Energypac®




# ANNUAL REPORT 2021-2022

# Annual Report

2021-2022

27th Annual General Meeting
on
December 08, 2022

Energypac®

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# 27TH ANNUAL GENERAL MEETING



**3:30 PM, BST**

Virtual Shareholder Meeting

**DECEMBER 2022**

| SUN | MON | TUE | WED | THU | FRI | SAT |
|---|---|---|---|---|---|---|
| | | | | 01 | 02 | 03 |
| 04 | 05 | 06 | 07 | 08 | 09 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

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# LETTER OF TRANSMITTAL

All Shareholders
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Registrar of Joint Stock Companies and Firms

Dear Sir/(s):

**ANNUAL REPORT FOR THE YEAR ENDED ON JUNE 30, 2022**

The undersigned on behalf of the Board of Directors and Management of Energypac Power Generation Ltd. is pleased to present herewith the Annual Report for the year ended on June 30, 2022 along with the Audited Financial Statements which comprises Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity and Notes thereon for the year ended on June 30, 2022.

Yours sincerely

s/d
**Md. Alauddin Shibly, ACS, ITP**
Company Secretary & CCO

# NOTICE OF THE 27TH ANNUAL GENERAL MEETING

***Notice is hereby given that the 27th Annual General Meeting (AGM) of the Shareholders of Energypac Power Generation Limited ("the Company") will be held virtually on December 08, 2022, Thursday at 03:30 PM (BST) on digital platform through the link https://energypac.bdvirtualagm.com to transact the following businesses:***

## AGENDA

### Ordinary Business:

❶ To receive, consider and adopt the Directors' and Auditors' Reports together with the Audited Financial Statements of the Company for the year ended on June 30, 2022
❷ To declare and approve Dividend for the year ended on June 30, 2022 as recommended by the Board of Directors
❸ To elect/re-elect Directors in terms of Articles 121-123 of the Articles of Association of the Company
❹ To consider and approve the re-appointment of Independent Director
❺ To appoint the Statutory Auditor and fix their remuneration
❻ To appoint the Corporate Governance Compliance Auditor and fix their remuneration.

### Special Business:

❶ To consider and approve the Related Party Transactions (as disclosed in the Note: 40 of the Audited Financial Statements of Financial Year: 2021-2022) pursuant to the BSEC Notification No. BSEC/CMRRCD/2009-193/10/Admin dated March 22, 2021.

**"RESOLVED that, Energypac Power Generation (EPGL) as holding company be and is allowed to carry out related party transactions with its subsidiaries as disclosed in the Notes: 40 of Company's Audited Financial Statements for the year ended on June 30, 2022".**

❷ Consideration and approval of issuance of Corporate Guarantee(s) in favor of banks, namely, The NCC Bank Limited (for Energypac Engineering Ltd.), Modhumoti Bank Ltd. (for Energypac Power Venture Ltd.), United Commercial Bank Ltd., Dhaka Bank Ltd. & One Bank Ltd. (for Energypac Power Venture Chittagong Ltd.) and City Bank Ltd. (for Energypac Power Venture Thakurgaon Ltd.) pursuant to the BSEC Order No. SEC/CMMRRCD/2006-159/Admin/02-10; September 10, 2006.

**"RESOLVED that, pursuant to the BSEC Order No. SEC/CMMRRCD/2006-159/Admin/02-10; September 10, 2006 and sub-clause T of Clause III of the Objective Clause of the Memorandum of Association of the Company, the proposal of issuing of Corporate Guarantee(s) in favor of Banks for and on behalf of Subsidiary Companies of Energypac Power Generation Limited as and when required be and is hereby approved;**

**"RESOLVED further that, the Board of Directors of the Company be and is hereby authorized to issue such as Corporate Guarantee(s) in favor of Banks for and on behalf of the Subsidiary Companies of Energypac Power Generation Limited".**

❸ The Company (i.e. Energypac Power Generation Limited) is the Parent Company (99.14% shareholding) of Energypac Power Venture Limited (EPVL). EPVL is holding 51% share (75,032,551 no. of Ordinary Shares) of Energypac Power Venture Thakurgaon Limited (EPVTL), a HFO based 115 MW Independent Power Plant (IPP) situated at Gauripur, Jagannathpur, Thakurgaon Sadar, Thakurgaon. The Company (EPVL) decided to sale-off the entire share (i.e. 75,032,551 no. of Ordinary Share) of EPVTL. The BOD of the Company (EPGL) agreed with the decision (sale-off) of EPVL and forwarded it to Annual General Meeting (AGM) for final approval.

**"RESOLVED that, the Company (EPGL) gave its consent regarding the off-loading decision of the entire share (i.e. 75,032,551 no. of Ordinary Share) of EPVTL held by EPVL be and is hereby approved".**

**By order of the Board**

**s/d**
**Md. Alauddin Shibly, ACS, ITP**
Company Secretary & CCO

Dated: November 16, 2022
Dhaka

# NOTES

- The AGM will be held virtually through digital platform pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Directive No. SEC/SRMIC/94-231/91; 31 March, 2021

- The Members, whose names appear on the Central Depository System (CDS)/Members Register on the record date (i.e., November 17, 2022), shall be eligible to attend the 27th Annual General Meeting and receive the Dividend

- A Member entitled to participate and vote at this virtual AGM may appoint a Proxy to participate and vote. The Proxy Form, duly filled, signed and stamped at BDT 20 must be sent through email to ashif.secretariat@energypac.com not later than 48 hours before commencement of the AGM

- The Members will join the virtual AGM through the link ***https://energypac.bdvirtualagm.com.*** The Members will be able to submit their questions/comments electronically before 48 (forty-eight) hours of commencement of the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the Shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account Number/ Folio Number

- Pursuant to the Bangladesh Securities & Exchange Commission Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, we will send the Annual Report 2021-2022 of the Company in electronic form to the e-mail address of the Members available in their Beneficial Owners (BO) accounts maintained with the Depository. Members may also collect the printed copy of the Annual Report 2021-2022 from the registered address of the Company (79, Shahid Tajuddin Ahmed Sharani, Tejgaon I/A, Dhaka- 1208). Online copy of the Annual Report 2021-2022, Notice of the AGM and Proxy Form will also be available at the website of the Company, i.e., ***https://www.energypac.com***

- Pursuant to the Bangladesh Securities & Exchange Commission Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, we will send the Annual Report 2021-2022 of the Company in electronic form to the e-mail address of the Members available in their Beneficial Owners (BO) accounts maintained with the Depository. Members may also collect the printed copy of the Annual Report 2021-2022 from the registered address of the Company (79, Shahid Tajuddin Ahmed Sharani, Tejgaon I/A, Dhaka- 1208). Soft copy of the Annual Report 2021-2022. Notice of the AGM and Proxy Form will also be available at the website of the Company, i.e., ***https://www.energypac.com***

- The Members may as well scan the QR code on their smart devices for accessing the soft copy of the Annual Report 2021-2022 of the Company

- Concerned Depository Participants (DP)/ Stock Brokers are requested to provide us with a list of their margin loan holders who held EPGL shares as on record date with the details of Members' name, BO ID, shareholding position, cash dividend receivable, tax rate with their Bank Account name & number, routing number etc. within November 27, 2022 along with the name of their contact person to the Share Department of the Company situated at Energy Center, 25 Tejgaon I/A, Dhaka- 1208 or at ashif.secretariat@energypac.com

- The Members are requested to update their 12 digit Taxpayer's Identification Number (e-T.I.N) through their respective Depository Participants (DPs). In default, the tax from cash dividend of individual taxpayer will be deducted @ 15% instead of @10%. The Members are also requested to update their Bank Information through their respective Depository Participants (DPs) to get dividend online through Bangladesh Electronic Fund Transfer Network (BEFTN) system

# COMPANY PROFILE

Energypac Power Generation Ltd. (EPGL) incorporated as private limited company on July 15, 1995 vide registration number C-28822 (103)/95 under the Companies Act 1994. Subsequently, the company converted to a public limited company on December 27, 2011. Energypac has become one of the leading Power Engineering Companies in Bangladesh. In its continuous effort for comprehensive solution EPGL receive ISO 9001:2015 certifications.

"Energy Works Wonder" is EPGL's motto. The company is committed to bring about these wonders into the lives of people with the most advanced technology. Energypac Power Generation Ltd. endeavors to eradicate the deficit in country's power generation system and to improve the quality of the lives of its employees and the communities it serves. The company aims to achieve its mission not only through best quality products but also through excellence of its service. Energypac Power Generation Ltd. is committed to provide complete power engineering solution to customers.

