609)**
Transfer of revaluation surplus	-	-	143,987,637	-	143,987,637	(143,987,637)	-	**-**
Transfer of share money deposit	-	-	-	(488,531,506)	(488,531,506)	(575,807,288)	1,064,338,794	**-**
Restated balance as 1 July 2020	**1,498,696,500**	**931,600,000**	**2,384,899,157**	**1,875,852,729**	**6,691,048,386**	**(176,624,606)**	**1,064,338,794**	**7,578,762,575**
Net profit for the year	-	-	-	385,456,631	385,456,631	2,405,945	-	387,862,576
Changes in non-controlling interest recognised during the year	-	-	-	488,670,612	488,670,612	575,816,339	-	1,064,486,951
Other comprehensive income	-	-	293,951,657	-	293,951,657	-	-	293,951,657
Issue of ordinary shares	402,935,660	1,058,211,384	-	-	1,461,147,044	-	-	1,461,147,044
Dividend for the year	-	-	-	-	-	-	-	-
Balance at 30 June 2021	**1,901,632,160**	**1,989,811,384**	**2,678,850,814**	**2,749,979,972**	**9,320,274,331**	**401,597,679**	**1,064,338,794**	**10,786,210,803**

Hoda Vasi Chowdhury & Co

Hoda Vasi
Chowdhury & Co

Energypac Power Generation Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2022

	Notes	2021-2022	2020-2021
		Amount in BDT	
Cash receipts from customers		11,974,448,655	12,311,575,647
Cash payments to and on behalf of employees		(558,708,854)	(535,814,009)
Payment to suppliers, contractors and others		(12,191,067,216)	(9,681,537,440)
Cash generated from/(used in) operating activities		(775,327,415)	2,094,224,199
Income tax paid		(266,812,589)	(342,020,229)
Net cash from/(used in) operating activities	38.00	**(1,042,140,004)**	**1,752,203,970**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(3,479,034,204)	(1,561,675,852)
Acquisition of intangible assets		-	(26,914,144)
Capital work in progress		-	(2,191,346,660)
Investment in/(divestment from) of subsidiaries, associates & others		-	44,500,000
Intercompany current account		32,934,675	(237,814,396)
Proceed from/(paid for) short term investment		261,940	58,655,680
Interest received		3,690,853	20,355,887
Net cash from/(used in) investing activities		**(3,442,146,736)**	**(3,894,239,486)**
Cash flows from financing activities			
Payment of dividend		(190,163,216)	-
Non-controlling interest arisen from increase of share capital		408,805,627	1,064,486,951
Share money deposits/new share issues/current account		(24,343,954)	1,461,147,044
Interest paid		(1,479,710,895)	(1,432,737,850)
Received from/(payment of) short term bank loan		7,541,919,005	(2,501,274,370)
Received from/(payment of) term loan		(2,766,622,254)	4,448,028,682
Net cash from/(used in) financing activities		**3,489,884,314**	**3,039,650,457**
Effects of exchange rate changes on cash and cash equivalents		(6,648,186)	(5,550,157)
Net increase/(decrease) in cash and cash equivalents		(994,402,427)	897,614,940
Cash and cash equivalents at 01 July		896,404,492	4,339,710
Cash and cash equivalents at 30 June	14.02	**(104,646,121)**	**896,404,492**
NOCFPS	37.00	**(5.48)**	**9.21**

The annexed note form an integral part of the financial statements.

Energypac Power Generation Limited
Statement of Financial Position
As at 30 June 2022

	Notes	Amount in BDT 30 June 2022	30 June 2021 As restated
Assets			
Property, plant and equipment	4.00	11,381,377,515	10,360,810,289
Intangible assets	6.00	27,730,396	36,494,858
Capital work in progress	7.00	876,073,077	853,922,789
Investment in non-listed companies	8.00	2,192,321,587	2,192,321,587
Non-current assets		**14,477,502,577**	**13,443,549,523**
Trade receivables	9.00	3,001,169,208	2,498,853,159
Other receivables	10.00	731,754,952	765,302,680
Inventories	11.00	2,460,607,974	1,687,732,993
Advances, deposits and prepayment	12.00	3,364,919,547	3,137,152,617
Investment in listed companies	13.00	222,819	424,301
Cash and cash equivalents	14.00	295,506,221	1,954,279,077
Current assets		**9,854,180,721**	**10,043,744,827**
Total assets		**24,331,683,298**	**23,487,294,352**
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	15.00	1,901,632,160	1,901,632,160
Share premium	16.00	1,989,811,384	1,989,811,384
Revaluation surplus	18.00	2,263,843,182	2,263,843,182
Retained earnings	SOCE	1,967,873,911	1,943,686,013
Total equity		**8,123,160,637**	**8,098,972,739**
Liabilities			
Term loan-non current portion	19.01	2,799,133,360	3,215,808,929
Security deposits from customers and dealers	20.00	1,207,225,678	1,194,895,245
Deferred tax liabilities	33.03	227,429,712	252,235,613
Non-current liabilities		**4,233,788,750**	**4,662,939,788**
Bank overdraft	21.00	894,917,933	1,629,389,310
Trade payables	22.00	668,707,790	662,514,015
Other payables	23.00	2,352,515,874	1,863,831,460
Short term bank loan	24.00	6,888,007,244	4,936,287,298
Term loan-current portion	19.02	1,170,585,070	1,633,359,742
Current liabilities		**11,974,733,911**	**10,725,381,825**
Total liabilities		**16,208,522,661**	**15,388,321,613**
Total shareholder's equity and liabilities		**24,331,683,298**	**23,487,294,352**
NAVPS	36.00	**42.72**	**42.59**
NAVPS without revaluation	36.01	**30.81**	**30.68**

The annexed note form an integral part of the financial statements.

Chairman | Managing Director | Director

Company Secretary | Chief Financial Officer

As per our report on same date

Sabbir Ahmed, FCA, Partner
ICAB Enrolment no 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 27 October 2022
DVC No: 2210300770AS837692

HODA VASI CHOWDHURY & CO DHAKA

Hoda Vasi Chowdhury & Co

Energypac Power Generation Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in BDT 2021-2022	2020-2021
Revenues	25.00	9,172,697,815	7,838,176,465
Cost of sales	26.00	(6,873,526,614)	(5,655,461,928)
Gross profit		**2,299,171,201**	**2,182,714,536**
Administrative expenses	27.00	(678,344,077)	(649,939,472)
Distribution expenses	28.00	(607,729,788)	(522,388,779)
Profit from operating activities		**1,013,097,336**	**1,010,386,286**
Finance income	29.00	2,756,162	14,949,298
Finance costs	30.00	(695,035,309)	(747,439,823)
Non-operating income/(expense)	31.00	(45,260,445)	96,000,717
Provision for WPPF	32.00	(13,777,887)	(18,694,824)
Profit before tax		**261,779,857**	**355,201,654**
Income tax		(47,428,742)	(84,753,453)
Current tax	33.01	72,234,643	55,166,198
Deferred tax expense/(income)	33.02	(24,805,901)	29,587,255
Profit for the period		**214,351,115**	**270,448,202**
Other comprehensive income			
Other comprehensive income	34.00	-	293,951,657
Total comprehensive income for the year		**214,351,115**	**564,399,859**
Earnings per share			
Basic earnings per share (per value Tk 10)	35.00	**1.13**	**1.61**

The annexed note form an integral part of the financial statements.

Chairman **Managing Director** **Director**

Company Secretary **Chief Financial Officer**

As per our report on same date

Sabbir Ahmed, FCA, Partner
ICAB Enrolment no 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 27 October 2022
DVC No: 2210300770AS837692

HODA VASI CHOWDHURY & CO DHAKA

Energypac Power Generation Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Amount in BDT

Particulars	Share capital	Share money deposits	Share premium	Revaluation surplus	Retained earnings	Total
Balance at 01 July 2021	1,901,632,160	-	1,989,811,384	2,263,843,182	1,943,686,013	8,098,972,739
Net profit for the year	-	-	-	-	214,351,115	214,351,115
Dividend for the year		-		-	(190,163,216)	(190,163,216)
Issue of ordinary shares	-	-	-	-	-	-
Balance at 30 June 2022	**1,901,632,160**	**-**	**1,989,811,384**	**2,263,843,182**	**1,967,873,911**	**8,123,160,638**
Balance at 01 July 2020						
As previously reported	1,498,696,500	-	931,600,000	1,969,891,525	1,862,558,421	6,262,746,446
Adjustments for prior year error (note 3.32)	-	-	-	-	(189,320,609)	(189,320,609)
Restated balance at 1 July 2020	**1,498,696,500**	**-**	**931,600,000**	**1,969,891,525**	**1,673,237,812**	**6,073,425,837**
Net profit for the year	-	-	-	-	270,448,202	270,448,202
Revaluation during the year	-		-	293,951,657	-	293,951,657
Issue of ordinary shares	402,935,660	-	1,058,211,384	-	-	1,461,147,044
Balance at 30 June 2021	**1,901,632,160**	**-**	**1,989,811,384**	**2,263,843,182**	**1,943,686,013**	**8,098,972,739**

The annexed note form an integral part of the financial statements.

Energypac Power Generation Limited
Statement of Cash Flows
For the year ended 30 June 2022

	Notes	2021-2022	2020-2021
		Amount in BDT	
Cash receipts from customers		8,850,683,027	9,225,877,187
Cash payments to and on behalf of employees		(458,939,434)	(450,969,982)
Payment to suppliers, contractors and others		(7,418,019,585)	(7,489,483,314)
Cash generated from/(used in) operating activities		**973,724,007**	**1,285,423,890**
Income tax paid		(266,531,955)	(341,889,560)
Net cash from/(used in) operating activities	**38.00**	**707,192,053**	**943,534,330**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,511,978,897)	(1,409,967,344)
Acquisition of intangible assets		-	(26,692,500)
Capital work in progress		(336,406,701)	(44,969,303)
Investment in acquisition of subsidiary		-	44,500,000
Intercompany current account		32,934,675	(335,078,135)
Proceed from/(paid for) short term investment		192,000	59,000,000
Interest received		3,342,399	19,928,766
Net cash from/(used in) investing activities		**(1,811,916,524)**	**(1,693,278,518)**
Cash flows from financing activities			
Payment of dividend		(190,163,216)	-
Share money deposits/new share issues		-	1,461,147,044
Interest paid		(624,831,155)	(747,439,823)
Received from/(payment of) short term bank loan		1,881,515,792	965,076,493
Received from/(payment of) term loan		(879,450,241)	(345,933,101)
Net cash from/(used in) financing activities		**187,071,180**	**1,332,850,613**
Effects of exchange rate changes on cash and cash equivalents		(6,648,186)	(5,550,157)
Net increase/(decrease) in cash and cash equivalents		**(917,653,291)**	**583,106,425**
Cash and cash equivalents at 01 July		324,889,766	(252,666,502)
Cash and cash equivalents at 30 June	14.02	**(599,411,710)**	**324,889,766**
NOCFPS	**37.00**	**3.72**	**4.96**

The annexed note form an integral part of the financial statements.

Energypac Power Generation Limited
Notes to the Consolidated and Separate Financial Statements
As at and for the year ended 30 June 2022

1.00 Reporting entity

1.10 Company profile

Energypac Power Generation Limited (hereinafter referred to as "EPGL"/"the Company") is a public limited company incorporated in Bangladesh on July 15, 1995 under the Companies Act 1994. The address of the Company's registered office is 79, Shahid Tajuddin Ahmed Sharani, Tejgaon I/A, Dhaka-1208, Bangladesh. EPGL was initially registered as a private limited company and subsequently converted into a public limited company on December 27, 2011.

BSEC permitted EPGL for conducting bidding for its IPO process on their 734th Commission Meeting held on 6th August, 2020. Bidding conducted on 21st September 2020 to 24th September 2020 round the clock. Cut off price fixed at Tk. 35 and after 10 % discount at Tk. 31 was fixed for general investor. BSEC gave final consent on IPO in their 745th Commission Meeting held on 21st October 2020. Public Subscription (General Investors) began from 7th December, 2020 to 13th December, 2020. IPO lottery held on 3rd January 2021. The Company got listed in DSE & CSE on 19th January 2021 and trading started on the same day.

1.20 Nature of business

The Company is engaged as major supplier of base load and standby gas and diesel generators, provides accessories and turnkey solutions, as EPC contractor supply and installation of building materials, operation and maintenance of power plant, CNG refueling station and conversion kits, importing and marketing JAC automobiles, supply of LPG, cylinder manufacturing plant and LPG refueling station across Bangladesh.

1.30 Description of subsidiary

Consolidated financial statements of the Group as at and for the year ended 30 June 2022 comprise the financial statements of the Company and the following subsidiaries (together referred to as the Group).

Energypac Power Venture Ltd.

Energypac Power Venture Limited (EPVL) was incorporated in Bangladesh on 08 September 2007 as a Private Limited Company. The Company has set up a power plant at Hobigonj of 11 MW production capacity and has commenced operation and generation of electricity with effect from 10 January 2009. The principal activities of the Company throughout the year continued to be generating of electricity and delivers the entire output of electricity to Rural Electrification Board (REB).

Energypac Power Venture Chittagong Ltd.

EPV Chittagong Limited (EPVCL) was incorporated in Bangladesh on 21 August 2011 as a Private Limited Company. The address of the registered office of the Company is Energy Point (2nd Floor), 430/2, Tejgaon, Dhaka-1208. The Company has a power plant at Chittagong of 108 MW production capacity as an IPP (Independent Power Producer). The Company delivers the entire output of electricity to Bangladesh Power Development Board (BPDB) as per a power purchase agreement (PPA) dated 25 August 2011.

Energypac Power Venture Thakurgaon Ltd.

EPV Thakurgaon Ltd. (EPVTL) was incorporated in Bangladesh on 17 August 2017 as a Private Limited Company. The address of the registered office of the Company is Energy Point (2nd Floor), 430/2, Tejgaon, Dhaka-1208. The Company has constructed a power plant at Thakurgaon with 115MW production capacity as an IPP (Independent Power Producer). The Company is to deliver the entire output of electricity to Bangladesh Power Development Board (BPDB) as per a power purchase agreement (PPA). Initial COD date was 15 November 2019, however, due to issues beyond the control of EPVTL completion has been delayed and the operations commenced in March 2022. Subsequent to 30 June 2022, the Group has lost control of EPVTL.

2.00 Basis of preparation

2.01 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015 and the Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this Council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC, as per provisions of the FRA (section - 69), these consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such difference are not material and in the view of management , IFRS format gives a better presentation to the users of financial statements.

International Financial Reporting Standards (IFRS) comprise:

a) International Financial Reporting Standards;
b) International Accounting Standards; and
c) IFRIC and SIC Interpretations

The Company also complies with amongst others, the following laws and regulations:

The Securities and Exchange Rules 1987
The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax and Supplementary duty Act 2012
The Value Added Tax and Supplementary duty Rules 2016

2.02

S.L. No.	IAS/ IFRS No.	Name of the standards
1	IAS-1	Presentation of Financial Statements
2	IAS-2	Inventories
3	IAS-7	Statements of cash flows
4	IAS-8	Accounting policies, changes in accounting estimates and errors
5	IAS-10	Events after the reporting periods
6	IAS-12	Income Taxes
7	IAS-16	Property, plant and equipment
8	IAS-19	Employee benefits
9	IAS-20	Government Grants (not applicable)
10	IAS-21	The effects of changes in foreign exchange rates.
11	IAS-23	Borrowing costs
12	IAS-24	Related party disclosures
13	IAS-27	Separate financial statements
14	IAS-28	Investments in associates and joint ventures
15	IAS-32	Financial instruments: presentation
16	IAS-33	Earnings per share
17	IAS-34	Interim financial reporting
18	IAS-36	Impairment of assets
19	IAS-37	Provision, contingent liabilities and contingent assets.
20	IAS-38	Intangible assets
21	IFRS-3	Business combination
22	IFRS-5	Asset held for sale
23	IFRS -7	Financial instruments: Disclosures
24	IFRS-8	Operating segments
25	IFRS-9	Financial instruments
26	IFRS-10	Consolidated financial statements
27	IFRS-13	Fair Value measurement
28	IFRS-15	Revenue from contracts with customers
29	IFRS-16	Leases

2.03 Basis of measurement

These consolidated financial statements have been prepared on historical cost basis except for the following items in the statement of financial position:

(a) Land is measured at fair value under revaluation model.

(b) Inventories are measured at lower of cost and net realizable value.

(c) Investment in shares of listed companies is measured at fair value under the asset designated at fair value through profit or loss.

2.04 Functional and presentation currency

These consolidated financial statements are presented in Bangladesh Taka (BDT or Tk) which is the Company's functional currency. All financial information presented in BDT or Tk has been rounded off to the nearest BDT or Tk except when otherwise indicated.

2.05 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements are stated in the following notes:

Note 4: Estimation of useful life and residual value for calculation of depreciation of property, plant and equipment
Note 5: Impairment assessment of goodwill
Note 9: Impairment assessment of trade receivables
Note 18: Revaluation of property, plant and equipment
Note 5: Assessing control on subsidiary (EPVTL)
Note 23.04: Provision for gratuity
Note 33: Provision for income tax
Note 33.03: Deferred tax liabilities
Note 44: Contingent liability and commitment

2.06 Reporting period

The reporting period of the Group and the Company covers twelve months from 1 July 2021 to 30 June 2022 and is followed consistently.

2.07 Comparatives and reclassification

Comparative information has been disclosed for the year 2020-2021 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Figures for the year 2021-2022 have been rearranged wherever considered necessary to ensure comparability with the current year.

2.08 Going concern

The Group and the Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no materials uncertainties related to events or conditions which may cast significant doubt upon the Group or the Company's ability to continue as a going concern. However, due to the overall macro-economic conditions in particular slower than expected post Covid recovery, Russia-Ukraine conflict, increasing fuel price and high inflation, business performance and profitability of the Company has been adversly impacted resulting in lower profit and higher borrowing.

Furthermore, the Group has set-up three power plants as Independent Power Producer (IPP) to supply electricity to government entities (i.e. BPDB, REB) under Power Purchase Agreement (PPA). Under these PPAs, the Government is committed to purchase significant portion of power produced by the IPP. Through this mechanism which involves capacity payment, risk of project failure due to lack of buyers for electricity produced by an IPP is largely eliminated. Once an IPP project is timely completed and agreed capacity is achieved at the COD, the Project essentially become risk-free with significant future revenue guaranteed by the Government. Due to this unique feature of IPP Projects, majority portion of the Project costs are financed by the borrowings from banks which are initially provided in the form of short-term financing and at later stages converted to long-term loan. As a result, during initial years of an IPP Project there could be mismatch in current assets and liabilities since borrowings are shown as current liability and the corresponding property, plant and machineries are shown as non-current assets. As the Project pass through initial years and revenues are crystalized the net current assets position also improve. In addition, due to the delay in receiving payments from REB / BPDB as well as the start of EPVTL operation working capital requirement of the Group has been substantially increased. Due to these factors, as at 30 June 2022 the net current liabilities of the Group exceeded its net current assets by Tk 8,809,182,984 (PY: Tk 5,230,781,448) which is expected to gradually improve as IPP projects would complete initial years. As at 30 June 2022, the Company's net current liabilities exceeded its net current assets by Tk 2,120,553,189 (PY: Tk 681,636,998).

The Board of the Company as well as all its subsidiaries are closely monitoring the situation and exploring various options including restructuring of debts and bring further efficiency in operation.

3.00 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements.

3.01 Basis of consolidation

These consolidated financial statements comprise the consolidated financial position and the consolidated results of operation of the Company and its subsidiaries (collectively referred as 'Group') on a line by line basis and the interest of non-controlling shareholders is shown separately as a line item of the statement of financial position and statement of profit or loss and other comprehensive income.

Subsidiaries:

Subsidiaries are enterprise controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of subsidiaries are included in the consolidated financial statements on a line by-line basis and the interest of non-controlling shareholders, if any, in the results and net assets of subsidiaries are stated separately. The financial statements of subsidiaries are included in consolidated financial statement of the Group from the date of control achieved until the date of control ceased. Any gain or loss, increase/decrease in non-controlling interest in subsidiaries without a change in control, is recognized as a component of equity. Consolidated Financial statements have been prepared for the year ended 30 June 2022.