EPGL has its registered office at 79, Shahid Tajuddin Ahmed Sharani, Tejgaon I/A, Dhaka 1208. The corporate office of the company situated at Energy Center, 25 Tejgaon I/A, Tejgaon, Dhaka- 1208. In addition, the Company has several establishment across the country for uninterrupted smooth operation. Energypac Power Generation Limited is engaged in diversified businesses including trading of standby and base load generators, JAC brand automobiles, John Deere brand agro machineries equipment, JCB brand construction machineries and material handling equipment and operation of CNG station along with aftermarket service. The company is also engaged in EPC Contracts (Engineering, Procurement and Construction), operation, installation of CNG refueling station and conversion kits, providing installation, and maintenance services to power plants. EPGL has established a plant to assemble gas and diesel based generators. In addition, of that, EPGL has successfully entered in LPG market branding as G-GAS. The LPG bottling & distribution plant is located near Mongla seaport.

## Corporate Information:

| | |
|---|---|
| Date of Incorporation | July 15, 1995 |
| Conversion to Public Limited Company | December 27, 2011 |
| Conversion of Denomination of Face Value of Shares | December 27, 2011 |
| Listing at DSE & CSE | January 19, 2021 |
| Trading of Share at Secondary Market | January 19, 2021 |

# STONE TO MILESTONE

## 1995

BANGLADESH

*Trading of Diesel Generator Set*
*[Import, Distribution, Sales & Service]*

## 1999



*Captive Power Plant Solution [EPC / O & M]*
*Started Gas Generator Sales*
*Guascor Power & Rolls-Royce*

## 2006



*Introduction of JAC Truck*
*[Import, Distribution, Sales, Service]*

## 2008



*Establishment of G-Gas station in Dhaka Participated*
*On-Shore Gas Drilling Project in association*
*with Parker Drilling Company, Houston, USA*

## 2010

AWARDED Superbrands BANGLADESH'S CHOICE

*EPC in Faridpur for 54 MW Power Plant*
*EPC in Gopalgannj for 108 MW Power Plant*
*Introduction of industrial forklift brand HELI*

## 2012



*Introduced an UK brand*
*Construction Machinery JCB*

## 2013



## 2014

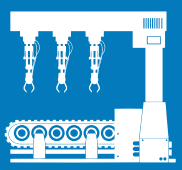


*Started Commercial Oparetion of 108 MW*
*Power Plant as IPP at Chittagong.*

*Awarded contract from Sylhet Gas Fields Ltd.*
*for EPC of Condensate Fractionation Plant*

# STONE TO MILESTONE

## 2015



Inauguration of manufacturing plant for JAC Commercial Vehicle & Generator assembling

Introduction of an Agro Machinery brand JOHN DEERE as a Sole Distributor in Bangladesh

## 2016



Govt.(BRTA) Approval for JAC Commercial Vehicle Assembling & Body Building Plant

Successful launch of own branded generator GLAD

Introduction of Passenger bus brand ANKAI

## 2017




Commencement of LPG Business Nationwide
Awarded 115 MW IPP in Thakurgaon
Awarded Electro mechanical EPC contract from Essential Drugs Company Limited

Started steel structure manufacturing plant and launched new brand Steelpac

## 2018



Started assembling JAC Double Cabin Pickup

Auto gas refueling station permission for 300 units [Franchise]

Awarded steel structure EPC in Rooppur Nuclear Power Plant project, Ishwardi, Pabna

Started G-Gas LPG Cylinder Manufacturing Plant

## 2019

Signed MoU with BEZA along with Sojitz

Corporation, Japan for development of Energy, Infrastructure & Industrial Park at Bangabandhu Sheikh Mujib Shilpa Nagar at Mirsarai, Chattogram.

Implementation of SAP S/4 HANA

Started construction work for LPG Filling Station with capacity of 1,200 MT in Rupnganj, Narayanganj

ISO Certificate 9001:2015

## 2020

Consent of Electronic Bidding & Public Subscription for IPO from Bangladesh Securities & Exchange Commission (BSEC)

Approval from Department of Explosive for 5,405.83 MT LPG Storage Capacity

Introduction of SIEMENS Gas Generatoras the Sole Distributor

Awarded steel structure EPC Contract from BERGER

## 2021

Final permission of IPO from Bangladesh

Securities & Exchange Commission (BSEC)

Listed in Dhaka Stock Exchange (DSE) Ltd. & Chittagong Stock Exchange (CSE) Ltd.

Awarded Commward -2021 in Efficacy Category.

Awarded "The Best Marketing Department of JAC Distributors - Bangladesh"

Awarded "Business Tabloid-2021"

## 2022

Inauguration of G-Gas satellite Plant -101

Inauguration of country's first generator testing lab " Engr. Khaleda Shahariar Dora testing lab"

Awarded "AmCham CSR Excellence Award"

Awarded "GBO Best CSR Company (Utility)

Awarded "THE GLOBAL ECONOMICS AWARDS-2022"

EPGL wishes to become the first choice of its customers by providing best in class end-to-end engineering solutions, win the hearts and minds of current and future employees as “Employer of Choice” and ensure maximizing value for its different types of stakeholders while ensuring maximum environment & social care.



## MISSION

Employer of Choice
Super Brand

## VISION

Provide best in class end-to-end engineering solutions and ensuring highest value addition to those we associate.





## VALUES

We say “YES” to all our customer need
We achieve leadership through innovation
We ensure integrity above everything else
We take responsibility for what we do
We encourage respect to all

# SHAREHOLDING STRUCTURE

| NAME OF THE SHAREHOLDER | DESIGNATION | ADDRESS | NO. OF SHARES | % OF SHAREHOLDING |
|---|---|---|---|---|
| Mr. Md. Rabiul Alam | Chairman | Flat # C 203, Plot # 1/C Road # 79, Gulshan-02 Dhaka | 6,054,983 | 3.18% |
| Mr. Humayun Rashid | Managing Director | Flat # C 303, Plot # 1/C Road # 79, Gulshan- 02 Dhaka | 6,054,983 | 3.18% |
| Mr. Enamul Haque Chowdhury | Director | House # 338, Road # 24 Mohakhali New DOHS Mohakhali, Dhaka | 6,054,983 | 3.18% |
| Mr. Md. Nurul Aktar | Director | Flat No # A3, House # 4B Road # 62, Gulshan- 02 Dhaka | 6,054,983 | 3.18% |
| Mr. Rezwanul Kabir | Director | House # 38, Road # 01 Banani DOHS, Dhaka | 6,054,983 | 3.18% |
| Dr. Meerjady Sabrina Flora | Shareholder | Flat # C 203, Plot # 1/C Road # 79, Gulshan-2 Dhaka | 6,054,982 | 3.18% |
| Mrs. Mahfuza Rahman Chowdhury | Shareholder | House # 338, Road # 24 New DOHS Mohakhali Dhaka-1206 | 6,054,981 | 3.18% |
| Mrs. Rifat Farzana | Shareholder | Plot # 1B201, Road # 79 Gulshan-2, Dhaka-1212 | 6,054,982 | 3.18% |
| Energypac Engineering Limited | Shareholder | Energy Center, 25 Tejgaon I/A, Dhaka-1208 | 72,659,790 | 38.21% |
| Institutional & Other General Shareholder | Shareholder | | 69,063,566 | 36.32% |
| | **Total** | | **190,163,216** | **100.00%** |

** The number of shareholding mentioned above is considered as on June 30, 2022

# CORPORATE INFORMATION

## Board Of Directors

- **Md. Rabiul Alam**
  Chairman
- **Humayun Rashid**
  Managing Director & CEO
- **Enamul Haque Chowdhury**
  Director
- **Md. Nurul Aktar**
  Director
- **Rezwanul Kabir**
  Director
- **Golam Mohammad**
  Director (Representative of EEL)
- **Mohammed Nurul Amin**
  Independent Director
- **Mikail Shipar**
  Independent Director
- **Chief Financial Officer**
  Md. Aminur Rahman Khan
- **Company Secretary**
  Md. Alauddin Shibly, ACS, ITP
- **Head of Internal Audit**
  Sayed Erfan Saleh, FCA

## Audit Committee

- **Mohammed Nurul Amin**
  Independent Director
  Chairman
- **Rezwanul Kabir**
  Director
  Member
- **Golam Mohammad**
  Director (Representative of EEL)
  Member

## Executive Committee

- **Md. Aminur Rahman Khan**
  GM & Chief Financial Officer
- **S.M. Jashim Uddin**
  GM & CBO, MVD
- **Alomay Biswas**
  GM & CBO, BMD
- **Enamul Haque Khandker**
  GM & CHCO, HR, Admin, QMS and HSE
- **Shahed Latif**
  GM & CSCO, SCM
- **Abu Sayed Raza**
  GM & CBO, LPG
- **Mohammad Masum Parvez**
  GM & CBO, PED
- **Sheikh Naweed Rashid**
  GM & Chief Strategist, SBPM
- **Faiaz Hassan Chowdhury**
  GM & CBO, Institutional Sales, MVD
- **Syed Erfan Saleh, FCA**
  AGM & CAO, Internal Audit
- **Wahid Sadat Chowdhury**
  AGM & CIO, Informaton Technology

## Nomination & Remuneration Committee

- **Mohammed Nurul Amin**
  Independent Director
  Chairman of the Committee
- **Mikail Shipar**
  Independent Director
  Member of the Committee
- **Golam Mohammad**
  Director (Representative of EEL)
  Member of the Committee
- **Enamul Haque Khandker**
  HR Advisor
  Advisor of the Committee