EPGL gained control on EPVL with aggregate ownership interest of 90% effective from 21 June 2017, on EPVCL with aggregate ownership interest of 91% (10% directly and 81% indirectly) effective from 21 June 2017 and on EPVTL with aggregate ownership interest of 45.9% effective from 20 June 2019. EPGL considers EPVTL as subsidiary as per IFRS 10 complying the definition of indirect holding.

During the year ended 30 June 2022, the Company's share money deposit of Tk 1,472,398,600 in EPVL has been transferred to share capital through the issuance of new shares. As a result, the Company now has 99.14% (PY: 90%) ownership in EPVL. In addition, share money deposit of Tk 2,321,680,873 shown in the books of EPVCL has also been transferred to share capital which has not resulted in changes in shareholding ratio. Moreover, EPGL's holding percentage was changed by the transfer of share money deposit to share capital, so indirect holding percentage of EPGL to EPVTL was also changed from 45.90% to 50.56%.

Loss of control:

Upon the loss of control, the Group derecognizes the assets and liabilities of subsidiaries, any non-controlling interest and other component of equity related to the subsidiaries. Any surplus or deficit arising from loss of control is recognized in profit and loss. If the Group retains any interest in the previous subsidiaries, then such interest measured in fair value at the date of control is lost. Subsequently it is accounted for investment in associates or as financial assets referred in IFRS 9 depending on the level of influence retained.

Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized loss are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interest

Non-controlling interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction.

3.02 Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. Management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as
• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Property, plant and equipment

The fair value of items of property, plant and equipment has been determined based on the depreciated replacement cost method and net realizable value method as applicable. For revalued portion of assets a third party independent valuer has been assigned to determine fair value based on market information.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under "Level 1' of the fair value hierarchy.

3.03 Property, plant and equipment

3.03.01 Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost directly attributable to the acquisition of the assets. The cost of self-constructed / installed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognized under other income/expenses in profit or loss.

3.03.02 Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group 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.

3.03.03 Depreciation

Depreciation is charged on all items of property, plant and equipment (PPE) (excluding land) on straight line method. Depreciation charge begins when the asset is available for use and ceases at the earlier of the date that the asset is classified as held for sale or the date the asset is derecognized. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Based on assessment made by the internal technical staff residual value of PPE are calculated. The rates of depreciation vary according to the estimated useful lives of the class of property, plant and equipment, as follows:

Particulars	Percentages (Annual)	Useful Life (Years)
Office Building	4%-6.67%	15-25
Factory Building	4%-10%	10-25
Furniture & Fixtures	12.5%-20%	5-8
Renovations	10%-20%	5-10
Equipment	10%-20%	5-10
Loose Tools	20%	5
Server & Network	20%-25%	4-5
Motor Vehicles	10%-20%	5-10
Heavy Equipment	5%-10%	10-20
Rental Fleet	10%	10
Cylinders	5%-10%	10-20
Intangible Assets	10%-25%	4-10
Motor Vehicles-Sales	10%-20%	5-10
Civil Work Investment	4%-10%	10-25
Factory - Motor Vehicle	10%-20%	5-10
Factory - Server Network	20%-25%	4-5
Factory - Equipment	10%-20%	5-10
Factory - Furniture & Fixtures	12.5%-20%	5-8

Depreciation methods, useful lives and residual values are reassessed at each the reporting date and adjusted if appropriate.

LPG cylinders are bought by the Company and provided to dealers/customers for temporary use aginst collection of deposit. As the ownership of these cylinders remain with the Company these are included in PP&E. A portion of customer deposit against cylinders are offset against carrying value of cylinders for disclosure with the remaining amount shown as liability.

3.03.04 Retirements and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

3.03.05 Capital work in progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use till reporting date which is measured at cost.

3.03.06 Revaluation of property, plant and equipment

The Group applies revaluation model to entire class of freehold land. A revaluation is carried out when there is a substantial difference between the fair value and the carrying amount of the property and is undertaken by professionally qualified valuers. The Group reviews its assets when deemed appropriate considering reasonable interval of years/time. Increases in the carrying amount on revaluation is recognized in other comprehensive income and accumulated in equity in the revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances the increase is recognized as income to the extent of the previous write-down. Decrease in the carrying amount on revaluation that offset previous increases of the same individual assets are charged against revaluation reserve directly in equity. All other decreases are recognized in statement of profit or loss and other comprehensive income.

The difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings as shown Statement of Changes in Equity as per IAS-16: Property, Plant and Equipment.

3.04 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using effective interest method. Bank charges are also considered as part of borrowing costs due to the fact that substantial part of these charges originates from borrowing activities of the Group.

3.05 Intangible assets

3.05.01 Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38: Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use. Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the profit or loss as incurred.

Development activities involve a plan or design for the production of new and substantially improved products and processes. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) its intention to complete the intangible asset and use or sell it;

(c) its ability to use or sell the intangible asset;

(d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible

Other development expenditures are recognized in profit or loss as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is placed in service. It is amortized over the period of expected future economic benefits. During the period of development, the asset is tested for impairment annually.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

3.05.02 Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in profit or loss as incurred.

3.05.03 Amortization

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The Group uses straight line method to amortize intangible asset. The estimated depreciation rate for the current and comparative years is 25% per annum.

3.06 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.06.01 Financial assets

The Group initially recognizes receivables on the date that they are originated. All other financial assets are recognized initially on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

The classification and measurement of financial assets is based on the basis of both:

a. the entity's business model for managing the financial assets; and

b. the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established: amortized cost, fair value through other comprehensive

- Hold to Collect – Financial assets held with the objective to collect contractual cash flows
- Hold to Collect and Sell – Financial assets held with the objective to collect and sell contractual cash flows
- Other – Financial assets held for trading or assets that do not meet the criteria for either 'Hold to collect' or 'Hold to collect and sell'. Financial assets designated as trading are held with an objective to sell the assets in the short term.

For purposes of determining the measurement classification, financial assets under the 'Hold to Collect' and 'Hold to Collect and Sell' business model require an assessment to determine whether the cash flows are solely payments of principal and interest (SPPI). Basic lending arrangements with limited volatility in cash flows typically have contractual cash flows that are SPPI; however, other factors should be considered in making this determination, such as whether interest payments provide only a consideration for the passage of time associated with time value of money.

Financial assets under a Hold to Collect business model, with contractual cash flows that are SPPI, are classified and measured at amortized cost. Financial assets under a Hold to Collect and Sell business model, with contractual cash flows that are SPPI, are classified and measured at fair value through other comprehensive income (FVOCI).

Financial assets that have contractual cash flows that are not SPPI, are designated as trading or do not fit the business model criteria for hold to collect and old to collect and sell are measured at fair value through profit and loss (FVTPL). Equity instruments are always measured at FVTPL unless an irrevocable option is elected at initial recognition to present fair value changes in OCI. Fair value changes recorded in OCI for equity instruments are not recycled to profit and loss. The Group did not elect the option to present fair value changes through OCI for equity instruments.

Based on the above the basis of recognition and measurement are as follows:

I. Amortized cost

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

II. At fair value through profit or loss:

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Group manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

III. At fair value through other comprehensive income

The asset is measured at fair value and changes in value are transferred through other comprehensive income.

Financial assets currently being used by the Group are as follows:

a) Trade and other receivables

Trade, and other receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at amortized cost less impairment losses due to uncollectibility of any amount so recognized.

b) Investment in listed securities and FDR

Investment in listed securities is measured at fair value on portfolio basis. Changes between closing market price at 30 June and the respective cost price on portfolio basis has been considered as impairment and accordingly charged to profit. The impairment provision on unrealized loss has been netted off against cost price. Investments in fixed deposits with banks and financial institutions have been recognized at amortized costs.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank including short notice deposits and fixed deposits having maturity of three months or less which are available for use by the Company without any restriction. Bank overdraft that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

d) Investment in subsidiaries

Investment in subsidiaries in the separate books of the Company are recognized initially at cost plus any directly attributable transaction costs. Subsequent to initial recognition, investment in subsidiaries are measured at cost less impairment loss, if any.

3.06.02 Financial liabilities

The Group initially recognizes financial liabilities on the date that is originated. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the liabilities for expenses category. Such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

a) Trade and other payables

Trade and other payables represent the amounts due to suppliers for receiving goods or services. Trade and other payables are initially recognized at cost which is the fair value of the consideration received. After initial recognition these are carried at amortized cost.

b) Borrowings

Interest-bearing borrowings include both short-term and long-term bank loan. Interest bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, these are stated at amortized cost using the effective interest method.

3.07 Equity instruments

Ordinary shares are classified as equity. In line with IAS 32 requirement, incremental costs directly attributable to the issue of ordinary shares are recognized as reduction in equity through charging directly to retained earnings instead of profit or loss. Paid-up share capital represents total amount contributed by the shareholders and bonus shares issued by the Group.

3.08 Impairment

i) Financial assets

The Group recognize a loss allowance for expected credit losses on a financial asset that is measured at amortized cost or measured at fair value through other comprehensive income. These financial assets are assessed at each reporting date to determine impairment.

The Group measures impairment allowance for financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition impairment is assessed at an amount equal to 12 month expected credit losses.

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

Trade and other receivables

The Group follows "Simplified Approach" under IFRS 9 for impairment assessment of its trade receivable balance. An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. Carrying amount of the asset is reduced to its recoverable amount by recognizing an impairment loss, if and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss. As at 30 June, 2022, the assessment of indicators of impairment revealed that impairment testing was not required for the Group.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.09 Inventories

Inventories except material in transit and work in progress are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. In the case of work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is defined as the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

3.10 Transactions with related parties

These represent balance amounts due to/from sister concerns which are derived from short term loan, sale/purchase of goods/services from time to time. Sales and purchase of goods/services are made on arm's length basis. These balances are unsecured but considered good and realizable. Transactions within the controlled entities of the Group are eliminated in full. Refer to the note 40 for details on related party transactions.

3.11 Advances, deposits and prepayments

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

Deposits are measured at payment value without any adjustment for time value.
Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss on accrual basis.

3.12 Share capital

Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

3.13 Employee benefit schemes

The Company operates a recognized provident fund for all eligible permanent employees of the Company. The eligibility is determined according to the terms and conditions set forth in the respective deeds. This qualifies as defined contribution plan.

3.13.1 Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits to one or more employees. The recognized Employees Provident Fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10 percent of their basic salary to the provident fund and the Company also makes equal contribution to the fund. These are administered by the Board of Trustees.

Contribution to defined contribution plan is recognized as an expense when an employee has rendered services to the Company. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

3.13.2 Worker's profit participation fund

The Company has made a provision for worker's profit participation fund (WPPF) for the financial year. The Company provides 5% of its net profit before tax after charging such expenses as Worker's profit participation in accordance with Bangladesh Labor (Amendment) act 2013. All subsidiaries of the Group are operating as Independent Power Producer (IPP). Since all employees of these companies are consisting of managerial staff and hence no WPPF is recognized for these subsidiaries.

3.13.3 Defined benefit plan (gratuity fund)

The Company maintains an unrecognized gratuity for all its eligible permanent employees. As per Company policy, all employees are eligible for the gratuity after successfully completion of 5 years of services without any dispute. The employee will be eligible equivalent to one month of basic salary (last basic) for each year, if the employee completes at least 5 years of service persistently. This policy has been adopted on 1st January 2014. No Actuarial Valuation was made for the non funded benefit. The management of the Company estimates that the provision is sufficient enough to meet the current liability at any point of time.

3.14 Provisions

A provision is recognized in the financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.15 Warranty

Warranty given to the customers is same as warranty received from the principal. When claims against warranty in connection with any sale of products or operational activity in relation to any service rendered, are raised, the Company meets the warranty claims and subsequently raises invoices to the principal for the claims. A provision for warranty is recognized when claim against warranty is not justified by the principal.

3.16 Revenues

The Company has initially applied IFRS 15 Revenue from contract with customers from 1 January 2019. 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 principal, IFRS 15 establishes a five-step model as follows:

- Identify the contracts with customer;
- Identify the performance obligation 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 step model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer contains control of that 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 and Value Added Tax (VAT).

Liquefied Petroleum Gas (LPG)

LPG filled cylinders are sold to enlisted distributors by the Company. A customer account is maintained in this regard for a particular distributor. At first, a distributor deposits money to a particular bank account of EPGL. After that he sends the scan/ image copy of deposit slip to a particular Viber group. Sales people of the respective area help him in this regard, if required. After getting the scan/ image copy of the deposit slip, respective accounts people of EPGL confirm the deposit of the amount by checking it in the statement of the particular bank. If the deposit is available, deposit entry is given in the system. The deposit is recorded as advance received from the distributor.

Revenue from CNG station is recognized on the basis of meter reading when CNG is filled in the cylinder of vehicles and measured at standard price set by the Government.

Trade sales

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, discount and VAT. Revenue is recognized at the time of raising of sales invoice, when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue and associated cost can be measured reliably. Transfer of risk and rewards occurs for the sale of goods, when the product is delivered to the distributors and customers along with dispatch documents and invoices.

Hire purchase sales

Under hire purchase sales system, purchaser pays the price of the goods in monthly instalments. Under this system the goods are delivered to the purchaser at the time of agreement before the payment of instalments but the title on the goods is transferred after the payment of all instalments as per the hire purchase sales agreement. If there is a default in the payment of any of the instalments, the Company will take away the goods from the possession of the purchaser without refunding him any amount received earlier in the form of various instalments. Service charges (mark-up) received from hire purchase sales are adjusted against interest expense as the borrowing is taken to finance hire purchase sale.

Revenue from hire purchase sales is recognized when goods are delivered to the customers and is measured at cash price under total asset value method.

Rental and services revenue

Revenue from rent of generator is recognized on time basis for which the generator is rented. Revenue generated from overhauling services of engines, regular maintenance services are recognized in the statement of comprehensive income when the services are completed.

Project sales

Project sales represents installation and commissioning of generator and CNG station and setting up of bus bar, professional lighting and renewable energy. Revenue from service project is recognized on the basis of completed contract method if the contract period is less than one year.

Operation and maintenance revenue

Fixed fees are recognized on time basis as per terms of operation and maintenance contract. Direct costs in connection with operation and maintenance contracts have been accounted for in line with IFRS 15.

Commission revenue

When the Company acts in the capacity of an agent, rather than as the principal in a transaction, commission revenue is recognized when goods are delivered to customers by the principal.

Engineering, Procurement and Construction (EPC) contract revenue and Business Material Division (BMD) revenue

Revenue and costs from EPC and BMD contracts are recognized according to the stage of completion of the contract based on measurement of costs incurred to date as a proportion of total costs of contract when the outcome of the contract can be estimated reliably.

Energypac Power Venture Ltd.

Revenue is recognized for the dependable capacity and net energy output sold to REB, the tariff of which is calculated as per Power Purchase Agreement (PPA) entered between the Company and REB. Dependable capacity means the amount of capacity of the plant where net energy output is measured and transferred from the Company to REB. Capacity payment and energy payment are made respectively for dependable capacity and net energy output generated and supplied to REB as per meter reading.

Energypac Power Venture Thakurgaon Ltd. and Energypac Power Venture Chittagong Ltd.

Revenue is recognized for the purchase of dependable capacity and net energy output by BPDB, the tariff of which is calculated as per Power Purchase Agreement (PPA) entered between the Company and BPDB. Dependable capacity means the amount of capacity of the plant at the delivery point where net energy output is measured and transferred from the Company to BPDB. Capacity payment and energy payment are made respectively for dependable capacity and net energy output generated and supplied to BPDB as per meter reading.

3.17 Finance income and expenses

Finance income comprises interest income on bank and NBFI accounts. Interest income is recognized on accrual basis. Finance expense comprises interest expense on short term loan, overdraft and long term loan.

Finance expense comprises interest expense on overdraft, LTR, term loan and finance lease. Finance expense related to EPC contract is charged to the cost of EPC contract. All other finance expenses are recognized in the statement of profit or loss and comprehensive income.

3.18 Provision for impairment on receivables

Provision for bad debts

As stated earlier under financial instruments, impairment provision for doubtful debts is made for accounts receivables based on analyzing the recoverability of the amount from the concerned parties and expected credit losses. The Group has applied simplified approach as per IFRS 9 and measured provision based on lifetime expected credit losses.

Bad debts written off

The Company writes off bad debts when the debts are considered to be non-recoverable on consideration of the status of individual debtors.

3.19 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The effective rate of income tax for the Company is considered as 22.5% as per Finance Act 2022 since the Company got listed during the year ended 30 June 2021.

For all subsidiaries of the Group no tax has been made on operating income (other than tax on disallowance of expenses) in these financial statements as those entities are entitled to tax exemption for a period of 15 years with effect from commencement of commercial production vide SRO no. 211-Law/Income tax/2013 dated 1 July 2013 (EPVL), SRO no. 235-Law/2011 dated 6 July 2011 (EPVCL) and SRO no. 5-Law/Income tax/2020 dated 2 January 2020 (EPVTL) under private sector power generation policy. However non-operating income of those entities (EPVL, EPVCL and EPVTL) is not exempted from the tax. Tax provision has been made for the disallowed operating expenses and non-operating income of the company.

Deferred tax

Deferred tax has been recognized in accordance with International Accounting Standard (IAS) 12. Deferred tax is provided for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Deferred tax is determined at the effective income tax rate prevailing at the reporting date.

3.20 Foreign currency

Transactions in foreign currencies are translated to Taka at the foreign exchange rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies at reporting date are retranslated to Taka at the rates of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in the statement of comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

3.21 Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue and share split as per IAS 33. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these consolidated financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.22 Determination and presentation of operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with the Company's other components, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources allocated to the segments and assess its performance and for which discrete financial information is available.

The Company determines and presents operating segments based on business segments and internal reporting structure i.e. information provided internally to the Company's Board of Directors (BOD), which is the Company's Chief Operating Decision Maker. Information about operating segment has been presented in Note 37.

3.23 Contingencies

3.23.01 Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognized in the consolidated financial statements, but may require disclosure. A provision should be recognized in the period in which the recognition criteria of provision have been met.

3.23.02 Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognized. Only when the realization of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

3.24 Statement of cash flows

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules 1987. Bank overdrafts forming part of the day to day cash operation and management of the Company/Group are netted of with cash and cash equivalents for use in statement of cash flows.

3.25 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-to-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard-i.e., lessors continue to classify leases as finance or operating leases. The standard is effective for annual periods beginning on or after 1 January 2019, but also with permission for early adoption.

EPGL has applied the exemption for short-term leases and booked its rental payments as expenses in profit or loss given that the enforceable period of all its current contracts are cancellable in the short-term and has no purchase option.

3.26 Revaluation surplus

These represents the difference between the book value and the revalued amount of land. Revaluation is done with sufficient regularity to ensure that the caring amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The fair value of land is determined from market-based evidence by appraisal that is under taken by professionally qualified valuers. In accordance with IAS 16 revaluation reserve relating to the land is transferred to retained earnings when it is disposed.

3.27 COVID 19

The adverse impact of COVID 19 which started in previous financial year continued to affect the business of the Group during the current financial period. To contain the spread of subsequent waves of COVID 19, Government has taken various measures including extended lock down, closure of business, restriction in people movement, social distancing etc. As a result of these measures as well as prevailing global situation, all business and economic activities are adversely affected which also impacted the Group. Impact from these COVID 19 related events that has occurred are already reflected in these financial statements. However, due to the inherent uncertainty associated with such matter it is not possible to reasonably assessed and quantify any potential impact of COVID 19 related matters on the Group's future operation and financial results.

3.28 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

For substantial loss incurred by business during COVID 19 Period, the Government of Bangladesh has agreed to bear a portion of interest expenses on the loan taken by the Group from various Banks under Government stimulus package.

3.29 Off setting

The Group 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. Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity and cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short, are presented net in the statement of cash flows.

3.30 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting date are reflected in the consolidated financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note.

Subsequent to the year end, the Board of EPVTL (one of the subsidiaries of the Group) in its meeting held on 19 July 2022 approved to issue 103,999,484 no of preference shares to the shareholders of the Company (48,606,527 nos. of convertible of preference shares in favor of EMA Power Investment Limited and 55,392,957 nos. of convertible of preference shares in favor of EMA Investments Limited) through conversion of share money deposits. The rights of the preference shares are quite similar to the ordinary shares of EPVTL. Accordingly, for assessment of control the Group has considerd the combined holding of ordinary and preference shares and concluded that upon issuance of these preference shares to shareholders outside the Group, the Group has lost control of EPVTL and retain siginificant influence.

3.31 Standards issued but not yet effective

The following new standards and amendments to standards are effective for annual periods beginning after 1 July 2022 and earlier application is permitted, but the Group has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Group's financial statements.

– COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
– Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
– Annual Improvements to IFRS Standards 2018–2020.
– Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
– Reference to Conceptual Framework (Amendments to IFRS 3).
– Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
– IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
– Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
– Definition of Accounting Estimates (Amendments to IAS 8).
– Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

3.32 Prior period error

Shortfall in provision for income tax

During the course of preparing income tax return of the Company for the financial year 2019-2020 (tax assessment year 2020-2021) management has identified that certain amount of advance tax deducted by its customers at the time of making payments shall be part of Minimum Tax under Section 82C which were erroneously considered as advance tax resulting shortfall in income tax provision. Upon identification of this error during the current period income tax provision has been restated with the corresponding adjustment made to the opening retaining earnings.

Reclassification of revaluation surplus and share money deposit

A portion of revaluation surplus related to the subsidiaries of the Company has been previously included in non-controlling interest and share money deposit received from the holders non-controlling interest in the Group were not separately disclosed which are rectified during the current year as adjustment of the opening balance as at 1 July 2020 in the statement of changes in equity and restatement of related amounts in the prior year.

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Property, plant and equipment

Particulars	Land & land development	Building (office & factory)	Machinery	Furniture and fixtures	Renovation	Equipment	Server & network	Motor vehicles & rental assets	Cylinder	Total
Cost										
Balance at 1 July, 2021	4,757,721,763	771,847,576	1,871,933,921	18,841,580	425,416,944	441,935,223	7,190,153	193,225,004	3,531,331,869	12,019,444,033
Additions during the period	598,621,539	149,175	6,830,411	208,920	897,678	154,489,331	246,859	14,037,887	357,474,913	1,132,956,712
Disposals	-	-	-	-	-	(43,158)	-	(791,900)	-	(835,058)
Adjustment	427,843,248	-	-	-	-	0	-	-	(53,791,430)	374,051,818
Balance at June 30, 2022	**5,784,186,550**	**771,996,751**	**1,878,764,332**	**19,050,500**	**426,314,622**	**596,381,395**	**7,437,012**	**206,470,991**	**3,835,015,352**	**13,525,617,506**
Balance at 1 July, 2021	3,490,290,507	762,811,064	1,553,607,399	17,972,972	421,013,862	435,590,913	7,217,369	172,205,158	3,501,790,289	10,362,499,533
Additions during the period	272,124,568	3,903,305	178,192,199	605,396	-	13,562,570	153,250	17,227,991	156,262,348	642,031,628
Revaluation	306,199,643	-		-		-		-		306,199,643
Disposals	-	-	(30,277,004)	(129,000)	(1,090,095)	(16,667,320)	(232,788)	-	-	(48,396,207)
Adjustment	689,107,045	5,133,207	170,411,327	392,213	5,493,177	9,449,060	52,322	3,791,854	(126,720,766)	757,109,438
Balance at June 30, 2021	**4,757,721,763**	**771,847,576**	**1,871,933,921**	**18,841,580**	**425,416,944**	**441,935,223**	**7,190,153**	**193,225,004**	**3,531,331,871**	**12,019,444,035**
Accumulated depreciation	-	-		-	-	-	-	-		
Balance at 1 July, 2021	-	155,378,406	422,880,905	17,003,659	228,998,053	192,154,537	5,253,545	124,611,664	512,352,978	1,658,633,746
Depreciation for the period	290,571	37,687,205	121,145,837	201,462	51,842,562	39,842,486	1,363,937	24,457,058	209,594,751	486,425,869
Disposals	-	-	-	-	-	(27,724)	-	(791,899)	-	(819,623)
Adjustment [internal trf]	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2022	**290,571**	**193,065,611**	**544,026,741**	**17,205,121**	**280,840,615**	**231,969,299**	**6,617,482**	**148,276,823**	**721,947,729**	**2,144,239,991**
Balance at 1 July, 2020	-	117,830,275	341,388,635	17,076,304	177,897,397	168,680,459	4,028,984	100,862,214	314,440,254	1,242,204,522
Depreciation for the period	-	37,548,131	110,312,491	52,587	52,189,767	37,598,272	1,381,234	21,700,243	197,912,724	458,695,450
Disposals	-	-	(28,820,221)	(125,231)	(1,089,111)	(11,504,012)	(156,674)	-	-	(41,695,250)
Adjustment[internal trf]	-	-	-	-	-	(2,620,182)	-	2,049,206	-	(570,976)
Balance at 1 July, 2021	-	**155,378,406**	**422,880,905**	**17,003,659**	**228,998,053**	**192,154,537**	**5,253,545**	**124,611,664**	**512,352,978**	**1,658,633,746**
Balance at June 30, 2022	5,783,895,979	578,931,140	1,334,737,591	1,845,380	145,474,007	364,412,096	819,530	58,194,168	3,113,067,623	11,381,377,514
Balance at June 30, 2021	4,757,721,763	616,469,170	1,449,053,016	1,837,921	196,418,891	249,780,685	1,936,608	68,613,340	3,018,978,893	10,360,810,289

Allocation of depreciation:	2021-2022	2020-2021
	BDT	BDT
Cost of sales	298,897,245	422,420,540
Administrative expenses	31,555,870	24,422,786
Distribution expenses	155,972,754	11,852,123
	486,425,869	458,695,449

The above assets of the Group are mortgaged with various lenders.

		Amount in BDT	
		30 June 2022	30 June 2021
4.00	**Property, plant and equipment**		
	Opening cost value	12,019,444,033	10,362,499,527
	Addition during the period	1,507,008,531	1,656,944,507
	Disposal	(835,058)	-
	Closing cost value	13,525,617,506	12,019,444,033
	Opening accumulated depreciation	1,658,633,745	1,242,204,522
	Net charged during the year	486,425,869	416,429,223
	Adjustment	(819,623)	-
	Closing accumulated depreciation	2,144,239,991	1,658,633,745
	Net book value	**11,381,377,515**	**10,360,810,289**
4A.00	**Property, plant and equipment**		
	Energypac Power Generation Ltd.	11,381,377,515	10,360,810,289
	Energypac Power Venture Ltd.	673,006,877	696,054,860
	Energypac Power Venture Ctg. Ltd.	7,154,711,337	7,227,763,513
	Energypac Power Venture Thakurgaon Ltd.	6,365,353,840	124,270,339
	Consolidated property plant & equipment	**25,574,449,570**	**18,408,899,001**
5.00	**Calculation of goodwill**		
	Consideration for acquisition of ECPVL shares	337,502,067	337,502,067
	Share of accumulated profit upto 20th June 2017	102,967,216	102,967,216
	Total consideration paid	**440,469,283**	**440,469,283**
	Less: Net assets at the date of acquisition @ 90%	310,440,988	310,440,988
	Value of Goodwill	**130,028,294**	**130,028,294**

Energypac Power Generation Limited (EPGL) signed an agreement with Confidence Cement Limited on 9th March 2017 regarding the purchase of 5,56,000 shares (40% shares) of Energypac Confidence Power Venture Limited. This transaction was executed on June 21, 2017. After this share transfer, EPGL now holds 12,51,000 shares of Energypac Confidence Power Venture Limited which is 90% of the total shares and the total investment stood at Tk. 440,469,283. As such, Energypac Confidence Power Venture Limited became the subsidiary company of Energypac Power Generation Limited on that date. The share money deposit has been transferred to share capital on 31 May 2022. Now EPGL holds 99.14% of shares of EPVL as on 30 June 2022. Goodwill will need not remeasure by such an increase of 9.14% as per IFRS and no need to recognize gain or loss.

Energypac Power Generation Limited (EPGL) also signed an agreement with Confidence Cement Limited on 9th March 2017 regarding the purchase of 500,000 shares (5% shares) of Energypac Confidence Power Venture Chittagong Limited. This transaction was executed on June 21, 2017. After this share transfer, EPGL now holds 1,000,000 shares of Energypac Confidence Power Venture Chittagong Limited which is 10% of total shares and the total investment stood at Tk. 123,204,997. As EPGL holds 90% shares of Energypac Confidence Power Venture Limited, Energypac Confidence Power Venture Chittagong Limited became a subsidiary of EPGL by holding 91% (10% directly and 81% indirectly). The share money deposit has been transferred to share capital on 31st March 2022. Now EPGL holds 99.14% of shares of EPVL, and EPVL holds 85.93% of shares of EPVCL as on 30 June 2022. As a result in direct holding stands at 85.19%. Moreover, EPGL directly holds 14.07 % of EPVCL's shares. So, the total holding stood at 99.26%. Goodwill will need not remeasure by such an increase of 8.26% as per IFRS and no need to recognize gain or loss.

Energypac Confidence Power Venture Limited signed an agreement with Rurelec Plc on 9th March 2017 regarding purchase of 2,000,000 shares (20% shares) of Energypac Confidence Power Venture Chittagong Limited. This transaction was executed on June 21, 2017. After this share transfer, Energypac Confidence Power Venture Limited now holds 9,000,000 shares of Energypac Confidence Power Venture Chittagong Limited which is 90% of total shares and total investment stood at Tk. 70,008,000.

At the date of step acquisition as on June 21, 2017, the portion of net assets (90%) of Energypac Confidence Power Venture Limited was Tk. 310,440,988 and the purchase consideration was Tk. 440,469,283 of which Investment Cost Tk. 337,502,067 and accumulated profit Tk. 102,967,216 (current year profit portion Tk. 14,068,148 and previous year's profit 88,899,068). As such, Goodwill of Tk. 130,028,294 was generated on that date of transaction.

At the date of step acquisition as on June 21, 2017, the portion of net assets (91%) of Energypac Confidence Power Venture Chittagong Limited was Tk. 161,745,428 and the purchase consideration was Tk. 123,204,997 of which Investment Cost Tk. 92,108,106 and accumulated profit Tk. 31,096,891 (current year profit portion Tk. 23,477,905 and previous year's profit 7,618,987). As such, Bargaining Purchase Gain of Tk. 38,540,430 was generated on that date of transaction.

The consolidated financial statements has prepared as if the associates has disposed-off and in the statement of profit or loss and other comprehensive income only ten days post acquisition data are consolidated as line items as at relevant balance sheet date.

As per reference IFRS 3 the bargain purchase gain arising from the acquisition of subsidiary treated as group profit and recorded in the group profit or loss and other comprehensive income.

Energypac Power Generation Limited (parent) has obtained control on its two subsidiaries Energypac Confidence Power Venture Limited and Energypac Confidence Power Venture Chittagong Limited on June 21, 2017. the Company consolidates its subsidiaries' financial position as line item and its financial performance for 10 days only as at 30 June 2017 for preparing financial statements.

EPV Thakurgaon Limited (EPVTL) is a 51% owned subsidiary of Energypac Power Venture Limited (EPVL). EPVTL was incorporated in Bangladesh on 22 August, 2017 as a private Limited Company. The authorized share capital of EPVTL is Tk. 5,000,000,000 divided into 500,000,000 ordinary shares of Tk. 10 each. Last Year EPVL has subscribed to 98% ordinary shares of the total subscribed capital of the EPVTL of Tk. 100,000,000. Subsequently, it was Sold its 49% Shares to EMA Power Investment at 20th June 2019. And subsequently 1% purchase shares from both Energypac Infrastructure & Development Ltd and Energypac Fashions Ltd. As EPGL holds 90% of EPVL and EPVL holds 51% of EPVTL at year end, so EPGL indirectly holds 45.9% of EPVTL. Thus EPGL considers EPVTL as a subsidiary as per IFRS 10 complying with the definition of indirect holding. As said in previous paras that EPGL's holding percentage was changed by the transfer of share money deposit to share capital, so in direct holding percentage of EPGL to EPVTL was also changed. From 31 May 2022, it stood at 50.56% change from 45.90%. However, subsequent to 30 June 2022, upon issuance of preference shares to outside shareholders the Group has lost control of EPVTL.

6.00 Intangible assets

Cost:		
Opening balance (System and Software)	52,842,597	21,441,829
Addition during the year	-	31,400,768
	52,842,597	**52,842,597**
Accumulated amortization:		
Opening balance (System and Software)	16,347,739	11,639,471
Net charged during the year	8,764,461	4,708,268
	25,112,200	**16,347,739**
Carrying amounts	**27,730,396**	**36,494,858**

The rate of amortization is 25%.

6A.00 Intangible assets

Energypac Power Generation Ltd.	27,730,396	36,494,858
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	260,578	221,644
Net Balance	**27,990,974**	**36,716,502**

7.00 Capital work in progress

Asset under construction	876,073,077	853,922,789
	876,073,077	**853,922,789**

7.01 Break up & movement of Capital Work in Progress

	30 June 2022	Transfer to Asset	Addition	30 June 2021
Land & land development	444,285,971	(427,843,248)	407,843,248	464,285,971
Building & civil work	244,035,710	-	14,320,295	229,715,415
Renovation	169,835	-	100,000	69,835
Machinery	56,695,544	-	-	56,695,544
Furniture & fixtures	4,033,922	-	-	4,033,922
Equipment	1,241,627	-	-	1,241,627
Heavy equipment	29,783,800	-	29,320,672	463,128
Tools & others	54,478	-	-	54,478
Motor vehicle	117,966	-	-	117,966
Cylinder	76,482,827	-	-	76,482,827
Intangible asset	5,476,118	-	-	5,476,118
Others AUC	13,695,278	-	-	13,695,278
Stock of capital	-	(1,590,680)	-	1,590,680
	876,073,077	**(429,433,928)**	**451,584,215**	**853,922,789**

7A.00 Capital work in progress

Energypac Power Generation Ltd.	876,073,077	853,922,789
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	1,608,750,221	5,962,105,884
Net Balance	**2,484,823,298**	**6,816,028,673**

EPV Thakurgaon Limited is constructing 115 MW power plant and upon COD most part of the work in progress has been transferred to PP&E and the remaining amount is in capital work in progress due to pending formalities of site handover by the EPC Contractor. Refers to note 40 for more details.

8.00 Investment in non-listed companies

	Separate		Consolidated	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
Equity investment in EPVL (12,51,000 Ordinary Shares of Tk. 100 each)	1,809,900,667	337,502,067	337,502,067	337,502,067
Advance against equity to EPV Ltd.	-	1,472,398,600	1,472,398,600	1,472,398,600
Equity Investment in EPV Chittagong Ltd. (1,00,000 Ordinary Shares of Tk. 10 each)	359,920,920	29,100,906	29,100,906	29,100,906
Advance against equity to EPV Chittagong Ltd.	-	330,820,014	330,820,014	330,820,014
Equity Investment in CLICL (2,250,000 ordinary shares @ Tk. 10 each)	22,500,000	22,500,000	22,500,000	22,500,000
	2,192,321,587	**2,192,321,587**	**2,192,321,587**	**2,192,321,587**
Less: Transaction between Parent & Subsidiary	-		(2,169,821,587)	(2,169,821,587)
			22,500,000	**22,500,000**

8A.00 Investment in non-listed companies

Energypac Power Generation Ltd.	22,500,000	22,500,000
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net Balance	**22,500,000**	**22,500,000**
Less: Balance between Parent & Subsidiaries	-	-
Net Balance	**22,500,000**	**22,500,000**

9.00 Trade receivables

Receivables (unsecured) - considered good		
Local accounts receivable	2,673,234,191	2,082,475,419
Receivable from EPC project	335,871,677	424,314,400
Less: Provision for doubtful debt	(7,936,660)	(7,936,660)
Net Accounts Receivable	**3,001,169,208**	**2,498,853,159**

9.01 Receivable from EPC project

Essential Drugs Company Limited (EDCL)	74,756,490	78,027,011
Sylhet Gas Field- CFP	-	1,243,192
Sylhet Gas Field- CRU	-	3,357,029
BPDB-Faridpur 50 MW Peaking Power	127,913,062	155,004,106
BPDB-Gopalgonj 100MW Peaking Power	113,639,117	159,848,612
Amigo Bangladesh Ltd	12,862,761	12,862,761
Dhaka WASA	-	7,271,442
Rahim Energy Ltd	4,578,808	4,578,808
Teayoung Eng.& Const.Co.Ltd.	2,121,439	2,121,439
	335,871,677	**424,314,400**

9A.00 Trade and Other Receivables

Energypac Power Generation Ltd. (EPGL)	3,001,169,208	2,498,853,159
Energypac Power Venture Ltd. (EPVL)	43,521,451	24,101,868
EPV Chittagong Ltd. (EPVCL)	5,145,608,713	724,125,170
EPV Thakurgaon Ltd. (EPVTL)	3,264,117,315	-
Total Balance	**11,454,416,686**	**3,247,080,197**
Less: Transaction between Parent & Subsidiary	(220,402,143)	-
Net balance	**11,234,014,543**	**3,247,080,197**

Management has assessed recoverability of above balances and believes that the amounts are collectible in full, based on historic payment behavior and extensive analysis of customer credit risk including underlying customers' credit ratings if they are available. Hence no additional provision has been made for bad and doubtful receivables during the year. Included above is receivable for additional power supply to BPDB which one under negotiation. The above receivables are hypothecated with various banks against loans and borrowings.

After COD, EPVTL has generated invoice to BPDB for four months (March 2022 to June 2022). Subsequent to the reporting period EPVTL has started receiving payments. However, there is a disputed amount of Tk 19,565,094 between invoice amount and received amount because BPDB disagreed to pay invoices from Pre COD to April-22 period, port damarrage, service charge on terminal charge, by road distance from Ctg. to plant area, transportation rate by road and by river.

10.00 Other receivables

Receivable for reimbursable (Note 10.01)	58,605,985	58,632,801
Claim receivables (Note 10.02)	8,835,955	8,835,955
Interest on FDR	186,947	773,183
Insurance commission receivable (Note 10.03)	5,295,813	5,295,813
Intercompany/related party current account (Note 10.04)	658,830,253	691,764,928
	731,754,952	**765,302,680**

10.01 Receivable for reimbursable

It is related to EPC work undertaken by the Company. The Company initially incurs payments for duty and other expenses as contractor on behalf of tenderer which have to be ultimately borne by tenderer and hence subsequently reimbursed to the Company.

10.02 Claim receivables

Customer can purchase a product directly from the Principal of EPGL, but when they claim warranty, EPGL provides free services on behalf of its Principal under that warranty. Thereafter EPGL claims the amount from its Principal and the Principal remits the claimable amount after a certain period of time. The Company is in discussion with principal of settlement of this amount.

10.03 Insurance commission receivable

This amount represents sale of generator and other equipment by the Company to its related parties on credit term similar to other customers.

10.04 Intercompany current account

Energypac Power Venture Limited	391,140,172	391,140,172
EPV Chittagong Ltd.	157,349,486	157,349,486
EPV Thakurgaon Ltd	1,631,054	1,239,745
Official Clothing Limited	35,094,000	28,094,000
Chartered Life Insurance Company Ltd.	8,214,285	8,214,285
Energypac Electronics Ltd	4,335,150	4,335,150
Energypac Fashion Ltd	7,236,748	7,236,748
Design Express Limited	4,274,111	4,274,111
Energypac Infrastructure Development Ltd	74,608,407	65,868,048
Energypac Batteries Limited	101,238	101,238
Energypac Engineering Ltd.	(32,956,250)	17,271,582
Energypac Agro Ltd.	9,062,462	7,900,973
Tech Advantage Limited.	(1,260,610)	(1,260,610)
	658,830,253	**691,764,928**

The Company has started the above transactions with its subsidiaries as well as some other related parties as temporary arrangement prior to its listing with DSE/CSE. All these balances are interest free and payable on demand. In accordance with Bangladesh Securities and Exchange Commission notification No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 2 September 2006 management has taken various compliance steps on this matter which is further described in note 40.