## Statutory Auditor

**Hoda Vasi Chowdhury & Co**
Chartered Accountants
BTMC Bhaban (Level 7 & 8)
7-9 Kazi Nazrul Islam Avenue
Karwan Bazar C/A, Dhaka- 1217
Phone: (02) 9140094

## Corporate Governance Compliance Auditor

**ARTISAN**
Chartered Accountants
Shah Ali Tower (7th Floor)
33 Kawran Bazar, Dhaka -1215
Phone: 02-8189883-7
Email: slm.reza@yahoo.com

## Tax Advisor

**Zahur & Mostafiz**
Chartered Accountants.
113 Kazi Nazrul Islam Ave
Bangla Motor, Dhaka- 1205.
Mobile: 0176668591, 01755557411,
Email: info@zahurmostafiz.com

## Legal Advisor

**Mohammad Arshadur Rouf,**
Advocate, Supreme Court of Bangladesh
Rouf & Associates.,
House- 09, Road No- 16, Gulshan- 01
Dhaka- 1212

## Registered Office

**Energypac Power Generation Ltd.**
79, Shahid Tajuddin Ahmed Sharani
Tejgaon I/A, Dhaka-1208,
Phone: +88 02 8870648-50, +88 02 8870669,
Fax: +88 02 8870697,
Website: www.energypac.com

## Corporate Office

**Energypac Power Generation Ltd.**
Energy Center,
25 Tejgaon I/A, Tejgaon
Dhaka- 1208,
Phone: +88 02 8870648-50, +88 02 8870669
Fax: +88 02 8870697
Website: www.energypac.com

# BOARD OF DIRECTOR'S

Our business is led by our Board of Directors ('the Board'). Their scale of knowledge and business acumenship guide our decisions and actions. EPGL's Directors have adopted corporate governance principles aimed at ensuring that the Board is independent and fully informed on the key strategic issues EPGL faces.



FROM LEFT TO RIGHT

**Rezwanul Kabir**
Director

**Enamul Haque Chowdhury**
Director

**Md. Rabiul Alam**
Chairman

**Humayun Rashid**
Managing Director

FROM RIGHT TO LEFT

**Golam Mohammad**
Director (Representative of EEL)

**Mikail Shipar**
Independent Director

**Md. Nurul Aktar**
Director

**Mohammed Nurul Amin**
Independent Director

# DIRECTOR'S PROFILE



**MD. RABIUL ALAM**
CHAIRMAN

Engr. Rabiul Alam is an eminent business personality, Chairman of Energypac Power Generation Ltd., Director and CEO of Energypac Engineering Ltd. He is an Electrical and Electronic Engineer from BUET. Under the valiant leadership of Mr. Alam over last 36 years; Energypac now has the largest manufacturing facilities for substation equipment in Bangladesh and is the first company of its kind to obtain ISO 9001:2008, 14001:2004 and 17025:2005, NABL (National Accreditation Board Ltd. India) accreditation in Bangladesh. Due to his contributions in power and energy sector, he has been recognized as CIP by GoB. He is a life member of the SAARC Chamber of Commerce and Industry. Also the President of Manufacturer's Association for Transformer & Switchgear, (MATS). He was the Honorary Secretary, Dhaka Centre, IEB. He is a Former Honorary Secretary, IEEE, Bangladesh Chapter & Member, IEEE, USA.



**HUMAYUN RASHID**
MANAGING DIRECTOR & CEO

Mr. Humayun Rashid, The Managing Director & CEO of Energypac Power Generation Ltd. is very passionate on Engineering and innovation. He's one of the founding members of Energypac. Due to his 40 years of experience and contribution in Business of Trading, Manufacturing and Distribution of different types of Transformers and Electrical Products as a major Power and Energy solution provider, he has been recognized by GoB as Commercially Important Person (CIP). Currently he is the President of International Business Forum of Bangladesh (IBFB) & Vice President of Bangladesh Independent Power Producers' Association (BIPPA). He was the Senior Vice President of Dhaka Chamber of Commerce and Industries (DCCI), former President of Rotary Club of Dhaka North & France-Bangladesh Chamber of Commerce & Industries. He completed his Bachelor Degree under University of Dhaka and participated in different training at home and abroad like AOTS- Japan and IIM India. Mr. Rashid was married to Rifat Farzana. Together they had two sons and a daughter.



**ENAMUL HAQUE CHOWDHURY**
DIRECTOR

Mr. Enamul Haque Chowdhury, one of the Founder Directors of Energypac, has a long career in developing and establishing diversified business and projects that include power generation, engineering financial institutions, garments etc. Over the period he has earned a rich in-depth understanding on corporate management, financial management, HRM and know how the state of-the- art technology to operate a large group of companies. He is the Managing Director of Energypac Engineering Limited, one of the largest private companies, engaged in manufacturing international quality electrical substation and power generation equipment in Bangladesh. Mr. Chowdhury has a Masters in Economics from University of Dhaka. He is a Senate Member of Dhaka University since 2009. Mr. Chowdhury is a valiant freedom fighter.



**MD. NURUL AKTAR**
DIRECTOR

Engr. Nurul Aktar is one of the most emerging and renowned business personalities in Bangladesh. He is the leader of one of the largest business conglomerates in Bangladesh. He is one of board member of Energypac Group and CEO of Energypac Electronics Ltd. He owns the experience of 36+ years' in job and business field. Engr. Nurul Aktar graduated from Bangladesh University of Engineering and Technology (BUET) in Chemical Engineering in the year of 1984 and completed his post graduate Diploma in Industrial Management from Bangladesh Institute of Management. He also attended no of international & local seminars on renewal energy and energy efficiency.

Engr. Nurul Aktar was the pioneer to introduce first ever Compact Fluorescent Lamp (CFL) in Bangladesh in 1998. Also under his guidance, Energypac Electronics introduced the most "energy efficient ceiling fan (65 watts)" in Bangladesh. Under is valiant leadership, Energypac Electronics has pushed the boundaries of engineering excellence to introduce energy saving products of the highest standard through its highly equipped research and development facilities. His mission and vision is to contribute to the nation's economic growth. He firmly believes that proper energy management and energy savings is a must for nation's economic growth.

Engr. Nurul Aktar is also one of the most renowned entrepreneurs in the sector of Renewable Energy. Under his supervision, Energypac Electronics has become a proud and highly distinguished service provider for Renewable Energy Solutions (Solar Rooftop, Solar Irrigation and Solar Parks). He also holds the position of Senior Vice President of Bangladesh Solar & Renewable Energy Association (BSREA).



**REZWANUL KABIR**
DIRECTOR

Mr. Rezwanul Kabir graduated in Electrical and Electronics Engineering and a member of Institute of Engineers, Bangladesh (MIEB) and also of Institute of Electrical and Electronic Engineers, Inc. USA. Having finished his academic career, He joined in Energypac and is currently a Director of Energypac Power Generation Ltd., Energypac Electronics Ltd., TecAdvantage Limited, Energypac Agro Ltd, Energypac Fashions Ltd, Energypac Batteries Limited and Energypac Cables Ltd. He is the Managing Director of Energypac Infrastructure & Development Limited and Energypac Power Venture Chittagong Ltd. Currently he is the Director of Bangladesh Association of Construction Industry (BACI). He has participated numerous workshops and seminars on Leadership, Power and Energy Infrastructure Projects Technology and Financing. He sits in Curriculum Boards of different private universities and takes part in their career and leadership talks. He is a widely travelled person around the continents and trying to bring in global experience in local businesses.



**MOHAMMED NURUL AMIN**
INDEPENDENT DIRECTOR

Mr. Mohammed Nurul Amin served as Managing Director & CEO of NCC Bank Ltd and Meghna Bank Ltd for about 13 years. His career spans more than 40 years with experiences in all aspects of Bank. Mr. Amin has a proven record of accomplishments in banking and financial institutions that met departmental goals and objectives. His experiences began with state owned Janata Bank in 1977. He held the positions of Chairman at Association of Bankers' Bangladesh Ltd. (ABB), Chairman, Primary Dealers Bangladesh Ltd. (PDBL) and Chairman, Bangladesh Foreign Exchange Dealers Associations (BAFEDA). He is the only CEO of banks who held the position of Chairman of these 3 organizations of banking professionals. He is a Life Member of Bangladesh Red Crescent Society, Bangladesh Economic Association (BEA), Rotary International. Mr. Amin has completed his BA Honors and Masters in Economics from University of Dhaka. He was a Senate Member at University of Dhaka from 2010 to 2013. Mr. Amin has obtained extensive training at home and abroad on banking sector having attended Leadership and Innovation Workshop Program at Columbia Business School, University of Columbia, New York, U.S.A in 2012. He also received Diploma Certification from University of Oxford and University of Cambridge, U.K. on strategic Leadership Programs earlier.



**MIKAIL SHIPAR**
INDEPENDENT DIRECTOR

Mr. Mikail Shipar has joined as an Independent Director of Energypac Power Generation Limited on February 28, 2019. He worked as the Secretary of the Ministry of Labour and Employment, Government of the People's Republic of Bangladesh from
February 2012 to August 1017. He joined the Bangladesh Civil Service, Administration cadre in 1983. He possesses vast experience in administrative duties including Magistracy, UNO, ADC, Charge Officer, Press Officer (Settlement Press) etc. and held the post of Director and Director General (Administration) in the Prime Minister's Office during 2009 to 2012. Moreover, he has experience in diplomatic arena as the First Secretary in the Bangladesh Deputy High Commission in Kolkata, India. He was awarded his MS degree in Agricultural Extension from Institute of Post Graduate Studies in Agriculture, Gazipur, Dhaka. He was the National Commissioner of Bangladesh Scouts and was held the position of Chairman of Governing body Dhaka Women's College, Uttara, Dhaka. He was also served as Independent Director of British American Tobacco, Bangladesh.



**GOLAM MOHAMMAD**
REPRESENTATIVE DIRECTOR

Mr. Golam Mohammad serving as a representative Director in the board from January 21, 2015. He is currently working as Chief Financial Officer at Energypac Engineering Limited (EEL) and representing shareholding of EEL in EPGL board. He completed his Graduation from Dhaka University & Post-Graduation from National University. He obtained Associate Membership from the Institute of Certified Management Accountants of Australia - CMA(Australia). He also obtained Fellow Membership from the Institute of Certified General Accountants of Bangladesh (ICGAB). He also obtained Income Tax Practitioner (ITP) Certificate from NBR. He has also CA Partly Qualified under ICAB. Prior to Joining EEL, he has served at Fu-Wang Group. He brings 25 years of professional working experience to the EPGL board. He has participated in different Professional training programs, workshop and seminars related to Income Tax, VAT, Internal Control & Management Audit, Banking, Company Secretarial Practice, Capital Market, Project Management for Non-Project Manager and Supply Chain Management from different organizations like ICSMB, DSE, CTTR, BTTI, DCCI, LEADS Training etc.



**HELAL UDDIN AHAMMAD**
REPRESENTATIVE DIRECTOR

Mr. Helal Uddin Ahammed joined Energypac Power Generation Ltd as nominated Director from Investment Corporation of Bangladesh (ICB) on 21 October, 2021. Mr. Helal Uddin Ahammed is Deputy General Manager ( Now in PRL) of ICB. He did his B.sc ( Hon's) & M.sc in Statistics from Chittagong University. Mr. Helal obtained Post Graduate Diploma in Financial Management from BIM ( Ex. BMDC) and also obtained MBA from Bangladesh Open University. Mr. Helal completed Banking Diploma Part 1 & Part 2.

Mr. Helal completed training programme on "Procurement Sysyems and Measuring Supplier Performance" held in Istanbul, Turkey from 23rd September, 2019 to 27th September,2019 organized by International Malaysian Training Center. Mr. Helal has attended different training courses at home.
He has 32 years Investment Banking experience. He started his career with ICB in 1990 as a Senior Officer




# ENERGIZING THE FUTURE LEADERS

"Energetic Future Leadership Program" the first of its kind in Bangladesh by Energypac, is a gateway to the professional world – through training and networking aims to develop their foundation for an energized future.

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4 QUALITY EDUCATION

Energypac®

# MANAGEMENT TEAM



**Shahed Latif**
GM & CSCO, SCM

**Md. Alauddin Shibly, ACS, ITP**
Company Secretary, CCO & DGM

**Syed Erfan Saleh, FCA**
AGM & CAO, Internal Audit

**Wahid Sadat Chowdhury**
AGM & CIO, Informaton Technology

**Sheikh Naweed Rashid**
GM & Chief Strategist, SBPM

**Faiaz Hassan Chowdhury**
GM & CBO, Institutional Sales, MVD

**Md. Aminur Rahman Khan**
GM & Chief Financial Officer

**Alomay Biswas**
GM & CBO, BMD

**S M Jashim Uddin**
GM & CBO, MVD

**Abu Sayed Raza**
GM (Head of LPG)

**Mohammad Masum Parvez**
GM & CBO, PED



**Md. Aminur Rahman Khan**
GM & Chief Financial Officer

Md. Aminur Rahman Khan has completed his Graduation on Commerce from Dhaka City College and Master Degree on Accounting from National University Bangladesh. He completed his Chartered Accountant Course from M.S. Patwary & Company. He got also MBA Certificate on Finance from University of New Castle (USA). He completed a Certificate Course on "Leadership Certificate in Managerial Communication (LCMC)" from Institute of Business Administration (IBA), University of Dhaka. He joined in Energypac Power Generation Limited in June, 2004 as a Finance Manager & Board Secretary. Now, He has been serving as Chief Financial Officer in Energypac Power Generation Limited. He joined in PROSHIKA as Sr. Accounts Officer to design and test Generalized Accounting Software and Book Keeping. During his job period in PROSHIKA, he launched a Generalized Accounting Software named "ACCPRO" and he was the first trainer on Generalized Accounting Software "ACCPRO" in Bangladesh and served as trainer in Institute of Cost Management Accountant (ICMA). He also launched two Generalized Accounting Software naming "ACCLINE" from Data Head Private Ltd and "NAP" from Neural Systems Limited. He took lot of professional training to increase his knowledge, expertise, efficiency and skill in his working arena like, Workshop on Understanding the UCP 600 from ICC, Financial Modeling Course from IDCOL, Leadership Development from BIZEX etc.



**Md. Alauddin Shibly ACS, ITP**
Company Secretary & CCO, DGM

Joined in Energypac Power Generation Ltd. in the year 2007 and started his professional career as Head of Tax & Regulatory Affairs under Finance & Accounts Department at that time organization achieved VAT automation approval from NBR. He also worked as a Head of Receivable Management for couple of years and able to make digital archive for maintaining client data permanently rather using hard paper. Based on his dedication towards works, management of EPGL decided to appoint him as Company Secretary in the year 2016. He is an Associated Member of The Institute of Chartered Secretary of Bangladesh (ICSB). He completed his Master's in Management and also makes his Chartered Accountancy course and obtained Income Tax Practitioner Certificate from NBR in the year 2007. He born in a reputed Muslim family and he is the youngest member of his family.



**Sayed Erfan Saleh FCA**
AGM & CAO, Internal Audit

Mr. Sayed Erfan Saleh joined Energypac in April 2018 to utilize his expertise in internal audit and internal control system. He was previously worked with Quazi Abedin Tex Limited as their Head of Finance, Accounts & Inventories. Mr. Saleh has 6 years of experience as the Manager of Howlader Yunus & Co Limited. Mr. Saleh is a Fellow Member of The Institute of Chartered Accountants of Bangladesh (ICAB). He is an expert in developing standard operating procedures, process modifications and a magnificent designer for risk and control matrix and IT audit. Highly experienced in internal audit, designing transaction process flow, developing financial policy and designer of effective budgetary control systems.



**S M Jashim Uddin GM & CBO**
Head of Motor Vehicle Division

Mr. Jashim studied B Sc (Hon's) & M Sc in Marine Science from University of Chittagong. He started his career as a Fisheries Biologist in 1993 with Flood Action Program (FAP) 17. He joined Energypac in 1994 to utilize his expertise in Semi Intensive Shrimp Culture Project. In 1996 he got a breakthrough and kick off in Sales and Marketing Team under MnD division and proved himself for making Legrand, France as the Top Choice Electrical Accessories in Bangladesh till 2011. While managing a division he completed a Professional Diploma PGDMM from Bangladesh Institute of Management and MBA from Ahsanullah University of Science & Technology. The Motor Vehicle Division (MVD) earned a new leader in the appearance of Mr. Jashim in 2011. Under his leadership, JAC Commercial Vehicles has become No. 1 Chinese Automobile Brand in Bangladesh with an excellent market share in LCV and pickup segments. Eventually, he was placed at the helm of Ankai Bus, Shacman Heavy Duty Commercial Vehicles. He was also in charge of Construction Machineries & Material Handling (CMMH) and Agro Machineries Division (AMD) for the products of JCB, Heli & John Deere.



**Alomay Biswas**
**GM & CBO**
Head of Building Material Division

Mr. Alomay completed his M Sc Eng. (Mech.), M Phil PFU from Moscow, Russia. He was an Assistant Engineer in Sylhet Pulp & Paper Mills Ltd. from 1988-1991 and in Bangladesh Insulator & Sanitary Ware Factory Ltd. BCIC from 1991-1997. Later joined as an Executive Engineer at Bangladesh Insulator & Sanitary Ware Factory Ltd BCIC from 1997-2003. He has contributed as a Deputy General Manager & Head of Product and Marketing in Diral Insulator Factory Limited from 2003-2006. Mr. Alomay Biswas worked as the Deputy General Manager & Head of Operation Energypac Electronics Ltd from 2006-2011.