To comply with Bangladesh Securities and Exchange Commission notification No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 2 September 2006 the Company will obtain necessary approval in the Board/AGM and wherever possible will also minimize use of inter company balances.

10A.00 Other receivables

Energypac Power Generation Ltd.	731,754,952	765,302,680
Energypac Power Venture Ltd.	69,193,305	69,193,305
EPV Chittagong Ltd.	274,150,855	198,225,772
EPV Thakurgaon Ltd.	8,512,459	8,616,368
Total Balance	**1,083,611,570**	**1,041,338,125**
Less: Transaction between Parent & Subsidiaries	(550,120,712)	(492,070,389)
Net balance	**533,490,859**	**549,267,736**

11.00 Inventories

Raw material	620,503,107	495,463,033
Semi finished goods	14,641,293	16,196,363
Finished goods	445,287,868	459,690,464
Stock of spare parts	348,441,195	320,332,966
Stocks used in projects (Note 11.01)	1,218,653,166	582,968,822
Gross amount of inventories	**2,647,526,629**	**1,874,651,648**
Provision for inventory obsolescence	(186,918,655)	(186,918,655)
Net balance	**2,460,607,974**	**1,687,732,993**

11.01 Stocks used in projects

Project wise details:

FPP 444- Supply of spares, 20K Maintain & expert	332,605,635	159,109,023
GPP 442- Supply of spares, 20K Maintain & expert	294,081,833	140,680,338
Berger Paints Ltd	157,102,342	75,153,267
Essential Drugs Company Limited	143,411,408	68,603,916
Sylhet Gas Fields Limited CRU	44,103,267	21,097,742
Sylhet Gas Fields Limited SCFP	26,480,446	12,667,488
Other BMD projects	220,868,235	105,657,047
Total stocks used in projects	**1,218,653,166**	**582,968,822**

The Company has undertaken multiple projects under its BMD abd EPC division for which initially inventories are used and subsequently upon completion of work these inventories will be charged to COGS with corresponding revenue recognised.

The above inventories are hypothecated with various banks against loans and borrowings
i) Details breakup of raw materials and work-in-process could not be given as it is quite difficult to quantify each items in a separate and distinct category due to large variety of inventory. Information in summarized form may not be useful for the user. Details movement are provided in Note 45.03.

11A.00 Inventories

Energypac Power Generation Ltd.	2,460,607,974	1,687,732,993
Energypac Power Venture Ltd.	45,613,515	45,883,683
EPV Chittagong Ltd.	534,941,282	319,794,224
EPV Thakurgaon Ltd.	1,573,444,419	507,270,522
Net Balance	**4,614,607,191**	**2,560,681,422**

12.00 Advances, deposits and prepayment

Advances		
Advance against projects (Note 12.01)	188,917,442	224,661,028
Advance against purchase (Note 12.02)	1,156,877,785	1,084,144,015
Advance to employees	8,334,977	7,661,464
Advance income tax (Note 12.03)	1,763,096,485	1,496,564,530
	3,117,226,688	**2,813,031,037**
Deposits		
Earnest money	18,030,992	19,726,708
LC margin	211,923,764	206,369,781
Security deposit	15,336,043	16,429,272
Security deposit for container of L/C	13,092,440	12,387,856
VAT current account	(42,244,429)	37,792,509
	216,138,809	**292,706,125**
Prepayment		
Prepaid office rent	31,554,049	31,415,455
	31,554,049	**31,415,455**
	3,364,919,546	**3,137,152,617**

12.01 Advance against projects are various advances given to contractors which will be subsequently transferred to the respective heads upon completion of the work.

12.02 Advance against purchase includes payment of customs duties and taxes during the course of importation on the basis of provisional assessment which are transferred to inventories when related goods are received. During 2019-2020, an amount of Tk 240,467,833 was paid against purchases but wrongly included in advance tax which is now reclassified in advance against purchase.

12.03 Advance income tax

Balance at 1 July (Note 12.03.01 & 12.03.02)	1,496,564,530	1,142,426,985
Add: Paid during the year	266,531,955	354,137,546
Less: Adjustment during the year	-	-
Balance at 30 June	**1,763,096,485**	**1,496,564,530**

Advance income tax represents payment of taxes in relation to assessment years where final income tax assessments are pending at various stages of appeal. Upon completion of assessment and settlement of final demand the relevant amounts of advance tax and corresponding income tax provision are offset, with any differential amount charged/ credited to profit and loss account, during the year of settlement.

12.03.01

Advance income tax reported as at 30 June 2020	1,382,894,818
Less: Adjustment of project related payments wrongly classified as advance tax	(240,467,833)
Restated balance of advance tax as at 30 June 2020	**1,142,426,985**

12.03.02 While submitting Income tax return for 2019-2020 (corresponding tax assessment year 2020-2021), the Company has erroneously shown advance income tax payment of Tk. 311,818,572 instead of actual advance income tax of Tk. 114,763,608. This error was made due to wrong consideration of withholding tax of Tk. 154,238,067 deducted by one of the customers in 2019-2020, which should be actually claimed in 2020-2021. The Company is in the process of rectifying the error and submission of revised income tax return. Meanwhile shortfall in income tax provision due to consideration of minimum tax as advance tax has been adjusted as prior period error.

12A.00 Advances, deposits and prepayment

Energypac Power Generation Ltd.	3,364,919,546	3,137,152,617
Energypac Power Venture Ltd.	4,859,198	4,678,331
EPV Chittagong Ltd.	171,331,142	176,124,311
EPV Thakurgaon Ltd.	71,592,604	1,321,807,310
Total balance	**3,612,702,491**	**4,639,762,569**
Less: Transaction between Parent & Subsidiaries	-	-
Net Balance	**3,612,702,491**	**4,639,762,569**

13.00 Investment in shares of listed companies

Investment in shares of listed companies	222,819	424,301
	222,819	**424,301**

For details view, please see **Annexure-A**

13A.00 Investment in Shares of Listed Companies

Energypac Power Generation Ltd.	222,819	424,301
Energypac Power Venture Ltd.	871,560	941,500
Net Balance	**1,094,379**	**1,365,801**

14.00 Cash and cash equivalents

Cash in hand	15,514,653	11,059,893
Fixed deposit receipt	23,794,621	23,166,977
Cash at banks	256,196,948	1,920,052,207
	295,506,221	**1,954,279,077**

14.01 Cash at Bank

Islami Bank Bangladesh Ltd.	17,887,330	298,244,379
Sonali Bank Ltd.	8,965,509	352,821
Bank Asia Ltd.	2,771,224	582,408,268
BRAC Bank Ltd.	915,087	457,984,605
Dhaka Bank Ltd.	2,627,230	206,632,611
Dutch Bangla Bank Limited	154,211,986	6,155,235
Eastern Bank Ltd.	16,200,000	16,148,090
HSBC	32,383,217	232
Jamuna Bank Ltd.	2,002,787	500,000
Prime Bank Limited	824,719	12,517,295
Pubali Bank Ltd.	9,235,968	88,692,589
Trust Bank Ltd.	739,869	66,230,383
United Commercial Bank Ltd.	-	87,743,792
Woori Bank Ltd.	144,673	145,513
Al-Arafah Islami Bank Limited	-	100,000
Agrani Bank Ltd.	-	500,000
Meghna Bank Limited	1,709,683	597,822
NRBC Bank Ltd.	-	18,307,306
Shimanto Bank Ltd.	913,032	-
National Bank Ltd.	-	9,241
IFIC Bank Ltd.	-	31,912
National Credit and Commerce Bank Ltd.	17,312	18,183
City Bank Ltd.	529,501	7,555,691
Standard Chartered Bank Ltd.	3,977,874	-
Mercantile Bank Ltd.	139,948	69,176,238
	256,196,948	**1,920,052,207**

14.02

Cash and cash equivalents in the statement of financial position	Note 14	295,506,221	1,954,279,077
Bank overdrafts used for cash management purposes	Note 21	(894,917,933)	(1,629,389,310)
Cash and cash equivalents in the statement of cash flows		**(599,411,711)**	**324,889,766**

14A.00 Cash and cash equivalents

Energypac Power Generation Ltd.	295,506,221	1,954,279,077
Energypac Power Venture Ltd.	28,869,802	7,414,503
EPV Chittagong Ltd.	393,176,430	361,258,140
EPV Thakurgaon Ltd.	72,719,358	202,842,082
Total Balance	**790,271,811**	**2,525,793,802**
Less: Transaction between Parent & Subsidiary	-	-
Net Balance	**790,271,811**	**2,525,793,802**

14A.01

Cash and cash equivalents in the Consolidated statement of financial position	790,271,811	2,525,793,802
Bank overdrafts used for cash management purposes	(894,917,933)	(1,629,389,310)
Cash and cash equivalents in the consolidated statement of cash flows	**(104,646,121)**	**896,404,492**

15.00 Share capital

Authorized:		
500,000,000 ordinary shares of Tk 10 each	**5,000,000,000**	**5,000,000,000**
Issued, subscribed and paid up:		
200,000 ordinary shares of Tk 10 each issued for cas	2,000,000	2,000,000
9,500,000 ordinary shares of Tk 10 each issued as fully paid up bonus shares in 2011	95,000,000	95,000,000
46,560,000 ordinary shares of Tk 10 each issued as fully paid up bonus shares in 2012	465,600,000	465,600,000
59,073,000 ordinary shares of Tk 10 each issued as fully paid up bonus shares in 2012	590,730,000	590,730,000
27,400,000 ordinary shares of Tk 10 each issued as fully paid up shares in 2013	274,000,000	274,000,000
7,136,650 ordinary shares of Tk 10 each issued as fully paid up bonus shares in 2014	71,366,500	71,366,500
40,293,566 ordinary shares of Tk 10 each issued through IPO in 2020-2021	402,935,660	402,935,660
	1,901,632,160	**1,901,632,160**

During the prior year the Company issued shares through IPO process and became listed at Dhaka and Chittagong Stock Exchanges.

The Company was initially registered with ordinary shares of Tk 100 each. The denomination of face value of shares were subsequently converted from Tk 100 to Tk 10 shares through a 10:1 split at the EGM held on 27 December 2011.

15.01 Shareholding position

Name of the shareholders	% of Share	30 June 2022 No. of shares	30 June 2022 Value (Tk)	30 June 2021 No. of shares	30 June 2021 Value (Tk)
Sponsor/Directors:					
Energypac Engineering Ltd	38.21%	72,659,790	726,597,900	72,659,790	726,597,900
Mr. Md. Rabiul Alam	3.18%	6,054,983	60,549,825	6,054,983	60,549,825
Mr. Enamul Haque Chowdhury	3.18%	6,054,983	60,549,825	6,054,983	60,549,825
Mr. Humayun Rashid	3.18%	6,054,983	60,549,825	6,054,983	60,549,825
Mr. Md. Nurul Aktar	3.18%	6,054,983	60,549,825	6,054,983	60,549,825
Mr. Rezwanul Kabir	3.18%	6,054,983	60,549,825	6,054,983	60,549,825
	54.13%	**102,934,705**	**1,029,347,025**	**102,934,705**	**1,029,347,025**
Other Than Sponsor/Directors:					
ICB	1.60%	3,045,000	30,450,000	3,045,000	30,450,000
Dr. Meerjady Sabrina Flora	3.18%	6,054,982	60,549,825	6,054,982	60,549,825
Mrs. Mahfuza Rahman Chowdhury	3.18%	6,054,981	60,549,825	6,054,981	60,549,825
Mrs. Rifat Farzana	3.18%	6,054,982	60,549,825	6,054,982	60,549,825
ICB Unit Fund	3.81%	7,245,000	72,450,000	7,245,000	72,450,000
Bangladesh Fund	1.49%	2,835,000	28,350,000	2,835,000	28,350,000
GSP Finance Company (BD) Ltd	0.63%	1,192,800	11,928,000	1,192,800	11,928,000
Mutual Trust Bank Limited	0.63%	1,192,800	11,928,000	1,192,800	11,928,000
ICB Capital Management Ltd.	0.63%	1,207,500	12,075,000	1,207,500	12,075,000
Bank Asia Limited	0.63%	1,192,800	11,928,000	1,192,800	11,928,000
Other Shareholders	26.90%	51,152,666	511,526,660	51,152,666	511,526,660
	45.87%	**87,228,511**	**872,285,135**	**87,228,511**	**872,285,135**

15A.00 Share capital

Energypac Power Generation Ltd.	1,901,632,160	1,901,632,160
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net Balance	**1,901,632,160**	**1,901,632,160**

16.00 Share premium

Balance as at 1 July	1,989,811,384	931,600,000
Addition during the year	-	1,097,064,340
IPO expense charged	-	38,852,956
Closing Balance	**1,989,811,384**	**1,989,811,384**

Energypac Power Generation Ltd. had issued 27,400,000 ordinary share to the shareholders @ Tk. 44 each including a premium of Tk. 34 per share in the year 2013-14. Subsequently as part of the IPO process total premium of TK. 1,097,064,340/- has been collected against issuance of 40,293,566 shares. Share issue related cost of TK. 38,852,956/- has been adjusted with share premium amount.

16A.00 Share premium

Energypac Power Generation Ltd.	1,989,811,384	1,989,811,384
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net Balance	**1,989,811,384**	**1,989,811,384**

17A.00 Share Money Deposit

Energypac Power Generation Ltd.	-	-
Energypac Power Venture Ltd. (EPVL)	-	-
EPV Chittagong Ltd. (EPVCL)	-	-
EPV Thakurgaon Ltd. (EPVTL)	1,039,994,840	1,064,338,794
Net Balance	**1,039,994,840**	**1,064,338,794**

Subsequent to the year end, the Board of EPVTL in its meeting held on 19 July 2022 approved to issue 103,999,484 no of preference shares to the shareholders of EPVTL (48,606,527 nos. of convertible of preference shares in favor of EMA Power Investment Limited and 55,392,957 nos. of convertible of preference shares in favor of EMA Investments Limited) through conversion of share money deposits. As the entire amount of this share money deposit received from holders of non-controlling interest in the Group this is shown outside the equity of share of the parent.

18.00 Revaluation surplus

Balance as at 1 July 2021	2,263,843,182	1,969,891,525
Transfer to retained earnings	-	-
Addition during the year	-	306,199,643
	2,263,843,182	**2,276,091,168**
Adjustment during the year for deferred tax	-	(12,247,986)
Net Balance	**2,263,843,182**	**2,263,843,182**
	-	

This represents the difference between book value and revalued value of land as on 30 June 2021. All the freehold land of the Company were revalued by "Malek Siddiqui Wali", Chartered Accountants, 9 G Motijheel C/A, Dhaka-1000 on 17 July 2013, 30 June 2017 and 30 June 2021. The fair value of land is determined based on the location, commercial importance and facility available in the locality and past trend and deferred tax was charged against revaluation reserve.

18A.00 Revaluation surplus

Energypac Power Generation Ltd.	2,263,843,182	2,263,843,182
Energypac Power Venture Ltd. (EPVL)	123,963,733	123,963,733
EPV Chittagong Ltd. (EPVCL)	291,043,899	291,043,899
EPV Thakurgaon Ltd. (EPVTL)	-	-
Net Balance	**2,678,850,814**	**2,678,850,814**

EPVL purchased the land in 2011. In 2013 the land was revalued by Asian Surveyors appointed by Union Capital Limited on behalf of Energypac Power Venture Limited. This free hold land of the Company revalued by "Malek Siddique Wali", Chartered Accountants. 9 G Motijheel C/A, Dhaka-1000 on the 10 the January 2015 to 30 June 2018. The fair value of land is determined based on the location, commercial importance and facility in the locality and past trend.

All the freehold land of EPVCL was revalued by "Malek Siddiqui Wali", Chartered Accountants, 9 G Motijheel C/A, Dhaka-1000 on 10th January 2015. The fair value of land is determined based on the location, commercial importance and facility in the locality and past trend. Management has considered that the valuation amount as per this revaluation is still relevant and hence a new revaluation is not required.

19.00 Term loan

Term loan- Non-current portion	2,799,133,360	3,215,808,929
Term loan- Current portion	1,170,585,070	1,633,359,742
	3,969,718,430	**4,849,168,671**

19.01 Term Loan-Non-Current Portion

Uttara Finance & Investments Limited	273,590,695	284,783,545
United Commercial Bank Limited	262,752,647	-
Eastern Bank Limited	305,471,334	438,507,066
Jamuna Bank Limited	395,993,030	469,672,839
United Finance Limited	69,784,192	139,438,399
Dhaka Bank Limited	136,939,640	319,302,332
Bank Asia Limited	1,259,339,301	1,519,129,834
NRBC Bank Limited	95,262,520	44,974,915
	2,799,133,360	**3,215,808,929**

19.02 Term Loan-Current Portion

Uttara Finance & Investments Limited	82,197,930	71,517,380
Mercantile Bank Limited	30,827,935	336,333,395
United Commercial Bank Limited	20,867,793	324,579,519
Eastern Bank Limited	120,312,802	120,312,802
Jamuna Bank Limited	71,418,801	56,277,138
United Finance Limited	84,620,175	74,725,525
Dhaka Bank Limited	418,448,271	195,287,302
Bank Asia Limited	249,780,347	228,372,684
NRBC Bank Limited	92,111,017	172,368,983
Trust Bank Limited	-	53,585,013
	1,170,585,070	**1,633,359,742**

Information relating to the facilities provided by individual bank containing limit of the loans, purpose of the loans, major covenants and lien & mortgage info is disclosed in **Annexure B**.

Current portion of term loan represents the principal amount of term loan payments falling due within 12 months from the end of the reporting period.

19A.01 Loans and Borrowings (Non current portion)

Energypac Power Generation Ltd.	2,799,133,360	3,215,808,929
Energypac Power Venture Ltd.	432,587,904	451,224,419
EPV Chittagong Ltd.	242,571,526	667,070,762
EPV Thakurgaon Ltd.	3,618,268,404	3,615,945,251
Net Balance	**7,092,561,194**	**7,950,049,361**

19A.02 Loans and Borrowings (Current portion)

Energypac Power Generation Ltd.	1,170,585,070	1,633,359,742
Energypac Power Venture Ltd.	120,717,804	111,592,528
EPV Chittagong Ltd.	424,499,490	242,571,526
EPV Thakurgaon Ltd.	361,826,840	1,999,239,497
Total Balance	**2,077,629,205**	**3,986,763,291**
Less: Transaction between Parent & Subsidiaries	-	-
Net balance	**2,077,629,205**	**3,986,763,291**

20.00 Security deposits from customers & dealers

Security deposits from customers & dealers	1,207,225,678	1,194,895,245
	1,207,225,678	**1,194,895,245**

The above amount of security deposits mainly represents advances received from dealers and customers against supply of cylinders by the Company. Upon return of the cylinders in usual condition by the dealers/customers the Company would return the amount. As the expectation is such return would not take place in forseeable future the balance is shown in non-current liability.

20A.00 Security deposits from customers & dealers

Energypac Power Generation Ltd.	1,207,225,678	1,194,895,245
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Total Balance	**1,207,225,678**	**1,194,895,245**
Less: Transaction between Parent & Subsidiary	-	-
Net balance	**1,207,225,678**	**1,194,895,245**

21.00 Bank overdraft

Trust Bank Limited	150,499,431	157,297,003
BRAC Bank Limited	45,804,366	21,479,630
HSBC	45,954,233	221,317,852
Bank Asia Limited	20,445,582	354,915,586
Dhaka Bank Limited	101,809,187	154,998,311
Eastern Bank Limited	20,456,056	41,813,468
Jamuna Bank Limited	102,103,969	112,884,236
Prime Bank Limited	-	14,084,723
Standard Chartered Bank	-	30,149,803
Mercantile Bank Limited	102,132,844	164,210,900
NRBC Bank Limited	50,047,044	57,588,553
Shimanto Bank Limited	255,665,221	247,454,331
United Commercial Bank Limited	-	6,077,855
Islami Bank Bangladesh Limited	-	45,117,061
	894,917,933	**1,629,389,310**

Information relating to the facilities provided by individual bank containing limit of the loans, purpose of the loans , major covenants and lien & mortgage info is disclosed in **Annexure B**.