**Abu Sayed Raza**
**GM & CBO**
Head of LPG Division (G-Gas)

Mr. Raza has an excellent business and concrete marketing & sales background and is highly reputed for his relentless endeavors and dynamism. He is an MBA and a graduate from the Faculty of Business Studies, University of Dhaka. Mr. Raza. Started his career with Nestle almost 22 years back and throughout he has diversified portfolio management experience in renowned FMCG brands, Lighting Products, Building Material Products, Home Décor Products & also LPG brands. He started his carrier in core sales with all Nestle Products and then Re-Launched Rupchanda brand Soya bean oil in the country which becomes the market leader in a short span of time. He handled HRC brand Tea & Lighting for a longer period which brought great success in the Tea and Lighting Sector. He also lead building material products under A-One Polymer and handled A-One uPVC Pipes, Fittings, oZo Bathroom Fittings. In home décor he leads Karmo brand Foam, Mattress, Pillow & all Adhesive products. In LPG sector Mr. Raza lead KleanHeat brand, Petregaz.



**Shahed Latif**
**GM & CSCO**
Head of Supply Chain

Mr. Shahed has a colorful career of 18 years in different positions with 4 Multinational Companies (Airtel, Bata Shoes, Nestle Bangladesh & Perfetti Van Melle) in Supply Chain Management and procurement all around. He studied M.Com in Accounting (1998) and The International Certificate In Supply Chain Management (IPSCM) from International Trade Centre WTO, Geneva and holds experiences in Sourcing; Procurement; Logistics; Commercial; Planning; Contract Mgmt; Warehousing; Distribution; Policy-Procedures; ERP Operations; Third Party Manufacturing; Leadership and not limited to New Product Development. He is the Executive Committee Member, Bangladesh Supply Chain Alumni Society of Bangladesh and General Member of Bangladesh Supply Chain Management Society



**Mohammad Masum Parvez**
**GM & CBO**
Head of Power & Energy Division

Mr. Parvez completed his BSc in Marine Engineering and MBA in Finance. He spent 3 years of Marine life at sea and followed by years in diesel gen-set market. He was the General Manager of Kaltimex Energy BD (Pvt) Ltd. (Sole distributor of world renowned gas engine brand MWM) for 8 years. He previously worked as the Head of Operations in Delcot Ltd, Optibelt and NTN-Japan. Mr. Parvez brought all his experience and expertise along with him to Energypac in Feb 2019, sales & services in power generation & especially in the selling of capital machineries.



**Wahid Sadat Chowdhury**
**AGM & CIO**
Information Technology

Mr. Wahid Sadat Chowdhury joined Energypac in March 2018 to utilize his expertise in ERP Implementation and Business Automation. He has achieved his MBA and ADSE (Advanced Diploma in Software Engineering). Formerly a Solution Architect at Berger Paints BD Ltd for almost 15 years (2003-2017). Mr. Wahid holds a vast knowledge in Computer Programming, MIS, Database Management, IT Security and IT Integrations



**Faiaz Hassan Chowdhury**
**GM & CBO**
Institutional Sales, MVD

Faiaz Hassan Chowdhury, one of the dynamic and enthusiastic professionals, leading the motor vehicle division of Energypac Power Generation Ltd. with his visionary leadership and business acumen ship. He is also the steersman of Business Strategy Teams ensuring sustainable growth and uplifting Energypac as one of the most endearing and responsible brands of the country. He started his professional career in 2010 with Energypac Electronics Ltd. in the field of Business Development, Marketing & Brand Communications. Mr. Faiaz studied Human Resource Management and graduated from American International University-Bangladesh. He brings remarkable expertise and experience in Business Innovation, Organizational Development, Core Marketing, Project Planning, and Sales Management. He has a vibrant personality to manage people, projects, organizations, and brands in a comprehensive spectrum across the entities of Energypac. He is one of the promising young versatile professionals in the country, and being business determined he has attended several distinguished workshops, seminars, conferences, and symposiums home and abroad.



**Sheikh Naweed Rashid**
**GM & Chief Strategist**
Strategic Business Portfolio Management

Sheikh Naweed Rashid is a passionate and enthusiastic individual who leads Energypac Power Generation Ltd. with his imaginative leadership and business competence. Mr. Naweed has vast experience in different capacities. His experiences include in T&D, EPC and Energy. Naweed did his BSBA in International Business and Economics from the College of Business and Public Administration, Old Dominion University, USA. He also did his schooling in Woodstock School, Mussoorie, India. Mr. Naweed is also an executive member of EO Bangladesh. And actively involved in different social activities.

# CHAIRMAN'S MESSAGE TO SHAREHOLDERS



**Dear Shareholders,**

Welcome to the 27th Annual General Meeting of your company and continue to take pride in your association with us. This year has been a remarkable year for all of us here at persistent. We emerged more resilient and reinvigorated, and our confidence in our capabilities is reflected not only in our numbers but also in the trust that our clients have placed in us. I am grateful to our clients, partners, team members, and other stakeholders for their relentless collaboration to make this happen.

This year as well as last year, we were able to steer through the challenges of the COVID- 19 pandemic, world-wide economic crisis and unpredictable market conditions effectively and achieve strong growth. We did this by aligning to our clients' vision, focusing relentlessly on growth, and maintaining a strong operational rigor. This is a testament to the unwavering determination of our teams to help our clients succeed in their respective industries.

We have adopted the hybrid working model and have allowed new people engagement norms to emerge. We believe that it is not about work-life balance or work-life integration anymore. It is about Work-life Harmony. We know that one size does not fit all, and hence we are creating multiple avenues for our people to unleash their potential by taking control of their personal health and well-being — physical, emotional, social, and financial.

While the pandemic caused unprecedented disruptions, it also taught us some life-changing lessons. We learnt the importance of protecting our family, our communities, and the world at large. As a result, we embarked on extensive outreach programs and practices to connect with our clients, suppliers, and vendors, always assuring them of our unwavering support. The circumstances have pushed us to rise above and beyond our own limitations and to align our sustainability agenda with our business and technological transitions and organizational growth. Today, our business approach includes a holistic, sustainable strategy aimed at providing long-term value for our stakeholders.

Our CSR activities, environmental initiatives, and ethical corporate governance are focused on delivering our environmental, social and governance (ESG) responsibilities. I am proud of the progress we have made so far in providing sustainable solutions for our communities around healthcare, education, and community development. However, we still have a long road ahead to ensure a better and brighter future for our next generations. As we enter our fourth decade as a sustainable business, we are thrilled to embark on this journey with our people, our families, and the communities we serve.

Giving back to the society has never been more important, and I'd like to thank each member of the Persistent family for their active support and unshakable trust in our abilities to deliver on our promise. You have motivated us to unleash our potential for the next phase of our growth.

Today, Energypac has evolved into a multi-dimensional company with businesses across different runways. We are creating more values for customers and users by stimulating traditional businesses to embrace new commerce. Energypac is committed to perform its part in supporting the infrastructure development and be a proud partner of Digital Bangladesh.

Thank you again for your continued support. We will work even harder to validate your invaluable trust. Let us look towards a more caring and beautiful future.

On behalf of your Directors, I am delighted to present to you the Annual Report for Financial Year (FY) 2021-22 and Financial Statements for the year ended on June 30, 2022.

On behalf of the Board,

s/d

**Md. Rabiul Alam**
Chairman



# Brands

## live at the heart of life

G Gas ভালো থাকুন ভালো রাখুন

JAC

GLAD

Steelpac

LIFTSALL

JCB

Perkins

FG WILSON

JOHN DEERE

HELI

ANKAI

SHACMAN

WOODWARD

firstAir
Compressors! No compromises.

Guascor Energy

玉柴机器 YC DIESEL

MIURA

# DIRECTOR'S REPORT TO THE SHAREHOLDERS



In the course of financial year 2021-2022, our sustainable and fully integrated business model has allowed us to maximize share value with all our stakeholders, even during a year characterized by the global recession triggered by the COVID-19 pandemic. A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of this year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide especially in the United States and major European economies triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID- 19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine.

The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook. Lower growth earlier this year, reduced household purchasing power, and tighter monetary policy drove a downward revision of economic projections. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year upward revisions of 0.9 and 0.8 percentage point, respectively. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9 percent.

The risks to the outlook are overwhelmingly tilted to the downside. The war in Ukraine could lead to a sudden stop of European gas imports from Russia; inflation could be harder to bring down than anticipated either if labor markets are tighter than expected or inflation expectations un-anchor; tighter global financial conditions could induce debt distress in emerging market and developing economies; renewed COVID-19 outbreaks and lockdowns as well as a further escalation of the property sector crisis might further suppress Chinese growth; and geopolitical fragmentation could impede global trade and cooperation. A plausible alternative scenario in which risks materialize, inflation rises further, and global growth declines to about 2.6 percent and 2.0 percent in 2022 and 2023, respectively, would put growth in the bottom 10 percent of outcomes since 1970.

With increasing prices continuing to squeeze living standards worldwide, taming inflation should be the first priority for policymakers. Tighter monetary policy will inevitably have real economic costs, but delay will only exacerbate them. Targeted fiscal support can help cushion the impact on the most vulnerable, but with government budgets stretched by the pandemic and the need for a disinflationary overall macroeconomic policy stance, such policies will need to be offset by increased taxes or lower government spending. Tighter monetary conditions will also affect financial stability, requiring judicious use of macro-prudential tools and making reforms to debt resolution frameworks all the more necessary. Policies to address specific impacts on energy and food prices should focus on those most affected without distorting prices. Finally, mitigating climate change continues to require urgent multilateral action to limit emissions and raise investments to hasten the green transition.

In the current situation, we in Energypac understand that, meeting our customer's requirement is essential to the success of our organization. We can say that, the years we experienced in the past are significant years and it is clearly seen that we have intensively delivery our best performance to focus on customer satisfaction. On behalf of the Board of Directors, I would like to thank our valuable, reliable and world-class partners.

Besides, the one thing I would like to present is that our leadership is a result of our employees. They have clearly made Energypac one of the outstanding organizations. We know our highly trained human assets apply their specialized knowledge to reliably and efficiently produce high quality service. We are now in an ever-changing market environment. In such situation, we firmly believe that “trust” is the key element in persuading customers to choose our quality products. We totally accept that “trust” can create a “Win-Win Situation” for a long deeper relationship.

Our distributed products with latest technologies and excellent service are diverse. It is easy to find them in every corner industrial activity and community living. We will continue our endless effort to serve our valuable customers. We incorporated on July 15, 1995 as Private Limited Company, converted to Public Limited Company in the year 2011 and listed in the Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. in the year 2021.



# ENSURING CLEAN WATER FOR A HEALTHIER FUTURE

The southwestern region of Bangladesh lacks access to clean water which results in various health implications. Energypac recognizes this problem and has taken appropriate steps by setting up clean water distribution booths to facilitate a healthier future.

To know more visit **www.energypac.com** or scan the QR code

6 CLEAN WATER AND SANITATION

Energypac®

## Industry Outlook and Possible Future Developments

The energy mix for power generation in Bangladesh is passing through a crossroad of major transition. The nation has to adapt to those energy mix with multiple sources like coal, oil, LNG, nuclear, cross border power in addition to a reduced supply of local natural gas.

"Energy Works Wonders" are the words EPGL uses as its motto. Energypac Power Generation Limited continuously strives to eradicate the deficiency in the country's economic infrastructure of the country's Power Generation Systems. Thus improving the quality of the lives of the communities it serves. The company constantly commits to provide the best-in-class solutions for its business partners and achieves the mission through the excellence of their service and their use of the best quality products.

The Company operates several establishments across the country to ensure products and services are provided for uninterrupted smooth operation. EPGL has diversified its businesses into manufacturing and trading of heavy industrial equipment. The Company is currently making its own brands generator (i.e. GLAD) and LiftsAll. We are assembling JAC commercial vehicle and distributing it through our nationwide channel. The Company availed makers' code from BRTA for **JAC** branded **HFC1042KD** model.

We have a full-fledged service center situated at Mirpur and Bogura. We also provide service support to our customers through our Energetic Service Team nation-wide. STEELPAC another product of Energypac, aiming to provide a complete steel construction solution with specialist services ranging from detailing of engineering, procurement, manufacturing and erection of the structure confirming the uses of standard codes, quality materials and modern technologies instead of traditional systems. STEELPAC offers the assurance of being a reputed engineering company with an excellent track record, strong financial background and assuring with professional support with expertise in Design & Detailing, Manufacturing and Erection.

Your Company had to tackle a variety of challenges within its business environment during this COVID-19 pandemic. However, we were able to master them and achieve a good result, despite the adversities. Our solid financial and sustainability performance in recent years has enhanced investor confidence in us. At the same time, the company is systematically laying the foundations for long-term success going forward. Particularly in these times of fundamental change, Energypac maintains a leading position in the engineering industry, shaping technological transformation with determination, passion and professional excellence.

Overall international and national economy has not yet been able to recover from the devastation caused by the corona virus. Nevertheless, we strongly believe that, we are all in the way to overcome economic stagnation and turn around completely. Energypac will intensively endeavor in environmental awareness for the purpose of preventing from climate changes and resources depletion. We are committed to preservation of the environment we live in.

LPG is considered as the clean and affordable alternative to natural piped gas. With more and more households and industries coming up, it is almost certain that the growth trajectory of LPG demand will continue to be upward in the foreseeable future. Besides the household and commercial market in recent years the demand for LPG in the automobile sector has greatly increased due to LPG being more affordable than petrol and diesel without the inherent issues that accompany CNG vehicles. The LPG market in Bangladesh has already crossed 1 million metric tons per year and is continuing to rise. Currently there are 28 LPG companies in the market with more on the way. As a result despite being a growing market the competition between the companies is extremely high. Recently Bangladesh Energy Regulatory Commission (BERC) has stepped in to try and set a fixed MRP for LPG. G-Gas LPG is a product of Energypac Power Generation Limited (EPGL). Being a power business dome of Bangladesh, EPGL set its course on spreading the energy service to each corner of the country. To meet the excessive demand for clean energy resources, EPGL brought G-Gas LPG in market. EPGL is manufacturing LPG cylinder to support LPG bottling and distribution nationwide.

The slogan of G-Gas is "ভালো থাকুন, ভালো রাখুন". Staying true to it, G-Gas is reaching out to the regular people at even the most remote corners of the country with solutions to improve their overall standards of living. G-Gas aims to play a crucial role in the extensive social and economic growth of Bangladesh. Dacope, a sub-district of Khulna has already become economically active. A change has occurred to the financial situations of the people by opening scopes for employment.

EPGL is using world class technology to manufacture its cylinders and bottling installed under the expert supervision of ROKTEK from Turkey and France's Sigara. To further ensure consumer safety each cylinder is manufactured under compliance of American Standard specifications standards, with a certain thickness that helps provide the optimal levels of safety.

- Increased storage capacity more than 5,500 MT
- Introduced Daughter Station at Narayanganj
- Procured LPG carrier (Ship)
- Distribute LPG nation-wide through large number of Road Tanker carrier

Energypac has experienced Marine Engineer and Naval Architect team who can assist customer for power prediction & rating selection of ship's Main Propulsion Engine and Generator. The Company is the only Country Distributor of Guangxi Yuchai Machinery Co., Ltd. (widely known as "YC DIESEL"- Yuchai Marine Engine) It is one of the largest production base of internal combustion engine in the world. Energypac is also authorized warranty and after sales service provider of YUCHAI Marine Diesel Engine in Bangladesh and ensuring genuine spare parts & consumables as well. So, when service is required, Energypac service network responds to organize assistance as fast as possible. This guarantees fast, reliable and competent customer support (24*7). We also launch a service center at Chittagong for uninterrupted after sales service to our valuable customers.

### EPGL is presenting these listed below world class brand:

- MIURA (Boiler), Japan
- SIEMENS (Gas Engine), Germany
- JCB (Construction Machinery), England
- HELI (Forklift), China
- FS CURTIS (Compressor), USA
- YU-CHAI (Marine Engine), China
- SHACMAN (Heavy Commercial Vehicle), China
- JOHN DEERE (Tractor), USA
- ANKAI (Bus), China
- FG WILSON (Generator), UK
- PERKINS (Engine), UK

After achieving the target of Millennium Development Goal (MDG) successfully Bangladesh is now set to fulfill the conditions of Sustainable Development Goal (SDG) which will help us to become a middle income country soon and afterward a developed country. While we recognize additional challenges, we, Energypac, continue to use those as opportunities. We are focused on the future, and the future looks bright.

## Risks and Concerns

### Credit Risk:

Credit risk refers to the risk that a borrower or debtor may not repay a loan/ debt and that the lender may lose to principal of the loan or the interest associated with it. It is the risk of loss of principal or a financial reward or both stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. Credit risk arises as borrowers expect to use future cash flows, which is always uncertain, to pay current debts. Normally every business has to allow some credit/ fund to its customers or others. When an entity offers credit to its clients, there is a risk that its clients may not pay their debt. Therefore, in operating any business there is always credit risk lies in the business.

### Management Perception:

Because of the normal norms of the industry, EPGL has to allow some credit to its customers based on its credit policy. To keep the policy effective EPGL review the credit policy time to time. EPGL also maintain a good rapport with customers. All of this initiative helps EPGL to reduce the likelihood of default by its customers. However, as future collectability from customers is always uncertain, it is not possible to remove credit risk entirely. So, there is always a certain degree of credit risk. The management is well aware and efficiently manage through continuous supervision.

### Liquidity Risk:

The risk that a company may be unable to meet short term financial obligation. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income in a given period of time. A company is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity. When credit rating of a company falls, the company experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with or lending to the company.

### Management Perception:

EPGL has an efficient treasury department to manage its cash and liquidity issues. The department works to optimize working capital, confirmation and reconciliation of receipts and timely disbursement of payments. The treasury department is also formulate proper planning to avoid future liquidity problems.