21A.00 Bank overdraft

Energypac Power Generation Ltd.	894,917,933	1,629,389,310
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net Balance	**894,917,933**	**1,629,389,310**

22.00 Trade payables

Payable for local purchase	303,166,249	661,154,025
Bills payable	365,541,541	1,359,990
	668,707,790	**662,514,015**

22A.00 Trade payables

Energypac Power Generation Ltd.	668,707,790	662,514,015
Energypac Power Venture Ltd.	49,498,234	-
EPV Chittagong Ltd. (EPVCL)	4,949,739,610	245,079,938
EPV Thakurgaon Ltd.	384,661,639	187,938,321
Total Balance	**6,052,607,272**	**1,095,532,274**
Less: Transaction between Parent & Subsidiaries	(220,402,143)	-
Net balance	**5,832,205,129**	**1,095,532,274**

EPVCL has purchased HFO (fuel) for its power plant on credit from supplier and hence the Trade Payable balance is substantially higher.

23.00 Other payables

Sales commission	5,599,032	5,118,227
Accrued & provisional expenses	157,582,855	135,153,996
Tax at source payable	106,977,628	49,520,768
VAT payable	227,397,845	181,843,428
Warranty claimable exp	1,000,000	1,000,000
Provision for income tax (Note 23.01)	1,381,404,459	1,309,169,816
Provision for WPPF*	122,784,989	109,007,102
Provision for gratuity (Note 23.02)	70,053,584	70,053,584
Advance from customers	209,511,328	2,964,540
Interest payable	70,204,154	-
	2,352,515,874	**1,863,831,460**

* The Company has formed a trust required by the Bangladesh Labor Act 2006 (amended in 2013) for management and distribution of WPPF and disbursement of the balance and completion of other formalities are in process.

23.01 Provision for income tax

Balance at 1 July as previously reported	1,309,169,816	1,064,683,009
Prior year adjustment for FY: 2019-2020	-	189,320,609
Restated balance as at 1 July	1,309,169,816	1,254,003,618
Add: Provision during the year	72,234,643	55,166,198
Balance at 30 June	**1,381,404,459**	**1,309,169,816**

The above balance represents provision for income tax in relation to years for which final assessments are pending. Corresponding income tax payments against those pending assessment years are shown in Note 12.01. Management regularly assess the status of pending tax matters and based on advice of its external tax consultant satisfy that the above provision is adequate to cover all pending tax demands once all the appeal process are completed and final demands are settled. Refer below for the status of various tax assessments.

While conducting detailed review of the Company's income tax obligation for 2019-2020 (tax assessment year 2020-2021) it was identified that certain amount of withholding advance tax for that year should be minimum tax u/s 82C of ITO 1984. As a result, to cover the shortfall of income tax provision has been restated as prior year error.

Tax assessment status

Income Year	Assessment Year	Status
2005 - 2006	2006 - 2007	Assessment and appeal up to Tribunal has completed. The Company files a reference application to the Honorable High Court Division (HCD) of Bangladesh Supreme Court and order received from HCD to stay the demand from Tax authority till disposal of the Company's writ petition.
2006 - 2007	2007 - 2008	
2007 - 2008	2008 - 2009	
2008 - 2009	2009 - 2010	
2009 - 2010	2010 - 2011	Assessment has been completed but the DCT has made a mistake in calculation of tax liability for which the Company has applied for correction u/s 173 resulting a tax refund.
2010 - 2011	2011 - 2012	Assessment and appeal up to Tribunal has completed. The Company files a reference application to the Honorable High Court Division (HCD) of Bangladesh Supreme Court and order received from HCD to stay the demand from Tax authority till disposal of the Company's writ petition.
2011 - 2012	2012 - 2013	
2012-2013	2013-2014	
2013-2014	2014-2015	
2014-2015	2015-2016	
2015-2016	2016-2017	
2016-2017	2017-2018	Assessment and the Company's appeal to Tax Tribunal are completed. Next course of action is planned.
2017-2018	2018-2019	Assessment completed but the Company's Tax Tribunal is ongoing upon completion of which the next course of action will be planned.

2018-2019	2019-2020	Assessment and the Company's appeal to Tax Tribunal are completed. Next course of action is planned.
2020-2021	2021-2022	Income tax return has been filed and the assessment is under process

23.02 Provision for gratuity

Balance at 1 July	70,053,584	58,467,112
Add: Provision during the year	-	11,586,472
Less: Adjustment/settlement during the year	-	-
Balance at 30 June	**70,053,584**	**70,053,584**

The Company operate a gratuity scheme for its eligible employees which is a defined benefit plan. Although no actuarial assessment has been done but the management consider that the existing provision reflects reasonable representation of its actual liability.

23A.00 Other payables

Energypac Power Generation Ltd.	2,352,515,874	1,863,831,460
Energypac Power Venture Ltd.	672,199,886	43,284,096
EPV Chittagong Ltd.	362,827,294	220,750,153
EPV Thakurgaon Ltd.	5,017,864	1,000,000
Total Balance	**3,392,560,918**	**2,128,865,709**
Less: Transaction between Parent & Subsidiary	(550,120,712)	(492,070,389)
Net balance	**2,842,440,206**	**1,636,795,320**

24.00 Short term bank loan

Revolving Loan	1,126,811,005	1,146,447,113
Acceptance Liability	4,300,576,492	2,766,960,356
Loan against Trust Receipt (LTR)	1,460,619,747	1,022,879,829
	6,888,007,244	4,936,287,298

Information relating to the facilities provided by individual bank containing limit of the loans, purpose of the loans , major covenants and lien & mortgage info is disclosed in **Annexure B**.

24A.00 Short term bank loan

Energypac Power Generation Ltd.	6,888,007,244	4,936,287,298
Energypac Power Venture Ltd.	268,070,114	932,992,712
EPV Chittagong Ltd.	4,700,584,730	4,661,349,661
EPV Thakurgaon Ltd.	6,215,886,587	-
Net Balance	**18,072,548,676**	**10,530,629,671**

Due to start of COD, EPVTL has taken short term borrowing to support working capital requirement (i.e purchase of HFO) resulting higher short term loan.

Energypac Power Generation Limited
Notes to the Consolidated and Separate Financial Statements
As at and for the period ended 30 June 2022

		Amount in BDT	
		2021-2022	**2020-2021**
25.00	**Revenues**		
	Local:		
	Revenue from Liquefied Petroleum Gas (LPG)	5,230,717,086	4,866,693,747
	Revenue from Building Material Division (BMD)	802,648,904	537,237,907
	Revenue from Motor Vehicle Division (MVD)	1,836,928,978	1,406,977,978
	Revenue from Power & Energy Division (PED)	1,302,402,847	897,972,782
	Revenue from Engineering, Procurement & Construction (EPC)	-	129,294,051
		9,172,697,815	**7,838,176,465**
25A.00	**Revenues**		
	Energypac Power Generation Ltd.	9,172,697,815	7,838,176,465
	Energypac Power Venture Ltd.	273,718,716	271,304,697
	Energypac Power Venture Ctg. Ltd.	7,460,116,598	2,624,446,209
	EPV Thakurgaon Ltd.	3,427,435,364	-
	Consolidated Revenue	**20,333,968,493**	**10,733,927,371**
26.00	**Cost of Revenues**		
	Liquefied Natural Gas (LPG)	4,116,033,237	3,647,700,643
	Building Material Division (BMD)	588,473,719	391,410,401
	Motor Vehicle Division (MVD)	1,222,082,872	917,808,045
	Power & Energy Division (PED)	946,936,786	645,411,623
	Engineering, Procurement & Construction (EPC)	-	53,131,216
		6,873,526,614	**5,655,461,929**
26A.00	**Cost of Revenues**		
	Energypac Power Generation Ltd.	6,873,526,614	5,655,461,928
	Energypac Power Venture Ltd.	161,141,941	153,132,914
	Energypac Power Venture Ctg. Ltd.	6,833,042,472	1,876,655,039
	EPV Thakurgaon Ltd.	3,065,794,055	80,174
	Consolidated cost of revenues	**16,933,505,082**	**7,685,330,055**
27.00	**Administrative expenses**		
	Personnel expenses	465,086,867	440,872,090
	Conveyance	6,147,433	7,506,557
	Entertainment	6,213,108	5,416,327
	Mobile expense	7,055,165	7,848,228
	Utilities expense	6,907,773	9,639,838
	Printing and stationery	1,426,873	1,576,994
	Repair and maintenance	5,837,532	25,846,898
	Office expense	19,819,277	22,880,229
	Rent expense	10,725,492	18,930,442
	Car expense	21,873,657	25,082,579
	Audit and professional fees	1,590,900	2,171,050
	Renewal and registration fees	3,857,098	6,779,991
	Insurance expense	2,275,127	2,099,774
	Tour and travel expense	9,596,527	9,314,573
	Fees and others	891,845	1,268,350
	Bad debt	47,369,126	7,885,178
	Consultancy and tech. fees	9,442,663	14,899,039
	IPO and capital raising expense	690,000	-
	Legal fees	1,639,513	2,767,701
	Land development expense	-	2,566,233
	Depreciation expenses (Note 4.3)	31,555,870	24,422,786
	Amortization expenses	8,764,461	4,708,268
	IT related services and research expenses	9,577,769	5,456,347
		678,344,077	**649,939,472**

27A.00	**Administrative expenses**		
	Energypac Power Generation Ltd.	678,344,077	649,939,472
	Energypac Power Venture Ltd.	10,538,110	7,763,450
	EPV Chittagong Ltd.	41,542,722	36,641,642
	EPV Thakurgaon Ltd.	20,955,515	17,968,584
	Consolidated Administrative Expenses	**751,380,424**	**712,313,147**

28.00	**Distribution expenses**		
	Sales commission	130,086,635	152,994,844
	Advertisement expense	3,792,311	8,929,366
	Promotional expense	37,368,649	30,654,022
	Delivery expense	240.668,230	264,462,628
	Documentation expenses	337,691	580,379
	Warranty Expenses	10,150,097	1,205,586
	Sales support expense	826.972	928,700
	Stock Maintenance Expenses	3,603,597	11,994,481
	Labor bill	24,922,853	38,786,650
	Depreciation	155,972,754	11,852,123
		607,729,788	**522,388,779**

28A.00	**Distribution expenses**		
	Energypac Power Generation Ltd.	607,729,788	522,388,779
	Energypac Power Venture Ltd.	-	-
	Energypac Power Venture Ctg. Ltd.	-	-
	EPV Thakurgaon Ltd.	-	-
	Consolidated Distribution Expenses	**607,729,788**	**522,388,779**

29.00	**Finance income**		
	See accounting policies in Notes 3.17		
	Interest on SND	131,145	446,212
	Interest on FDR	2,625,017	14,503,086
		2,756,162	**14,949,298**

29A.00	**Finance income**		
	Energypac Power Generation Ltd.	2,756,162	14,949,298
	Energypac Power Venture Ltd.	76,056	4,236
	Energypac Power Venture Ctg. Ltd.	259,965	422,885
	EPV Thakurgaon Ltd.	12,433	-
	Consolidated Finance Income	**3,104,616**	**15,376,419**

30.00	**Finance costs**		
	See accounting policies in Notes 3.17		
	Bank interest	695,035,309	747,439,823
		695,035,309	**747,439,823**

Service charge received from customers on account of hire sales is netted off with bank interest.

30A.00	**Finance costs**		
	Energypac Power Generation Ltd.	695,035,309	747,439,823
	Energypac Power Venture Ltd.	88,408,995	102,565,728
	Energypac Power Venture Ctg. Ltd.	548,691,685	582,503,403
	EPV Thakurgaon Ltd.	147,574,905	228.897
	Consolidated Finance Cost	**1,479,710,895**	**1,432,737,850**

31.00	**Non-operating income**		
	Rent Income	22,032,300	21,771,150
	Wastage and scrap sales	-	-
	DMV registration and insurance	10,448,912	8,077,220
	Delay Interest Income	6,298,687	7,521,821
	Seized Fine Income	201	436,850
	Name transfer income	1,654,500	1,657,000
	VTS income	3,193,444	3,106,946
	Foreign exchange gain/(loss)	(88,879,006)	(5,550,157)
	Gain/(loss) on investment in shares & asset	(9,482)	58,979,886
	Insurance commission and others	-	-
		(45,260,445)	**96,000,717**

31A.00	**Non-operating income**		
	Energypac Power Generation Ltd.	(45,260,445)	96,000,717
	Energypac Power Venture Ltd.	-	344,320
	Energypac Power Venture Ctg. Ltd.	(13,793,677)	(1,437,474)
	EPV Thakurgaon Ltd.	(521,322,225)	-
	Consolidated Other Income	**(580,376,347)**	**94,907,563**

Foreign currency transaction and translation

The Company has taken foreign currency loans from certain banks and financial institutions which are denominated in USD. These loans shall be repaid over a period of 5 to 10 years from the revenue of the Company during the same period which are also invoiced and collected in USD. Accordingly, there are natural hedge between commitments to service debts in USD with corresponding revenue also generated in USD. Therefore, any exchange rate movement between the presentation currency of BDT and USD shall have little or no direct effect on the present and future financial performance as well cash flows of the Company.

As a result, if the Company is required to translate its USD denominated loans into BDT using the closing exchange rate and related foreign currency difference is recognized in profit or loss as per paragraph 28 of IAS 21: The effects of changes in foreign exchange rates., it will result in significant fictitious impact in its financial performance which will be misleading and defeat the critical objective of fair presentation as stated in IAS 1: Presentation of Financial Statements paragraph 15. Accordingly, the Company has applied paragraph 19 of IAS 1: Presentation of Financial Statements, and management has determined that taking the foreign currency difference on USD denominated loans which will be also repaid from the Company's USD revenue to profit or loss will be misleading and conflicting with the objective of "fair presentation" framework stated in IAS 1:Presentation of Financial Statements.

Therefore, the Company has departed from the requirement to recognize foreign currency difference in translation of USD denominated loans to profit or loss and instead taken it to other comprehensive income using the analogy given in paragraph 39 and 41 of IAS 21: The effects of changes in foreign exchange rates. Management has considered USD denominated loans and USD revenues of the Company as a distinct unit with its functional currency USD as defined in paragraph 9 of IAS 21: The effects of changes in foreign exchange rates. This Unit's primary economic environment in which it operates is USD because it is generating revenue in USD and also making loan payments in USD. The results of USD are now translated into presentation currency (BDT) following requirements of paragraph 38 and 39 of IAS 21: The effects of changes in foreign exchange rates.

32.00	**Provision for WPPF**		
	Profit after charging WPPF	275,557,744	373,896,478
	Provision @5%	**13,777,887**	**18,694,824**

32A.00	**Provision for WPPF**		
	Energypac Power Generation Ltd.	13,777,887	18,694,824
	Energypac Power Venture Ltd.	-	-
	Energypac Power Venture Ctg. Ltd.	-	-
	EPV Thakurgaon Ltd.	-	-
	Consolidated Provision for WPPF	**13,777,887**	**18,694,824**

33.00	**Income tax**		
	See accounting policies in Note 3.19		
	Current tax (Note 33.01)	72,234,643	55,166,198
	Deferred tax (income)/expense (Note 33.02)	(24,805,901)	29,587,255
	Income tax	**47,428,742**	**84,753,453**

33.01	**Calculation of income from business:**		
	Calculation of income from business:		
	Profit before tax as per audited Income statement	261,779,857	355,201,654
	Less: Non-operating Income to be considered later on	43,609,080	37,000,716
	Less: Capital Gain on Share sale (Tax Free Income)	-	59,000,000
	Less: Finance income (Note 29)	2,756,162	14,949,298
	Income from Business (i)	**215,414,615**	**244,251,640**
	Add: Item to be considered separately (ii)	**491,819,354**	**464,111,877**
	Accounting Depreciation	485,606,246	458,695,450
	Entertainment	6,213,108	5,416,427
	Add: Inadmissible expenses (iii)	-	-
	Donation and misc.	-	-
	Provision for Gratuity & WPPF	-	-
	1. Charges: EPGL as security for the payment when due of all principal, interest and other amounts now or hereafter payable by EPG		
	Less: Admissible Expenses (iv)	**444,058,723**	**515,130,431**
	Tax depreciation as per third Schedule of ITO 1984	437,903,062	511,166,490
	Entertainment as per rule 65	6,155,661	3,963,941
	Total Income from Operation/ Business [A(i+ii+iii-iv)]	**263,175,245**	**193,233,086**

Add: Total income from other sources considered u/s 33 [B]	**(42,513,764)**	**51,950,014**
Finance income	2,756,162	14,949,298
Other non operative income excluding capital gain on sale of shares	43,609,080	37,000,716
Forex Loss	(88,879,006)	-
Distribution of total income under section 82C and other than section 82C		
Income attributable to section 82C (Based on AIT) (A)	53,907,373	193,233,086
Income attributable to other than 82C	81,454,535	-
Total income from other sources	-	51,950,014
Total income chargeable to tax	**81,454,535**	**245,183,100**
Corporate Tax rate	**22.50%**	**22.50%**
Current tax other than 82C (B)	18,327,270	55,166,198
Current tax chargeable to profit or loss (A+B)	**72,234,643**	**248,399,284**

For the income year 2021-2022 (corresponding to the assessment year 2022-2023), the income tax rate applicable for the Company is 22.5%.

As per the Finance Act 2020, for all such company which are not publicly traded, if they transfer at least 20% of its paid-up capital through IPO, then that company shall receive 10% rebate on the applicable tax rate for that particular year related to the transfer. Although the year is not defined but as the Finance Act is applicable for tax assessment year the same has been used to determine the year of transfer. Bangladesh Securities and Exchange Commission (BSEC) on 21 October 2020 has approved the Company's proposal to issue 40,293,566 shares (26.88% of the existing 149,869,650 shares) through IPO and the Company has completed all IPO related formalities during the last year.

33.02 **Deferred tax assets /(liabilities) as on 30 June, 2022**	**WDV as per Tax**	**WDV as per Accounts**	**Taxable/ (Deductible) temporary difference**
Carrying value of Property, Plant & Equipment (PPE) except revaluation	4,591,537,679	5,602,336,398	1,010,798,719
Taxable/(Deductible) Temporary difference except loss from Share	**4,591,537,679**	**5,602,336,398**	**1,010,798,719**
Capital Loss on Share sale	-	-	-
Total Temporary difference for the Year	**4,591,537,679**	**5,602,336,398**	**1,010,798,719**
Applicable Tax rate except Capital loss on Share			22.50%
Tax rate for Capital loss on Share			10.00%
Deferred tax assets/(Liability) for FY 2021-2022			**(227,429,712)**
Deferred tax assets/(liabilities) for FY 2021-2022			**(252,235,613)**
Deferred tax income/(expense)			**24,805,901**

Management has not considered provisions for gratuity,WPPF and warranty for deferred Tax as all of these expenses are accepted by DCT on regular basis.

Deferred tax assets /(liabilities) as on 30 June, 2021	**WDV as per Tax**	**WDV as per Accounts**	**Taxable/ (Deductible) temporary difference**
Carrying value of Property, Plant & Equipment (PP&E)	6,936,028,632	8,002,640,307	1,066,611,676
Total temporary difference except loss from shares	6,936,028,632	8,002,640,307	1,066,611,676
Total temporary difference for the year	**6,936,028,632**	**8,002,640,307**	**1,066,611,676**
Applicable tax rate except capital loss on share			22.50%
Deferred tax assets/(liability) for FY 2020-2021			**(239,987,627)**
Deferred tax assets/(liabilities) for FY 2019-2020 (Excluding Land-Revaluation)			**(210,400,372)**
Deferred tax income/(expense)			**(29,587,255)**

Management has not considered provisions for gratuity,WPPF and warranty for deferred Tax as all of these expenses are accepted by DCT on regular basis.