### Interest Rate Risks:

Interest rate risk concerned with borrowed funds of short term and long-term maturity, volatility of money market, which ultimately influences the interest rate structure of fund.

### Management Perception:

EPGL is currently carrying both long term and short-term loans. All the facilities are subject to revision with change of interest rates in the market. The exposure will be minimized as EPGL plans to retire some portion of the debt gradually in the following years. The Management of the Company is always aware of interest rate. If the interest rate increases the cost of credit fund will increase. As EPGL is a growing company it has to use debt to fuel the growth. It has an efficient treasury management department to manage treasury related issues. In addition, the company emphasizes on equity-based financing to reduce the dependence on bank borrowings. Moreover, the company is confident of meeting its need for future expenses from its internal sources. Therefore, the management perceives that the fluctuation of interest rate would have little impact upon the performance of the company.

## Exchange Rate Risks:

Major portion of EPGL's revenue comes from trading of generators, motor vehicles, EPC contracts and other items. The company imports most of its trading goods and sells across the country. The paying policy of the company is with foreign currency. Hence, it is exposed to risks of fluctuation of Bangladeshi Taka against major international currencies like US Dollar, Euro and UK Pound Sterling. For a given depreciation of Taka against such currencies will mean higher import cost for EPGL. As a result it will affect the operating profit of the company.

## Management Perception:

EPGL is one of the leading companies of power engineering sector in Bangladesh. It also runs business activities across the country including automobile sectors as well as oil & gas sectors. It has developed a strong brand image of its own by providing superior services to its clients. EPGL is always customer centric company. Hence, for any significant loss arising from fluctuation of Bangladeshi Taka against major international currencies, EPGL can pass on the exchange losses to its bankers through maintaining foreign currency accounts with the banks and keep its margins unaffected. Moreover, as the company imports generators and pick up van as importer and earns EPC revenue and service revenue as exporter, foreign currency risk becomes mitigated due to offsetting effect.

## Market Demand Risk:

EPGL operates business mainly in the country's power, oil & gas, and automobiles sectors. All these sectors are highly regulated by the government and Market demand is comparatively high.

## Management Perception:

Management is constantly putting emphasis on building brand equity in the markets, which will provide the company with greater flexibility in terms of demand and price elasticity. Besides government initiatives, the company enjoys competitive advantages over its foreign competitors. Additionally, with Bangladesh becoming a middle-income nation, it is expected that more global brands and multinational companies will soon start their operations in Bangladesh thus increasing the demand and customer portfolio for EPGL.

## Potential or existing government regulations:

Companies of Bangladesh operates under various laws like the Companies Act, 1994, the Income Tax Ordinance, 1984, The Value Added Tax & Supplementary Duty Act, 2012, Bangladesh Securities and Exchange Ordinance, 1969, Dhaka & Chittagong Stock Exchange (Listing) Regulations, 2015 etc. Any abrupt changes of the policies formed by those bodies may impact the business of the company adversely.

## Management perception:

Unless any adverse policy is taken, which may materially affect the industry as a whole, business of EPGL will not be affected. Furthermore, the government is encouraging private sector entrepreneurs in power and engineering sector. Therefore, it is expected that any new policies of this sector will be business favorable which will also be helpful for expansion of business of the company.

## Potential or existing changes in global or national policies;

The performance of companies may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

## Management perception:

EPGL can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. This is why the management of the company is always concerned about the prevailing and upcoming further changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

## Technology-related Risks:

Technology always plays a vital role for existence of any industrial concern. Innovation of new and cost effective technology may obsolete exiting technology, which may cause negative impact.

## Management perception:

Management of EPGL is aware of recent technological developments in the engineering sector and keeps their employees up to date by providing necessary training. Furthermore, EPGL is well equipped with latest technology and marketing latest technological equipment for its wide range of customers.

The followings are the extract of financial performance of the Company during the year:

| Financial Performance (Standalone) | | | |
|---|---|---|---|
| **Particulars** | **Current Year (BDT in thousand)** | **Previous year (BDT in thousand)** | **Increase/(Decrease) %** |
| **Sales** | 9,172,698 | 7,838,176 | 17.03% |
| **Gross Profit** | 2,299,171 | 2,182,715 | 5.34% |
| **Profit from Operation** | 1,013,097 | 1,010,386 | 0.27% |

| Financial Performance (Consolidated) | | | |
|---|---|---|---|
| **Particulars** | **Current Year (BDT in thousand)** | **Previous year (BDT in thousand)** | **Increase/(Decrease) %** |
| **Sales** | 20,333,968 | 10,733,927 | 89.44% |
| **Gross Profit** | 3,400,463 | 3,048,597 | 11.54% |
| **Profit from Operation** | 2,041,353 | 1,813,895 | 12.54% |

## Financial Results

| Particulars | Current Year (BDT in thousand) | Previous year (BDT in thousand) | Increase/(Decrease) % |
|---|---|---|---|
| **Net Profit after Tax (Separate)** | 214,351 | 270,448 | -20.74% |
| **Net Profit after Tax (Consolidated)** | (77,117) | 387,863 | -119.88% |

## Contribution to National Exchequer

The Company contributed an amunt of BDT 767.85 million in the financial year 2021-22 to the National Exchequer consisting of the following:

**(Taka in Million)**

| Particulars | 2021-2022 | 2020-2021 | 2019-2020 | 2018-2019 | 2017-2018 | 2016-2017 |
|---|---|---|---|---|---|---|
| Income Tax | 273.72 | 194.19 | 310.78 | 200.07 | 274.24 | 118.87 |
| Value Added Tax (VAT) | 395.62 | 319.40 | 374.06 | 406.96 | 771.52 | 57.95 |
| Customs & Other Duties | 98.51 | 1,072.92 | 84.27 | 201.17 | 267.97 | 319.47 |
| **Total** | **767.85** | **1,586.50** | **769.11** | **808.20** | **1,313.73** | **496.29** |

## Dividends

The Board of Directors at the 90th Board Meeting held on October 27, 2022, has recommended a cash dividend @ 10% i.e. Tk. 1.00 per share to the shareholders. This will be considered for approval by the shareholders at the 27th Annual General Meeting (AGM) to be held on December 08, 2022.

This Dividend Distribution Policy ("Policy") has been formulated by the Company and has been adopted by the Board of Directors. The details of the Policy is mentioned as follows:

# DIVIDEND DISTRIBUTION POLICY
## Energypac Power Generation Limited

## A: Introduction
This Dividend Distribution Policy ("Policy") has been formulated by Energypac Power Generation Limited (hereinafter, referred to as "EPGL" or "the Company") pursuant to Bangladesh Securities and Exchange Commission (BSEC) Directive no. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021.

The Policy lays down the broad criteria and parameters which the Company would take into consideration for the purpose of ascertaining the amount of dividend to be declared. Considering future needs of the Company, the management shall maintain a balance between the payout ratio and retained earnings.

The Board of Directors of the Company (the "Board") shall consider this Policy when resolving on dividends, always in compliance with the Memorandum and Articles of Association of the Company, the provisions of the Companies Act, 1994, Order, Notifications or Directives issued by the BSEC, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) from time to time and other applicable legal provisions. .

The Policy has been adopted by the Board of Directors in its meeting held on October 27, 2022 ("The Effective Date").

## B: Objectives
The objective of this Policy is to lay down the broad criteria and parameters to be considered by the Board of Directors of the Company before recommending dividend to its Shareholders for a financial year. The Policy is not an alternative to the decision of the Board for proposing dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board. This Policy is in line with the Company's medium and long-term strategies, investment and financial plans, the state of the Country's economy and the industry and keeping the balance between the expectations of the Shareholders and the needs of the Company, this Policy is also in compliance with the provisions of the relevant laws and regulations so as to establish a balance between the dual objectives of rewarding the shareholders through dividends and retaining profits in order to support future growth of the Company..

## C: Parameters to be considered while recommending/declaring Dividend
The Board while recommending dividends should take into consideration the financial position of the Company, other funding needs related to the investments to be made, conditions in the sector, conditions in the economic environment and company's present and future performance for declaration and payment of dividend. In addition to above, the Board of Directors shall also consider the following factors while arriving at the dividend amount:

### (i) Statutory and Regulatory Compliance
The Company shall declare dividend only after ensuring compliance with the regulatory guidelines and applicable laws on dividend declaration, i.e., in line with the requirements of Companies Act, 1994, Order, Notifications or Directives issued by the BSEC, DSE, CSE and Central Depository Bangladesh Limited (CDBL) from time to time and other applicable laws relating to securities, etc.

### (ii) Financial Parameters
- Availability of profits
- Financial feasibility of the Company
- Favorable debt equity ratio
- Company's liquidity position and future cash flow requirements for operations
- Profits earned during the financial year
- Tax implications if any, on distribution of dividends and
- Such other factors and/or material events which the Board may consider necessary.