33.03 Deferred tax liability

Deferred tax for regular course of business (Note 33.04)	133,102,912	157,908,813
Deferred tax for revaluation (Note 33.05)	94,326,800	94,326,800
	227,429,712	**252,235,613**

33A.03 Deferred tax liability

Energypac Power Generation Ltd.	227,429,712	252,235,613
Energypac Power Venture Ltd.	-	-
Energypac Power Venture Ctg. Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Consolidated deferred tax liability	**227,429,712**	**252,235,613**

33.04 Deferred tax for regular course of business

Opening Deferred tax liability	157,908,813	128,321,558
Add/(Less): Deferred tax expense/(income) during the year	(24,805,901)	29,587,255
Closing balance of Deferred tax liability balance at 30 June	**133,102,912**	**157,908,813**

33.05 Deferred tax for revaluation

Opening deferred tax liability for land revaluation	94,326,800	82,078,814
Add/(Less): Deferred tax expense/(income) for land revaluation	-	12,247,986
Closing deferred tax liability for land revaluation at reporting date	**94,326,800**	**94,326,800**

33A.00 Income tax

Energypac Power Generation Ltd.	47,428,742	84,753,453
Energypac Power Venture Ltd.	17,805	3,803
Energypac Power Venture Ctg. Ltd.	77,990	126,866
EPV Thakurgaon Ltd.	184,840	-
Consolidated income tax expenses	**47,709,377**	**84,884,121**

33A.03.01 Deferred tax liability non-current portion

Energypac Power Generation Ltd.	227,429,712	252,235,613
Energypac Power Venture Ltd.	-	-
Energypac Power Venture Ctg. Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Consolidated deferred tax liability	**227,429,712**	**252,235,613**

34.00 Other Comprehensive Income

Land revaluation	-	306,199,643
Less: Deferred tax land revaluation	-	(12,247,986)
	-	**293,951,657**

All the freehold land of the Company were revalued by "Malek Siddiqui Wali", Chartered Accountants, 9 G Motijheel C/A, Dhaka-1000 on 30 June 2021. The fair value of land is determined based on the location, commercial importance and facility available in the locality and past trend and deferred tax was charged against revaluation reserve.

34A Other Comprehensive Income

Energypac Power Generation Ltd.	-	293,951,657
Energypac Power Venture Ltd.	-	-
Energypac Power Venture Ctg. Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Consolidated Other Comprehensive Income	**-**	**293,951,657**

35.00 Earnings per share (EPS)

See accounting policies in Notes 3.21

Basic earnings per share (EPS)	Separate		Consolidated	
	2021-2022	2020-2021	2021-2022	2020-2021
Earnings attributable to the ordinary shareholders (net profit after tax)	214,351,115	270,448,202	71,384,936	385,456,631
Weighted average number of ordinary shares outstanding during the year (Note 35.01)	190,163,216	167,863,763	190,163,216	167,863,763
	1.13	**1.61**	**0.38**	**2.30**

* The reason for the decrease in EPS is to increase the weighted average number of shares outstanding in this current period than the previous period as well as lower profit than prior year. Foreign currency transactional loss & translation loss are major reasons of deterioration of such EPS for both separate & consolidated financial statements along with other market condition.

35.01 Weighted average number of ordinary shares only for EPS calculation

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor.

Outstanding shares as at 1 July of the year	190,163,216	149,869,650
Effect of issue ordinary shares on 18 January 2021	-	17,994,113
Effect of Bonus Shares issued	-	-
	190,163,216	**167,863,763**

35.02 Diluted earning per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during these period.

36.00 Net asset value per share (NAV per share)

	Separate		Consolidated	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Total equity (Net asset)	8,123,160,637	8,098,972,739	9,162,000,174	9,320,274,330
Total number of shares outstanding	190,163,216	190,163,216	190,163,216	190,163,216
Net asset value per share	**42.72**	**42.59**	**48.18**	**49.01**

36.01 Net asset value per share without revaluation (NAV per share without revaluation)

	Separate		Consolidated	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Total equity (Net asset)	8,123,160,637	8,098,972,739	9,162,000,174	9,320,274,330
Less: Revaluation reserve	2,263,843,182	2,263,843,182	2,678,850,814	2,678,850,814
Total equity (Net asset) after deducting SMD & revalu:	5,859,317,455	5,835,129,557	6,483,149,360	6,641,423,516
Total number of shares outstanding	190,163,216	190,163,216	190,163,216	190,163,216
Net asset value per share	**30.81**	**30.68**	**34.09**	**34.92**
	-		-	

37.00 Net operating cash flows per share (NOCFPS)

	Separate		Consolidated	
	2021-2022	2020-2021	2021-2022	2020-2021
Net operating cash flows	707,192,053	943,534,330	(1,042,140,004)	1,752,203,970
Total number of shares outstanding	190,163,216	190,163,216	190,163,216	190,163,216
Net operating cash flows per share (NOCFPS)	**3.72**	**4.96**	**(5.48)**	**9.21**

Net operating cash flows per share (NOCFPS) have decreased due to a slowdown of credit recovery. On the other hand, one of the subsidiaries commenced its operation from March 2022. All bills from BPDB were in trade receivable as on 30 June 2022.

38.00 Disclosure of cash flows under direct method

	Separate		Consolidated	
	2021-2022	**2020-2021**	**2021-2022**	**2020-2021**
Profit before tax	261,779,857	355,201,654	(29,407,313)	472,746,698
Add/(Less): Non Cash Item & Non-operating activities Item				
Depreciation & Amortization	491,411,670	463,403,717	873,020,186	789,214,581
Loss on Investment	9,482	(58,979,886)	9,482	(58,979,886)
Finance cost	695,035,309	747,439,823	1,479,710,895	1,432,737,850
Unrealized foreign exchange (gain)/loss	6,648,186	5,550,157	6,648,186	5,550,157
Finance income	(2,756,162)	(14,949,298)	(3,104,616)	(15,376,419)
(Increase)/Decrease in current assets				
Accounts Receivable	(502,316,049)	1,561,783,538	(7,986,934,346)	1,724,227,905
Other receivable	26,816	(151,524,545)	(17,744,034)	(122,928,204)
Inventory	(422,874,981)	(38,223,009)	(1,703,925,769)	(361,627,678)
Advance, deposit & prepayments	3,021,440	(438,232,325)	1,073,986,386	(550,460,102)
Increase/(Decrease) in current liabilities				
Trade payable	6,193,775	(1,137,225,712)	4,736,672,855	(899,804,846)
Other payable	209,902,981	56,309,036	576,863,454	(255,946,598)
Advance from customers	218,877,221	(65,129,258)	218,877,221	(65,129,258)
Income tax paid	(266,531,955)	(341,889,560)	(266,812,589)	(342,020,229)
Net cash from/(used in) operating activities	**698,427,591**	**943,534,330**	**(1,042,140,004)**	**1,752,203,970**
Net cash from/(used in) operating activities under direct method	707,192,053	943,534,330	(1,042,140,004)	1,752,203,970
Unreconciled difference	-	-	-	-

39.00 Operating segment report

Energypac Power Generation Ltd comprises the following main business segments:

Division of LPG

LPG bottling plant is the plant where LPG is filled into bottles (cylinders) for storage and distribution among various LPG distributors. Primary Operations in a Bottling plant are main line activities, directly associated with filling of LPG cylinders

Division of Motor Vehicles (MVD)

Principal activities of Motor Vehicles Division (MVD) segment are importing and marketing JAC automobiles, construction machinery and materials, spare parts and service in Bangladesh.

Power & Energy (PED)

Principal activities of Power Generation Division (PGD) segment are to supply base load and standby gas, diesel generators and provide rent, turnkey solutions, operation and maintenance of power plant, spare parts, installation and service in Bangladesh and overseas.

Division of BMD

Principal activities of Building Material Division (BMD) segment are construct pre-engineered building & steelpac light building.

Engineering, Procurement and Construction (EPC)

Principal activities of Engineering, Procurement and Construction (EPC) segment are the design, execution, manufacture, erection, commissioning, testing, completion, trial run and warranty of an independent power plant including civil, mechanical, electrical and electronic work, providing training to the Board's personnel at the Site and providing Long Term Service in the power plant.

All Other

All other segment results are attributable to three operating segments of the Company which do not meet the quantitative thresholds. Those segments includes service revenue, CNG and generator sales. None of those segments has ever met any of the quantitative thresholds for determining reportable segments.

Amount in BDT

2021-2022	Business Segments					Entity total
	LPG	MVD	PED	BMD	EPC	
Revenue - external customers	5,230,717,086	1,836,928,978	1,302,402,847	802,648,904	-	9,172,697,815
Revenue - inter segment	-	-	-	-	-	-
Total segment revenue	**5,230,717,086**	**1,836,928,978**	**1,302,402,847**	**802,648,904**	**-**	**9,172,697,815**
						-
Cost of revenues- external customer	(4,116,033,237)	(1,222,082,872)	(946,936,786)	(588,473,719)	-	(6,873,526,614)
Cost of revenues- inter segment	-	-	-	-	-	-
Total segment cost of revenues	**(4,116,033,237)**	**(1,222,082,872)**	**(946,936,786)**	**(588,473,719)**	**-**	**(6,873,526,614)**
						-
Gross profit	**1,114,683,849**	**614,846,106**	**355,466,061**	**214,175,185**	**-**	**2,299,171,201**
Distribution expenses	(295,597,498)	(64,576,054)	(15,092,713)	(6,431,827)	-	(381,698,092)
Administrative expenses	(66,144,849)	(72,241,467)	(81,075,627)	(32,727,426)	-	(252,189,369)

	LPG	MVD	PED	BMD	EPC	Entity total
Unallocated:						
Administrative expenses						(426,154,708)
Distribution expenses						(226,031,696)
Finance income						2,756,162
Finance exp						(695,035,309)
Non-operating income						(45,260,445)
Provision for WPPF						(13,777,887)
Segment profit before tax	**752,941,502**	**478,028,585**	**259,297,721**	**175,015,932**	-	**261,779,857**
Income tax						(47,428,742)
Profit for the period						**214,351,115**

2020-2021	Business Segments					**Entity total**
	LPG	**MVD**	**PED**	**BMD**	**EPC**	
Revenue - external customers	4,866,693,747	1,406,977,978	897,972,782	537,237,907	129,294,051	7,838,176,465
Revenue - inter segment	-	-	-	-	-	-
Total segment revenue	**4,866,693,747**	**1,406,977,978**	**897,972,782**	**537,237,907**	**129,294,051**	**7,838,176,465**
Cost of revenues- external customer	(3,647,700,643)	(917,808,045)	(645,411,623)	(391,410,401)	(53,131,214)	(5,655,461,927)
Cost of revenues- inter segment	-	-	-	-	-	-
Total segment cost of revenues	**(3,647,700,643)**	**(917,808,045)**	**(645,411,623)**	**(391,410,401)**	**(53,131,214)**	**(5,655,461,927)**
Gross profit	**1,218,993,104**	**489,169,933**	**252,561,159**	**145,827,506**	**76,162,837**	**2,182,714,538**
Distribution expenses	(414,403,213)	(72,061,399)	(24,749,685)	(11,174,482)	-	(522,388,778)
Administrative expenses	(102,554,327)	(198,619,384)	(122,885,781)	(41,745,478)	-	(465,804,970)
Unallocated:						
Administrative expenses						(56,583,808)
Distribution expenses						(127,550,693)
Finance income						14,949,298
Finance exp						(747,439,823)
Non-operating income						96,000,717
Provision for WPPF						(18,694,824)
Segment profit before tax	**702,035,564**	**218,489,149**	**104,925,693**	**92,907,546**	-	**355,201,656**
Income tax						(84,753,453)
Profit for the year						**270,448,203**

40.00 Related party transactions

During the year, the Company carried out a number of transactions with related parties ,as well as there are pending balances from previous year. The name of these related parties and nature of these transactions have been set out below in accordance with the provisions of IAS 24: Related party disclosure.

As at and for the period ended 30 June 2022					
Name of party	Nature of transactions	Amount in (BDT)			
		Opening Balance	Addition	To import	Closing Balance
Energypac Power Venture Limited	Investment	337,502,067	-	-	337,502,067
	Advance for share mone	1,472,398,600	-	-	1,472,398,600
	Trade Payable	-	-	-	-
	loan Payable	-	-	-	-
	Trade Receivable	391,140,000	3,977,848	(383,321,010)	11,796,838
	Loan Receivable	8,484,838	382,655,334	-	391,140,172
Energypac Batteries Limited	Loan receivable	101,238	-	-	101,238
	Trade Receivable	-	-	-	-
EPV Chittagong Ltd.	Investment	-	-	-	-
	Trade Payable	-	-	-	-
	Trade Receivable	-	200,932,966	-	200,932,966
	loan Payable	-	-	-	-
	Advance for share mone	359,920,920	-	-	359,920,920
	Loan receivable	157,349,486	-	-	157,349,486
EPV Thakurgaon Ltd	Trade Receivable		7,672,339	-	7,672,339
	Loan receivable	1,000,000	631,054	-	1,631,054
Energypac Electronics Ltd	Loan receivable	4,335,150	-	-	4,335,150
	Trade Receivable	40,075,010	-	(39,716,072)	358,938
	Advance receive	-	-	-	-
	Trade Payable	-	-	40,202,915	40,202,915
Energypac Agro Ltd	Trade Payable	(1,230,001)	(2,634,948)	-	(3,864,949)
	Loan Payable	(212,996)	-	212,996	-
	Trade Receivable	-	-	-	-
	Loan receivable	8,113,969	948,493	-	9,062,462
Energypac Fashion Ltd	Trade Payable	(44,001)	-	44,001	-
	Trade Receivable	13,345,219	7,110,483	-	20,455,702
	Loan receivable	7,236,748	-	-	7,236,748
Energypac Infrastructure Development Ltd	Trade Payable	(3,963,002)	(1,000,465)	-	(4,963,467)
	Loan Payable	-	(20,000,000)	-	(20,000,000)
	Trade Receivable	450,000	33,840	-	483,840
	Loan receivable	65,868,048	28,740,359	-	74,608,407
Energypac Engineering Ltd	Trade Payable	(347,000)	(14,331,228)	-	(14,678,228)
	loan Payable	(78,054,202)	(6,073,630)	-	(84,127,832)
	Trade Receivable	55,786,200	67,454,756	(42,977,200)	80,263,756
	Loan receivable	95,326,084	-	(44,154,502)	(32,956,250)
	Share capital	(726,598,000)	-		(726,598,000)
Energypac Wires & Cables	Trade Receivable	39,206,854	16,824,010	(14,288,734)	41,742,130
Tec Advantage Ltd	Trade Payable	-	-	-	-
	loan Payable	(1,260,610)	-	-	(1,260,610)
	Loan Receivable	-	-	-	-
	Trade Receivable	-	-	-	-
Official Clothing Limited	Loan receivable	28,094,000	7,000,000	-	35,094,000
	Trade receivable	-	-	-	-
Design Express Limited	Loan receivable	4,274,111	-	-	4,274,111
	Trade receivable	-	-	-	-
Chartered Life Insurance Company Ltd.	Investment	22,500,000	-	-	22,500,000
	Loan payable	-	-	-	-
	Loan receivable	8,214,285	-	-	8,214,285

In addition, Energypac Power Generation Limited has issued corporate guarantee of various banks and financial institutions on behalf of its subsidiaries as well as other related parties to facilitate borrowings by those entities. However as on 30 June 2022 all corporate guarantees are expired. Management has conducted detailed review of the financial position of those entities for which corporate guarantees were issued and satisfied that there is no possibility for the Company's corporate guarantee to be ever called upon. To comply with Bangladesh Securities and Exchange Commission notification No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 2 September 2006 the Company will obtain necessary approval in the Board/AGM and wherever possible shall also minimize use of inter company loan and guarantee arrangement.

For the year ended 30 June 2021					
Name of party	**Nature of transactions**	**Amount in (BDT)**			
		Opening Balance	**Addition**	**Adjustment**	**Closing Balance**
Energypac Power Venture Limited	Investment	337,502,000	-	-	337,502,000
	Advance for share mone	1,472,398,667	-	-	1,472,398,667
	Trade Payable	(49,000,000)	-	49,000,000	-
	loan Payable	4,968,000	-	(4,968,000)	-
	Loan Receivable	104,822,333	-	(96,337,495)	8,484,838
	Trade Receivable	1,177,460	389,962,540	-	391,140,000
Energypac Batteries Limited	Loan receivable	101,238	-	-	101,238
	Trade Receivable	117,000	-	(117,000)	-
EPV Chittagong Ltd.	Trade Payable	(29,101,000)	-	29,101,000	-
	loan Payable	(123,497,010)	-	123,497,010	-
	Advance for share mone	330,820,000	29,100,920	-	359,920,920
	Loan receivable	6,670,137	150,679,349	-	157,349,486
EPV Thakurgaon Ltd	Loan receivable	5,000,000	-	(4,000,000)	1,000,000
Energypac Electronics Ltd	Loan receivable	7,519,415	-	(3,184,265)	4,335,150
	Trade Receivable	8,627,435	-	31,447,575	40,075,010
	Advance receive	(3,997,000)	-	3,997,000	-
	Trade Payable	(791,010)	-	791,010	-
Energypac Agro Ltd	Trade Payable	(213,471)	(1,016,530)	-	(1,230,001)
	loan Payable		(212,996)		(212,996)
	Loan receivable	4,609	8,109,360	-	8,113,969
Energypac Fashion Ltd	Trade Payable	(119,499,256)	-	119,455,255	(44,001)
	Trade Receivable	-	13,345,219	-	13,345,219
	Loan receivable	8,507,412	-	(1,270,664)	7,236,748
Energypac Infrastructure Development Ltd	Trade Payable	(1,071,039)	(2,891,963)	-	(3,963,002)
	loan Payable	(12,759,000)	-	12,759,000	-
	Trade Receivable	-	-	450,000	450,000
	Loan receivable	60,047,180	5,820,868	-	65,868,048
Energypac Engineering Ltd	Trade Payable	(59,528,353)	59,181,353	-	(347,000)
	loan Payable	(53,789,148)	(24,265,054)	-	(78,054,202)
	Trade Receivable	(490,414)	56,276,614	-	55,786,200
	Loan receivable	(9,561,458)	104,887,542	-	95,326,084
	Share capital	(726,598,000)	-		(726,598,000)
Energypac Wires & Cables	Trade Receivable	-	39,206,854	-	39,206,854
Tec Advantage Ltd	Trade Payable	(41,260,000)	-	41,260,000	-
	loan Payable	-	(1,260,610)	-	(1,260,610)
	Loan Receivable	40,000,000	-	(40,000,000)	-
	Trade Receivable	2,609,000	-	(2,609,000)	-
Official Clothing Limited	Loan receivable	28,094,000	-	-	28,094,000
	Trade receivable	4,000	-	(4,000)	-
Design Express Limited	Loan receivable	27,674	4,246,437	-	4,274,111
	Trade receivable	4,274,200	-	(4,274,200)	-
Chartered Life Insurance Company Ltd.	Investment	18,000,000	4,500,000	-	22,500,000
	Loan receivable	10,546,071	-	(2,331,786)	8,214,285

EPGL has been appointed as EPC Contractor for the construction work of EPVTL. As these has been delays in COD due to factors beyond the control of EPGL final settlement of EPC contract revenue, if any shall be decided upon formal handover of project site by EPGL to EPVTL and after adjustment of any liquidated damage due to extension of COD date.

41.00 Financial risk management

The management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments.

- Liquidity risk
- Market risk

41.01 Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition etc. Accounts receivable are mainly related to local account receivable, receivable from BPDB and commission receivables. The Company's exposure to credit risk on accounts receivables is mainly influenced by the individual payment characteristics of local customers. The Company has established invoice and collection department to minimize credit risk involving collection of local receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Amount in BDT	
	30 June 2022	30 June 2021
Trade receivables	3,001,169,208	2,381,460,903
Other receivables	731,754,952	967,525,826
Advance, Deposit and Pre-payment	3,364,919,547	3,137,152,617
Cash and cash equivalents	295,506,221	1,954,279,077
	7,393,349,928	**8,440,418,423**

b) Ageing of receivables

i. The ageing of local accounts receivables as at 31 March was:

Not past due	214,347,592	198,878,799
0-90 days past due	656,571,334	670,894,873
91-180 days past due	661,458,921	668,891,044
181-365 days past due	1,013,500,587	775,697,527
over 365 days past due	65,607,587	67,098,660
	3,001,169,208	**2,381,460,903**

Total Accounts Receivable includes Tk. BDT 65,607,587/- age of which is more than 365 days, out of which, Tk. 48,989,332/- is due for Hire Purchase (HP) sales of commercial vehicle sales which denotes overdue of more than 12 no. of installments of the relevant customers.

ii. Disclosure under the Companies Act 1994

Debts considered good & secured	3,009,105,868	2,389,397,563
Debts considered good without debtors personal security	-	-
Debts considered doubtful or bad	(7,936,660)	(7,936,660)
Debts due from companies under same management		
Maximum debt due by director or officers at any time	-	-
	3,001,169,208	**2,381,460,903**

c) Impairment losses

Impairment losses on the above receivables were recognized as per the Company policy mentioned in Note 3.08.

		Amount in BDT	
		2021-2022	2020-2021
43.00	**Key management personnel compensation**		
	Managing Director's remuneration and benefits (Note 42.01)	10,125,000	9,380,034
	Directors' remuneration and benefits (Note 42.02)	12,150,000	10,350,000
	Other key management personnel's salaries and benefits (Note 42.03)	30,165,900	27,859,384
		52,440,900	**47,589,418**
43.01	**Managing Director's remuneration and benefits**		
	Basic salary	9,000,000	8,627,517
	Bonus	1,125,000	752,517
		10,125,000	**9,380,034**
43.02	**Directors' remuneration and benefits**		
	Basic salary	10,800,000	9,900,000
	Bonus	1,350,000	450,000
		12,150,000	**10,350,000**
43.03	**Other key management personnel's salaries and benefits**		
	Basic salary	12,654,000	12,393,516
	Allowance	13,494,000	12,673,516
	Provident Fund	854,400	828,352
	Bonus	3,163,500	1,964,000
		30,165,900	**27,859,384**

Key management personnel includes employees of the rank of head of strategic business unit (SBU) equivalent and above.

44.00 Contingent liability and commitment

44.01 Contingent liability

Contingent liability existed for the Company of Tk 236,119,587/- as at 30 June 2022 in relation to issue of bank guarantee by different banks against performance of contracts and participating in various tenders:

Name of bank	Name of the party	Expiry date	Taka
BRAC	Chief Eng MME Dept. BD (Inland Water Transport Authority)	01-Sep-22	400,000
Dhaka	Standard Insurance Ltd.	30-Sep-23	3,000,000
Dhaka	Bangladesh Edible Oil Ltd.	16-Mar-21	6,322,089
Dhaka	Bangladesh Edible Oil Ltd.	15-Sep-21	3,306,075
Dhaka	Bangladesh Edible Oil Ltd.	01-Sep-22	755,053
Dhaka	STS Hospital Chittagong Limited	22-Feb-21	1,788,000
Dhaka	Bangladesh Power Development Board	12-Aug-21	225,000
Dhaka	PWD Resource Division	29-May-21	800,000
Dhaka	Bangladesh Police Kallyan Trust	30-Sep-21	450,000
Dhaka	TAEYOUNG Engineering & Construction Co. Ltd	31-Aug-21	7,484,709
Dhaka	TAEYOUNG Engineering & Construction Co. Ltd	10-May-22	11,227,064
Dhaka	Square Food and Beverage Ltd.	27-Jun-22	8,399,909
Dhaka	Superitedig Engineer & Project Director	01-Mar-23	1,490,000
Dhaka	Ifad Autos Ltd	01-Sep-22	1,650,130
Dhaka	Ace Co Ro Bangladesh	01-Mar-23	1,403,881
Dhaka	Local Government Department-LGED	30-Oct-22	50,000
Dhaka	Deputy Project Director, SASEC Dhaka Sylhet Corridor Road	17-Aug-22	120,000
Dhaka	Remark HB Limited	01-Aug-22	17,500,000
Dhaka	THE PROJECT DIRECTOR MPIDP LGED	30-Jul-22	186,500
Dhaka	M/S Siemens Limited	05-Jan-21	386,609
Dhaka	Chattagram MAA O Shishu Hospital Medical College	05-Apr-21	1,805,000
Jamuna	Shun Shing Edible Oil Limited	30-Jun-21	4,550,283
Jamuna	The Project Director, Teletalk Bangladesh	30-Jun-21	2,200,000
Jamuna	Presentation of Financial Statements	06-Jul-22	400,000
Jamuna	Bangladesh Edible Oil Ltd.	15-Jan-22	1,114,455
Jamuna	Alesha Agro Limited	14-Jan-22	920,000
Jamuna	Prof. Dr. Md. Bazlur Rahman Mollah,Bau Bro Chicken	07-Dec-21	65,000
Jamuna	The Purba Ltd.	21-Dec-21	1,056,000
Jamuna	The Purba Ltd.	31-Dec-21	1,056,000
Jamuna	Office of the Superintending Engineer	09-Feb-22	400,000
Jamuna	EDCL	05-Sep-22	5,500,000
Jamuna	Deputy General Manager, Sylhet Gas Fields Ltd	25-Aug-22	225,000
Jamuna	The effects of changes in foreign exchange rates.	30-Jul-24	42,256
Jamuna	Sylhet Gas Field Limited.	25-Aug-22	225,000
Mercantile	BRAC	16-Mar-22	765,000
Mercantile	Sylhet Gas Field Limited.	30-Dec-22	7,529
Mercantile	STS Holdings Limited	26-Sep-22	18,200,000
Mercantile	STS Holdings Limited	26-Sep-22	18,200,000
Mercantile	STS Holdings Limited	04-Apr-22	2,050,000
Mercantile	Joint Stock Company Research and Development Institute of construction Tech	31-Jan-22	1,980,000
Mercantile	The Purba Ltd.	31-Jan-22	1,056,000
Mercantile	Titas Gas Transmission & Distribution Co. Ltd.	31-Aug-23	11,749,848
Mercantile	The City Bank Ltd.	24-Sep-23	513,552
Mercantile	Bengal Development Corporation Limited (BDCL)	23-May-22	3,600,000
Mercantile	Bangladesh-India Friendship Power PVT Limited.	26-Jun-22	10,000
Mercantile	Spectra International Ltd	09-Jul-22	13,075,000
Mercantile	Spectra International Ltd	10-Sep-22	13,075,000
Mercantile	Divisional Forest Office, Sylhet	06-Jul-22	145,000
Mercantile	Executive Engineer, Gazipur City Corporation.	09-Jul-22	662,000
Mercantile	The Acme Laboratories Ltd	09-Jul-22	13,200,000
Mercantile	Brand New Hydraulic Excavator Gazipur City Corporation	09-Jul-22	8,900,000
Mercantile	Divisional Forest Office, Sylhet	06-Jul-22	4,000,000
Mercantile	Federal Insurance	09-Apr-23	1,000,000
Mercantile	Eng. Md. Abul Kashem Project Director, Construction.	01-Aug-22	12,000,000
Mercantile	Chittagong Eye Infirmary and Training Complex	01-Dec-22	877,903
Pubali	The Purba Ltd.	21-Aug-22	880,000
Prime Bank	Titas Gas	31-Aug-23	7,322,149
Prime Bank	Titas Gas Transmission & Distribution Co. Ltd.	19-Dec-23	5,251,535
Trust	The Commissioner of Customs - BG -PGD	22-Nov-22	226,590
Trust	STS Holdings Limited	30-Sep-23	920,000
UCBL	Titas Gas (BG)	31-Aug-23	9,948,469
	Total		**236,119,587**

44.02 Commitment

The following letter of credits were outstanding of Tk 1,538,939,141/- as at 30 June 2022 against which the Company is committed to purchase generator and spare parts from different companies.

Bank Name	L/C number	Amount in BDT
Dhaka Bank Limited	225CGAP190500001	1,000,000
	225CGAP200820001	3,000,000
	225CGAP211500001	11,227,064
	225CGAP212900001	11,458,920
	225CGAP212900002	3,209,280
	225CGAP213490001	3,600,000
	225CGAP213640001	8,399,909
	225CGAP220300001	20,000,000
	225CGAP221310001	17,500,000
	225CGAP221590001	1,880,000
	225CGAP221600001	755,053
	225CGAP221600002	1,403,881
	225CGAP221600501	1,650,130
	225CGBB221110001	120,000
	225CGBB221140001	50,000
	225CGOT220440004	200,000
	225CGPB192830501	3,000,000
	225CGPB192890002	397,500
	225CGPB193600001	118,426,665
	225CGPB210310001	225,000
	225CGPB211500001	7,484,709
	225CGPB211670001	6,020,820
	225CGPB211670501	30,000
	225CGPB220530001	1,490,000
	225CGPB220530501	508,923
	225CGPB221510001	186,500
	225LC01212730001	64,234
	225LC01221380501	37,281,375
	225LC02213180001	819,400
	225LC02220190001	46,424,763
	225LC02220400001	3,556,915
	225LC02220950001	30,470,055
	225LC02221360001	71,528,160
	225LC02221370001	1,718,640
	225LC02221370501	1,282,935
	225LC02221390001	35,180,970
EBL	147522020838	1,673,000
	147521021258	820,914
	147521021390	1,175,599
	147521021563	704,781
	147522020028	1,208,640
	147522020062	465,943
	147522020187	861,500
	147522020187	723,660
	147522020579	1,414,650
NRBC Bank	313722010151	1,581,000
	313722010152	10,547,000
	313722010158	18,737,000
Bank Asia Limited	208422020061	41,260,032
	208422020061	158,113,834
	208421020235	1,166,068
	208421020257	77,669,037
	208421020281	102,695,000
	208422020046	153,756,993
	2369209900014	1,047,747
	2369209900018	617,010
	2369209900019	131,900
	2369209900020	10,593
	2369209900021	63,910
	236921010167	147,717
	2369219900001	69,150
	2369219900002	1,692,350
	2369219900009	312
	2369219900011	2,623
	2369219900013	20,595

Trust Bank Limited	2369219900015	43,423
	2369219900016	424
	2369219900025	298,969
	2369219900026	84,000
	2369219900030	285,791
	2369219900032	9,806
	2369219900033	44,627
		-
	236922010067	5,390,680
	236922010068	4,072,935
	236922010069	39,472,708
	236922010070	42,753,436
	236922010071	42,038,683
	236922010072	1,677,540
	236922010077	711,018
	236922010078	84,230,151
	236922010087	71,193,703
	236922010090	148,103
	236922010091	627,750
	236922020037	6,589,263
	2369229900003	2,227
	2369229900006	165,000
	2369229900010	49,031
	2369229900013	201,031
Jamuna Bank Limited	301000003176	8,862,645
	302000000565	21,018,956
	402000000408	163,059,107
	601000002110	8,550,000
	602000017460	7,039,881
	603000003040	42,256
	303522010042	1,429
	303522010104	58,600
	303522010310	42,013
	303522020120	243,600
Total		**1,538,939,141**

The Board also approved the intention of purchasing 330 decimal (10 Bigha) land situated at Mouza: Kathom, Upazilla: Nandigram, District: Bogura to build LPG Satellite Station in its 87th Board of Directors' meeting held on November 11, 2021.

45.00 Pending litigation

There are no significant pending litigation of the company as at 30 June 2022 except the following tax related litigations.

i) **For assessment year 2021-2022 (income year 2020-2021)**
Return has been submitted and assessment is under process

ii) **For assessment year 2020-2021 (income year 2019-2020)**
Return submitted. Appeal completed. Tribunal is under process

iii) **For assessment year 2019-20 (income year 2018-19)**
Return submitted. Appeal completed. Tribunal is under process

iv) **For assessment year 2018-19 (income year 2017-18)**
Return duly submitted and Tribunal completed

v) **For assessment year 2017-18 (income year 2016-17)**
1. Charges: EPGL as security for the payment when due of all principal, interest and other amounts now or hereafter payable by EPGL hereunder and under other documents contemplated hereby, will hypothecate to United Finance Limited by way of a Second Charge over company's fixed & floating assets in favor of United Finance Limited

vi) **For assessment year 2016-17 (income year 2015-16)**
The company referred the case to the High Court division of the Supreme Court.

vii) **For assessment year 2015-16 (income year 2014-15)**
The company referred the case to the High Court division of the Supreme Court.

viii) **For assessment year 2014-15 (income year 2013-14)**
The company referred the case to the High Court division of the Supreme Court.

For assessment year 2013-14 (income year 2012-13)

ix) The company referred the case to the High Court division of the Supreme Court.

For assessment year 2012-13 (income year 2011- 12)

x) The company referred the case to the High Court division of the Supreme Court.

For assessment year 2011-12 (income year 2010-11)

xi) The company referred the case to the High Court division of the Supreme Court.

For assessment year 2010-11 (income year 2009-10)

xii) Assessment has been completed. The DCT made a mistake in calculation of tax liability. The company has applied for correction u/s 173 which arise a refund of Tk 248,483 in place of tax liability of Tk 760,449.

For assessment year 2008-09 , 2007-08, 2006-07, (income year 2007-08 , 2006-07 and 2005-06 respectively)

xiii) The company referred the case to the High Court division of the Supreme Court.

45.01 Assembling & manufacturing capacity

Generator assembling capacity is 300 units per year and vehicle assembling capacity is 1200 units per year.

LPG Cylinder manufacturing capacity is 370,000 units per year and filling capacity is 5,241,000 units per year.

Capacity utilization for generator assembling for the period ended 30 June 2022 is 51.7% (155 unit) against 63% (188 unit) in the same period of last year.

Capacity utilization for pick-up van assembling for the period ended 30 June 2022 is 74.41% (893 unit) against 75% (904 units) in last year FY 20-21.

Capacity utilization for the production of LPG Cylinder for the period ended 30 June 2022 is 43.68% (161,623 units) and for filling it was 82.02% (4,298,673 units). Whereas in last year, capacity utilization for production was 32% (116,668 units) and for filling it was 76% (3,961,400 units).

45.02 CFR value & foreign earnings

	30 June 2022	30 June 2021
CFR (Cost & Freight) value of import	5,546,469,749	5,496,938,991
Foreign earnings	-	-

45.03 Inventory movement

Major inventory 1 Jul 2021 to 30 June 2022	Opening	Purchase	Sales/Issue	Closing
Generator	61	387	354	94
Pick up Van	166	873	924	115
Bus	2	4	-	6
Back hoe Loader & Fork Lift	75	200	144	131
Liquefied petroleum gas (kg)	600,676	65,981,614	66,102,889	479,400
Building materials (raw material)	2,556,104	4,236,965	5,182,773	1,610,296
Building materials (Finished goods)	606,170	9,427,353	8,293,839	1,739,683

Major inventory 1 Jul 2020 to 30 June 2021	Opening	Purchase	Sales/Issue	Closing
Generator	26	635	600	61
Commercial vehicles	92	942	868	166
Bus	4	-	2	2
Back hoe Loader & Fork Lift	75	-	-	75
Liquefied petroleum gas (kg)	1,523,205	129,380,160	130,302,689	600,676
Steel structure (raw material)	5,346,463	2,585,970	5,376,329	2,556,104
Steel fabrication (finished goods)	638,494	8,607,092	8,639,416	606,170

As per schedule XI, part-II of the Companies Act 1994, the quantities of major stock, purchase and sale should be in quantitative demonstration, however the quantity of spare parts, CNG kits, Assembling materials could not be provided as the Company deals with a large number of products.

46.00 Number of employees

The number of employees engaged by the Company for the whole year or part thereof (up to 30 June 2022) who received a total salary of Tk 36,000 or above was 936. (June 2021: 857).

46.01 Attendance Status of Board Meeting of Directors

During the period from 01.07.2021 to 30.06.2022 there were 5 (Five) Board Meeting were held. The attendance status of all the meetings is as follows:

SL No	Name of Directors	Position	Meeting Held	Attended
1	Md. Rabiul Alam	Chairman	5	5
2	Humayun Rashid	Managing Director		5
3	Enamul Haque Chowdhury	Director		5
4	Md. Nurul Aktar	Director		5
5	Rezwanul Kabir	Director		5
6	Md. Golam Mohammad	Director (Representative of EEL)		4
7	Helal Uddin Ahammed	Director (Representative of ICB)		2
8	Mohammed Nurul Amin	Independent Director		5
9	Mikail Shipar	Independent Director		3

For Board Meeting, attendance fees were paid to the Directors of the Company @ BDT 15,000/- per meeting per director.
The Board of Directors at the 90th Board Meeting held on 27 October 2022, has recommended to the shareholders 10% cash dividend (tk. 1.00 per share). This will be considered for approval by the shareholders at the 27th Annual General Meeting (AGM) to be held on 08 December 2022.

46.02 Disclosure as per requirements of Schedule XI, Part-II., Para-4 of the Companies Act. 1994

a. Expenses reimbursed to the managing agent- Nil.
b. Commission or other remuneration payable separately to a managing agent or his associates- Nil.
c. Commission received or receivable by the managing agent or his associates as selling of buying agent of other concerns in respect of contracts entered into such concerns with the Company-Nil.
d. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the Company with the managing agent or his associates during the financial year- Nil.
e. Any other perquisites or benefit in cash or in kind stating- Nil.
f. Other allowances and commission including commission- Nil.
h. Pensions, etc.
  i. Pensions-Nil.
  ii. Gratuities- Nil
  iii. Payment from Provident Fund-Nil
  iv. Compensation for loss of office- Nil.
  v. Consideration in connection with retirement from office - Nil.

46.03 Disclosure as per requirements of Schedule XI, Part-II., Para-3 of the Companies Act. 1994

Requirements under condition No.		**Compliance status**
3(i)(a) The turnover		Complied
3(i)(b) Commission paid to selling agents		Not Applicable
3(i)(c) Brokerage and discount of sales, other than the usual trade discount		Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible		Complied
3(i) (d)(ii) The opening and closing stocks of goods produced		Complied
3(i)(e)In the case of trading companies, the purchase made and the opening and closing stocks		Not Applicable
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied		Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the		Complied
3(i)(h) In the case of other companies, the gross income derived under different heads		Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period		Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets		Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager		Not Applicable
3(i)(l) Charge for income tax and other taxation on profits		Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans		Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.		Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve		Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.		Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.		Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item:		Complied
3(i)(p)	(i) Consumption of stores and spare parts	
	(ii) Power and Fuel	
	(iii) Rent	
	(iv) Repairs of Buildings	
	(v) Repairs of Machinery	
	(vi) (1) Salaries, wages and bonus	
	(2) Contribution to provident and other funds	
	(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	

46.04 Disclosure as per requirement of schedule XI, Part - I (A. Horizontal Form) of Companies Act. 1994

Accounts Receivable

F. In regard to sundry debtors the following particulars' shall be given separately:-

I. Debt considered good for which the Company hold no security other than the debtors personal security

Only the security cheques were received against debt considering goods.

II. Debt considered doubtful or bad

The Company made provision for doubtful debts according to approved policy.

III. Debt due by directors or other officers of the Company

There is no such debt in this respect as on 30 June 2022

IV. Debt due by Common Management

Disclosed under related party transaction (Note - 38)

V. The maximum amount due by directors or other officers of the Company

There are no such debt in this respect as on 30 June 2022

Energypac Power Generation Limited
As at and for the year ended 30 June 2022
Investment in Shares of Listed Companies

The details are stated below:

ANNEXURE A

Particulars	No. of Shares	Average Cost	Cost of Holding	Quoted Rate per Shares as on June 30	Total Market Value of Shares as on June 30	Unrealized Gain/(Loss)
For 2022						
JMI Hospital Requisite Manufacturing Limited	2,100	86	181,503	82	172,410	(9,093)
Total =			181,503		50,409	(9,093)
Add :Available Balance					222,819	
Fair Value of investment in shares					**222,819**	
For 2021						
Malek Spinning Mills Ltd.	2,000	35	69,747	31	62,400	(7,347)
Rupali Life Insurance Company Limited	6,800	83	563,225	81	550,800	(12,425)
Total =			632,972		613,200	(19,772)
Add :Available Balance					(188,589)	
Fair Value of investment in shares					**424,611**	

The above investment in marketable securities that are designated as fair value through profit or loss by the management. These are measured at fair value and presented as current asset and unrealized gain/(loss) from the above investment are recognized as profit or loss.

Energypac Power Generation Limited
As at and for the year ended 30 June 2022
Disclosure on Bank wise Credit Facility

ANNEXURE B

BRAC Bank Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1.LATR (Inner of L/C)+PAC		22,109,088	To import all materials required for business related assembling unit, trading unit, construction unit, LPG bottling unit etc. including finished goods (vehicles, generators, parts, etc.) and semi finished goods for assembling.
2.Acceptance/PAD (Inner of L/C)	400,000,000	329,592,905	To retire import documents against sight L/C to be issued under facility no. 1 above.
3. LC		129,220,161	To retire import documents against Usance/UPAS/LC, issued under facility no.1
4. BG (Inner of L/C)		400,000	To issue guarantee to different authorities.
5.RL (Duty/Party)	200,000,000	114,853,194	For payment of Duty/VAT, payment order shall be issued in favor of concerned authority. For local purchase of raw materials.
6. Overdraft	20,000,000	20,189,358	To meet day to day operational expenses.
Total	**620,000,000**	**616,364,707**	

Security against credit facilities

1. Trust receipt to be executed for Tk. 400 million i.e. covering the LATR limit(s) in support of board resolution of the borrower.
2. Counter Guarantee to be executed for Tk. 100.00 million i.e. covering the bank guarantee limit(s) in support of board resolution of the borrower.
3. Other usual charges documents but not limited to Demand Promissory Note, Letter of Continuity, Letter of Arrangement, Letter of Disbursement, Letter of lien & Set-off, Letter of Trust Receipt, Letter of Revival, Letter of Undertaking, Letter of Undertaking, General Loan agreement, etc. for BDT 620 Million supported by necessary Board.Resolution.
4. Personal Guarantee of all the director of EPGL for BDT 620 million namely;
   a) Mr. Rabiul Alam (Director), S/O: Late A. K. Abdul Latif
   b) Mr. Enamul Haque Chowdhury (Director), S/O: Late Mozzamel Haque Chowdhury
   c) Mr. Humayun Rashid (Managing Director & CEO), S/O: Late Abdus Hannan
   d) Mr. Nurul Akter (Director), S/O: Late Nurul Huda
   e) Mr. Rezwanul Kabir (Director), S/O: Rezaul Haque
5. Corporate Guarantee from Energypac Engineering Ltd for BDT 620 million in conformity with relevant object clause or their Memorandum of Association by duly adopted board resolution to be provided in favor of Energypac Power Generation Limited.
6. Insurance coverage on fire and RSD risks covering 110% on the funded facilities, securing stock inventory, machinery & building of the borrower company, from any insurance company acceptable to BBL, keeping BBL as beneficiary.
7. MICR cheque of Tk. 620 million along with irrevocable letter of authority to complete the cheque

HSBC

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. Letter of Credit (LC)	800,000,000	20,465,334	To retire import documents
2. LATR (CIL)	800,000,000	20,858,499	To import all materials required for business related assembling unit, trading unit, construction unit, LPG bottling unit etc. including finished goods (vehicles,generatiors,parts,etc.) and semi finished goods for assembling.
3. LC Acceptance (UPAS)	300,000,000	436,229,138	To import commercial vehicle (JAC) & related accessories to execute supply order
4. RL (Party) (Loan Line- LNL)	200,000,000		To imports (generator/electrical equipment) on sight and/or deferred basis
3. RL (Duty) (Loan Line-LNL)	250,000,000		To retire sight import documents by creating clean import loan (CIL) to release deferred import documents
4.Bank Guarantee (BG)	50,000,000	154,202	To issue guarantee to different authorities.
5.Bill Discounting	50,000,000	-	To pay duty to customs authority.
6. Overdraft	50,000,000	45,954,233	To meet day to day operational expenses.
Total	**2,500,000,000**	**523,661,406**	

Security against credit facilities

1. First charge over the borrower stocks of raw materials, work in process and finished goods with the Office of the Registrar of Joint Stock Companies & Firms (RJSC) on a pari passu basis with other lenders.
2. First charge over the borrower's book debts and receivables with the RJSC on pari passu basis with other lenders.
3. Power of attorney for Hypothecated Goods.
4. Demand promissory Note with letter of continuity and revival.
5. Letter of set off to set off between different accounts maintained with the bank.

6. Personal guarantee executed by Mr. Rabiul Alam, Mr. Sheikh Humayun Rashid, Mr. Enamul Haque Chowdhury and Mr. Rezwanul Kabir each with personal net worth/wealth statement.

7. Corporate guarantee executed by Energypac Electronics Ltd. & Energypac Engineering Ltd. for Tk 2,480,000,000 with supporting board resolution.

8. Blanket Counter Indemnity for Guarantee Facility.

9. Trade financing General Agreement for Trade Facility.

Prime Bank Limited

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. LC	386,060,000	-	To import commercial vehicle (JAC) & related accessories to execute supply order
2. Acceptance (Inner of LC)	181,200,000		To retire deferred L/C
3. LTR (Inner of LC)	325,310,000		For retirement of LC related shipping documents
4. Time Loan(Inner of LTR)	3,120,000		To make payment of Import duty, VAT, TAX etc.
5 Forced Loan	48,180,000		
5. BG (Inner of LC)	12,570,000	12,573,684	To participate in tenders & execute the awarded works.
6. OD	50,000,000		To meet factory overhead expenses
Total	**1,006,440,000**	**12,573,684**	

Security against credit facilities

1. Board Resolution from Energypac Power Generation Ltd. to avail the credit facility from Prime Bank Limited
2. Demand Promissory Note and Letter of Continuity for BDT 436.06 million from Energypac Power Generation Ltd.
3. Existing 1st ranking PPSSA charge by way of hypothecation with other lenders on all fixed and floating assets of the Company with RJSC & firms
4. Notarized IGPA favoring the bank authorizing to sell the hypothecated assets of the Company without reference to the court in case of default.

5. Personal guarantee of the directors of the Company
6. Letter of Agreement/Arrangement for BDT 436.06 million from Energypac Power Generation Limited
7. Letter of Disbursement for BDT 436.06 lac from Energypac Power Generation Limited
8. Letter of Revival for BDT 436.06 lac from Energypac Power Generation Limited
9. Letter of Authority from Energypac Power Generation Limited

Trust Bank Limited

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. LATR (Inner of LC)	500,000,000	628,690,406	To import/local procurement of generator, JAC Automobiles, oil/lubricants, instrument/equipment and other related materials
2.RL (Time Loan Inner of LATR)	100,000,000	205,192,965	For retirement of documents against sight L/C
3. LC	500,000,000	361,542,818	To make payment of import duty, AIT & port charges
4. LC Acceptance (Inner of LC)	500,000,000	146,882,015	To participate in tenders or against execution of work orders awarded by different work order issuing authorities.
5. BG (Inner of LC)	500,000,000		To meet working capital requirement
6. Term Loan (inner of LC)	-	-	For recover the fund invested from short tem loan by long term loan
7. Overdrft+Stimulus	150,000,000	150,499,431	To meet working capital/operational expense purpose
	2,250,000,000	**1,492,807,635**	

Security against credit facilities

1. Hypothecation of stocks stored at our business premises/go down with notarized IGPA to sell the hypothecated items.
2. Assignment of bills receivables with notarized IGPA to collect the bills against awarded work order (Applicable for Work Order Finance, if any)
3. Registered Mortgage (RM) with IGPA to sell 188.50 decimal land at gasper Purbapara, mouza: Gazipur, Post Office:Sree pur, Dist.: Gazipur.
4. Registered Mortgage (RM) with IGPA to sell 851.4375 decimal land at gasper Purbapara, mouza: Gazipur, Post Office:Sree pur, Dist.: Gazipur.
5. Corporate guarantee of Energypac Engineering Ltd. In conformity with the relevant clause of its Memorandum & Articles of Association favoring of Energypac Power Generation Limited.
6. Personal Guarantee of all the directors of the Energypac Power Generation Ltd.
7. Standard set of charge of documents.
8. Post dated cheque covering total facility

Meghna Bank Limited

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. Time Loan	36,100,000	22,523,348	To meet working capital requirement
Total	**36,100,000**	**22,523,348**	

Security against credit facilities - Express Loan Overdraft (Secured Over Draft-SOD):

1. Usual Charge Documents
2. Post Dated Cheque covering the facility limit
3. Personal Guarantee of the Directors

Bank Asia Limited

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. Term Loan - 1 (Machinery) As a result, if the Company is required to transl	1,743,000,000	1,509,119,647	To import capital machinery and equipment for establishment of LPG Plant
3. LC/ Acceptance (up as)	1,060,000,000		To retire import documents against LC
4. LC			To retire import documents against LC
5. Overdraft	20,000,000	20,445,582	To meet working capital/operational expense purpose
Total	**1,763,000,000**	**1,529,565,229**	

Security against credit facilities

1. Existing registered mortgage of project land of 18.145 acres & building at Chunkuri, Dakop, Khulna on pari-passu basis with Eastern Bank Ltd. Therefore, the Company has departed from the requirement to recognize foreign currency difference in translation of USD denominated loans to profit or loss and instead taken it to other comprehensive income using the analogy given in paragraph 39 and 41 of IAS 21: The effects of changes in foreign exchange rates. Management has considered USD denominated loans and USD revenues of the Company as a distinct unit with its functional currency USD as defined in paragraph 9 of IAS 21: The effects of changes in foreign exchange rates. This Unit's primary economic environment in which it operates is USD because it is generating revenue in USD and also making loan payments in USD. The results of USD are now translated into presentation currency (BDT) following requirements of paragraph 38 and 39 of IAS 21: The effects of changes in foreign exchange rates.

2. Lien on L/C valuing USD 5.18 million eqvt.. To Tk. 414.40 million [covering foreign currency portion of EPGL in the WO] to be received from the employer (Sylhet Gas Field Ltd.) and transferred in favor of Energypac Power Generation Limited
3. Corporate Guarantee of "Energypac Engineering Limited."

Dhaka Bank Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. LC	750,000,000	229,636,534	To import various permissible items related with business of Energypac Power Generation Limited
2. Acceptance (Inner of LC)		378,279,754	For retirement of documents against above L/C
3. LATR (Inner of LC)		100,677,556	
4. Rescheduling & restructuring of total 74 no. (Inner of LTR & Time loan)		191,362,274	To make duty payment/port duties/ related all other expenses to port authorities for releasing of consignment of goods
5. STL (RL)-Duty (TMLN)	200,000,000	106,272,936	For local procurement and misc. purpose for the Company
6. STL (RL)-Local Party	50,000,000	38,572,690	To participate in tenders or against execution of work/supply order
7. BG (Interchangeable with LC)	150,000,000	223,224,353	To meet working capital requirement
8. OD (Operational Exp)	100,000,000	101,809,186	For execution of work.orders awarded/to be awarded by
9. OD (GOV Work & Autonomous Body)	150,000,000	-	different authorities & organizations.
10. New Term Loan (Own Manufacturing Plant	88,000,000		For the establishment of a new factory shed as extension of its existing manufacturing plant
11. New Term Loan (Own Manufacturing Plant Civil Work)			To construct civil and other mechanical works for expansion of existing steel structure fabrication & manufacturing plant.
12. LATR UPAS	391,200,000	-	For Gopalgonj Project
12. BRPD-5	268,210,000	364,583,551	For BMD project
Total	**2,147,410,000**	**1,734,418,834**	

Security against credit facilities:

1. Available RJSC charge with RJSC over fixed and floating assets of the Company by way of hypothecation
2. Registered mortgage with RIGPA of 206 decimal land out of 795.75 decimal land situated at Sreepur, Gazipur
3. Corporate guarantee of Energypac Engineering Limited.
4. Standard Charges Documents
5. Post dated cheques
6. Counter guarantee in case of Bank Guarantee
7. Letter of trust receipts

United Finance Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
Term Loan (Exp Date - 2023)	100,000,000	67,606,376	For recover the fund invested from short tem loan by long term loan
Term Loan	200,000,000	86,797,992	
Total	**300,000,000**	**154,404,368**	

Security against credit facilities:

1. Charges: EPGL as security for the payment when due of all principal, interest and other amounts now or hereafter payable by EPGL hereunder and under other documents contemplated hereby, will hypothecate to United Finance Limited by way of a Second Charge over company's fixed & floating assets in favor of United Finance Limited
2. Cheques: Installment/rent to be paid through monthly cheque(s) which will presented to the bank on due date(s)of payment
3. Promissory Note along with letter of Continuity documents to be executed by EPGL in favor of United Finance Limited
4. Corporate guarantee of Energypac Engineering Limited.

Jamuna Bank Limited

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. Letter of Credit (Sight/DP/UPAS - Foreign/Local)	800,000,000	29,881,601	To import/procure raw materials/goods/spare parts
2. Acceptance (Inner of LC)		163,059,107	For retirement of shipping documents
3. LATR	500,000,000	161,269,703	To pay duty, tax, VAT & procure goods from local market
4. Term loan	568,428,000	467,411,832	For adjustment of overdue liabilities in the form of LTR, time loan, time loan, and demand loan (ABP)
5. Time Loan (STL) - Local Purchase/ Duty/RL	100,000,000	29,355,749	
6. Bank Guarantee	500,000,000	22,714,274	To issue guarantees favoring customs, government, semi-government, autonomous and reputed private organization for business purpose
7. Overdraft	100,000,000	102,103,969	To meet up emergency fund requirement
Total	**2,068,428,000**	**975,796,234**	

Security against credit facilities:

1. PG of all directors
2. Corporate Guarantee of Energypac Engineering Ltd.
3. Charge creation with RJSC on all fixed & floating assets of the Company
4. RM on 283.86 decimal land at Daudpur Union, Rupgonj, Narayanganj
5. RM on 207.303 decimal land & ware house at Energy Center, 151, Vogra, P.S. Bason, Dist.- Gazipur.

Eastern Bank Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. Sight Letter of Credit		156,425,500	To procure raw materials (LPG, Steel Sheet & coil & other related materials) of LPG plant from foreign source
2. Import Loan LATR (Inner of LC)	700,000,000	2,290,743	To retire shipping documents under SLC line-1 above
3. UPAS-acceptance (Inner of LC)		689,257,854	To procure raw materials (LPG, Steel Sheet & coil & other related materials) of LPG plant from foreign source
4. Demand Loan (STL)	30,000,000	11,288,887	To finance ULCs
5. Overdraft	20,000,000	20,456,056	To meet working capital/operational expense purpose
6. Term Loan -I	605,000,000	87,889,949	To retire capital machinery LC opened
7. Term Loan -II	147,000,000	337,894,187	For Civil Works & Construction
Sub-Total	**1,502,000,000**	**1,305,503,177**	

Security against credit facilities:

1. Registered Mortgage on the project land & building on Pari Passu basis with other lenders supported by RIGPA over 1827.78 decimal land, located at Chunkuri, Dakop, Khulna.
2. Registered hypothecation over inventory, book debts and plant & machinery of LPG project (both present & future) of the Company on Pari Passu basis with other lenders
3. Personal guarantee of the following directors of the Company with personal net-worth statement as per bank's prescribed format: a). Mr. Rabiul Alam, b). Mr. Enamul Haque Chowdhury, c). Mr. Humayun Rashid, d). Mr. Nurul Akter & e). Mr. Rezwanul Kabir.
4. Corporate guarantee to be provided by Energypac Engineering Ltd. for entire facility supported by board resolution
5. Standard Charges Documents
6. An undated Cheque

United Commercial Bank Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
Letter of Credit (Local)- Work Order	206,100,000	173,755,518	To retire SLC/ULC/UPAS (Local) related documents
ULC/SLC/Acceptance (Foreign) ULC/SLC/Acceptance (Local)	70,100,000		
Term Loan	770,200,000	283,620,441	
Sub-total for Working Capital	**1,046,400,000**	**457,375,959**	

Security against credit facilities:

1. Lien of master LC for Tk. 81.62 Crore issued by Sonali Bank Limited, Forex. Corporate Branch, Dilkusha, Dhaka.
1. Corporate guarantee of Energypac Engineering Ltd. supported by MOA, AOA, Board Resolution of the Company & Other Formalities.
2. Charge over fixed & floating assets (present & Future) of the Company duly registered with RJSC
3. Hypothecation on bills receivable against the sale
5. Usual Charges Documents duly stamped and filled in.

Mercantile Bank Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. LC (UPAS/DP/SIGHT)	1,350,000,000	-	To import /procure of electrical equipment, vehicles, lift, raw steel, materials of diesel & gas generators, air compressor, steelpac, construction & agro machineries, Gas Cylinder etc.
2. Acceptance (Inner of LC)		1,645,215,323	To procure materials/equipment related to the products of existing business from local sources.
3. LATR	750,000,000	390,045,376	To retire of LC documents
4. Bank Guarantee (Inner of LC)	150,000,000	-	To participate in tenders and execute work orders of different Govt. and Sami-Govt., Non-Govt. organizations.
5. Overdraft	100,000,000	99,699,714	To meet working capital requirement.
6. Term Loan	210,600,000	-	For adjustment of above overdue facilities
Total	**2,560,600,000**	**2,134,960,413**	

Security against credit facilities:

1. Hypothecation of imported items & stocks duly insured with bank mortgage
2. Personal Guarantee of all directors of the Company (Independent, Nominee & Representative Directors Excluded)
3. Corporate guarantee of Energypac Engineering Ltd. duly backed by Board Resolution.
4. Postdated cheque(s) covering the debts separately.
5. Usual Standard Charges Documents.

NRBC Bank Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. Letter of Credit (Foreign)-Specific	450,000,000	-	To import/purchase goods/materials/from foreign/local sources/delivery expenses/Fixed Assets Civil construction contract related with the business.
2. Acceptance		-	To retire foreign L/C
3. LTR		225,909,064	To retire foreign L/C
4. BRPD-5 Expired 31.12.22	150,000,000	187,373,537	
5. Time Loan (Revolving)	450,000,000	63,227,881	To make payment of customs duty, tax, VAT & others for releasing goods from customs authority against L/C
6.Bank Guarantee (Inner of LC)	50,000,000	-	To participate in tender invited by different authorities
7. Over Draft	50,000,000	50,047,044	To meet up working capital requirement
Total	**950,000,000**	**526,557,526**	

Security against credit facilities:

1. Shipping documents
2. Hypothecation of imported items
3. Corporate guarantee of Energypac Engineering Limited
4. Personal guarantee of all the directors of the Company
5. General counter guarantee
6. Charge with RJSC
7. Cheques covering the debt.
8. 5% cash Margin for LC & BG

Shimanto Bank Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. Over Draft	250,000,000	255,665,220	To meet additional working capital requirement and for local procurement of raw materials and to adjust other banks "import payment obligations"
Total	**250,000,000**	**255,665,220**	

Security against credit facilities:

1. Pari-Passu 1st charge on floating assets (present & future) of the Company with RJSC & firms among the lenders
2. Personal Guarantee of all directors of the Company
3. Corporate guarantee of Energypac Engineering Ltd.
4. Postdated cheque(s) covering limit
5. Standard Charges Documents

Uttara Finance & Investments Ltd.

Facilities as at 30 June 2022	Credit Limit	Facilities availed	Purpose
1. Sale & Lease Back Facility	400,000,000	372,481,592	To make payment against imported machinery and installation thereof
Total	400,000,000	372,481,592	

Security against credit facilities:

1. Registered mortgage of Project land measuring 292.34 decimal along with factory building and other structures situated at Khoishar, Daudpur, Rupganj, Narayanganj with IGPA in favor of the Uttara Finance and Investments Ltd. to sell the mortgaged assets.

2. Creation of first ranking registered charge with RJSC, Dhaka over all mortgaged land along with factory building and other structures, present plant, machinery and all fixed assets of company with IGPA in favor of Uttara Finance & Investments Ltd. to sell the hypothecated assets.

3. 01 no. undated cheque for BDT 55.84 Crore only to cover principal amount and interest amount as security.
4. Personal guarantee of all the directors
5. Corporate Guarantee of Energypac Engineering Limited