### (iii) Internal Factors
- Growth rate of past earnings
- Growth rate of predicted profits
- Earnings stability
- Accumulated reserves
- History of dividends distributed by the Company
- Working capital requirements
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans
- and investment in subsidiaries/associates of the Company

### (iv) External Factors

- Shareholders' expectations
- Macroeconomic and business conditions
- Sectorial performance
- Cost and availability of alternative sources of financing
- Industry outlook for the future years
- Quantum of dividends payout by other comparable businesses
- Unforeseeable circumstances such as natural calamities, pandemics, Government restrictions etc., effecting operation of the Company
- Changes in the Government policies or changes in regulatory provisions and Other relevant factors that the Board may deem fit.

## D. Entitlement of Dividend

The Company shall determine the record date or date of closure of the register of members. The Company shall give notice in advance (at least 14 market days but not exceeding 30 market days) to stock exchange(s) for fixing the record date. Members whose names shall appear in the Members'/Depository Register on the Record Date will be eligible to receive dividend.

The Company shall maintain detailed information of BO accounts, bank accounts, mobile phone number, email and address of the members/shareholders for the purpose of proper distribution of cash or stock dividends and/or bonus shares.

## E. Approval Procedure

(i) The dividend proposal placed before the Board for its recommendation shall be in term of this Policy

(ii) The recommendation of the Board should be placed before the Annual General Meeting for final approval of the Shareholders and

(iii) The Company shall ensure compliance with the provisions of applicable Laws and this Policy while declaring its dividends.

## F. Dividend Distribution

(i) Company shall pay off the dividend (both cash & stock) to the entitled shareholders within 30 days of approval..

(ii) Equivalent amount of Cash Dividend shall be kept in a dedicated separate Bank Account within 10 (ten) days of declaration by the Board of Directors;

(iii) The Company shall pay off cash dividend to the bank account of the entitled shareholder as available in the BO account maintained with the Central Depository Bangladesh Limited (CDBL) database system or the Bank Account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

(iv) If any claim on cash dividend is received from a stock broker, merchant banker or a portfolio manager for shareholders having debit balance or margin loan, margin clients or customers, the company shall pay off such cash dividend to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN;

(v) In case of non-availability of bank account information or if it is not possible to distribute cash dividend through BEFTN or any electronic payment system, the Company shall issue cash dividend warrant and shall send it by post to the shareholder;

(vi) Regarding non-resident shareholders, the Company shall pay off cash dividend through the security custodian in accordance with the applicable rules and regulations;

(vii) The Company shall deduct tax at source from the dividend and issue a certificate of such tax deduction to the shareholders;

(viii) Company shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);

(ix) If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the company to the Fund as directed or prescribed by the BSEC;

x) In case of issuance of bonus shares, the Company shall follow the applicable rules/regulations/guidelines issued by BSEC from time to time in this regard and shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the procedure set out in the BSEC Directive no. BSEC/CMRRCD/2021-386/03; January 14, 2021 for ensuring rightful ownership;

xi) If any stock dividend or bonus shares remains unpaid or unclaimed or unsettled for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the Company to the BO Account of the Fund in dematerialized form as directed or prescribed by the BSEC and inform the manager of the Fund of such transfer.

xii) If any shareholder claim his cash dividend, stock dividend or bonus shares (as the case may be) after transfer of such dividend or bonus shares to the Fund, the Company shall, within 15 (fifteen) days of receiving such claim, upon proper verification of such claim, recommend to the manager of the Fund to pay off or transfer such dividend or bonus shares from the Fund or the BO Account of the Fund to the said shareholder.

xiii) The Company shall follow the directives/circulars in force issued by the regulatory authorities related to dividend distribution from time to time.

xiv) The Company shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of the land in force.

## G. Approval Procedure

i) The Company shall maintain detailed information of unpaid or unclaimed dividend as per BO account number-wise or name-wise or folio number-wise of the shareholder and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/Annually) as a separate line item 'Unclaimed Dividend Account';

ii) The Company shall publish the year-wise summary of its unpaid or unclaimed dividend in the website;

iii) Any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, shall be transferred to a separate bank account of the company as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

## H. Compliance report to the Commission and Stock Exchanges

The Company shall submit a compliance report to the Commission and the Exchanges in a specified format in respect of the provisions of clause (2), (3), (4) and (5) of the Directive No. BSEC/CMRRCD/2021-386/03 dated January, 2021 within 7 (seven) working days of the completion of dividend distribution and publish the compliance report in its website.

## I. Utilization of Retained Earnings

The Company may utilize its retained earnings in the manner which is beneficial to the interest of the Company and its stakeholders. Retained earnings help in maintaining a healthy capital adequacy ratio and supports the future growth. The retained earnings may be used in any of the following ways, amongst others:

- Acquisition/diversification of business;
- Capital expenditure requirements;
- Investment in new business and/or additional investment in existing business;
- Market or product development/expansion plan;
- Increase in production capacity;
- Expansion and modernization of existing business;
- High cost of debt, issue of bonus shares, and;
- Any other way the Board deems fit and proper.

Apart from the above, the Board at its sole discretion may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging or unforeseeable circumstances.

The portion of profits not distributed among the shareholders as dividends will be used for the business activities of the Company.

## J. Circumstances Impacting Dividend Payment

Given herein below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

**May Expect Dividends:**

- Adequate profits and liquidity
- Accumulated profits not warranted for immediate business needs.

**May Not Expect Dividends:**

- Non availability of profits for dividend distribution
- Funds available for dividend but need to be conserved due to:
  - Business needs;
  - Adverse economic/market scenario expected in near future;
  - Augmenting internal resources.

## K. Conflict in the Policy

In the event of a conflict between the Policy and the existing statutory or regulatory laws, the statutory regulations shall prevail.

## L. Amendments/Modifications of the Policy

To the extent any change/amendment is required to be made in this Policy in terms of any applicable law, change in regulations or capital market condition, the provisions in the policy would be modified in due course to make it consistent with the law in force from time to time or to adopt to existing market conditions. Such amended Policy shall be placed before the Board for approval and ratification.

## M. Review of the Policy

The Board of Directors of the Company may review the Policy if, in the opinion of the Board, be deemed necessary.

## N. Disclosures of the Policy

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the official website of the Company.

## O. Disclaimer

This Policy shall not be construed as a solicitation for investments in the company's securities/shares and shall neither act as an assurance of guaranteed returns (in any form), on investments in the Company's securities;

The Policy does not constitute a commitment by the Company or the Board regarding the future dividends of the Company, but only represents a general guidance to Shareholders regarding dividend policy;

The statement of the Policy does not in any way restrict the right of the Board to use its discretion in recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant;

The Policy will be available on the company's website (i.e. *www.energypac.com*)

## Employment

Employee relation in Energypac Power Generation Ltd is usually cordial and the working environment is favorable. The breakdown of the Company's human resources is as follows:

| Particulars | 2021-2022 | 2020-2021 |
|---|---|---|
| Management | 18 | 38 |
| Staff | 336 | 332 |
| Workers | 562 | 492 |
| **Total** | **936** | **862** |

## Related Party Transaction

During the year, the Company carried out a number of transactions with related parties in the normal course of action. The details of these related parties transaction have been set out in the Note # 40.00 in audited Financial Statements of the Company (which is an integral part of this report) in accordance with the provisions of IAS 24: Related Party Disclosure.

## Initial Public Offering (IPO)

After successful bidding by the Eligible Investors (EI) and complying all necessary requirements, the Company received the IPO Consent letter on November 05, 2020. The Company listed in Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. Trade of share of the Company in Secondary Market started on January 19, 2021

Details of the utilization of the IPO Use of Proceeds as on January 31, 2022 is mentioned hereunder:

| Sl. No. | Purpose Mentioned in the Prospectus | Amount as per prospectus | *Amended Amount | Status of Utilization | | | | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Before this Month | This month utilization | Amount utilized | Utilized % | Total Unutilized Amount | Un-Utilized % | |
| 1 | Procurement of LPG Carrier & Accessories | 262,276,000 | - | - | - | - | 0% | - | - | |
| 2 | Import of LPG Cylinders | 521,881,555 | 694,022,019 | 682,417,092 | 15,798,620 | 698,215,711 | 100.60% | (4,193,692) | -1.00% | Overutilized |
| 3 | Procurement of Materials for LPG Cylinders | 175,710,938 | 265,846,473 | 193,275,383 | 78,175,625 | 271,451,008 | 102.11% | (5,604,535) | -2.00% | Overutilized |
| 4 | Loan repayment | 500,000,000 | 500,000,000 | 500,000,000 | - | 500,000,000 | 100.00% | - | 0.00% | |
| 5 | IPO Expenses | 40,131,507 | 40,131,508 | 34,136,510 | - | 34,136,510 | 85.06% | 5,994,998 | 14.94% | |
| Total | | 1,500,000,000 | 1,500,000,000 | 1,409,828,985 | 93,974,245 | 1,503,803,229 | 100.25% | (3,803,229) | -0.25% | |

## Remuneration to Directors

In accordance with the requirement of Bangladesh Securities and Exchange Commission, remuneration paid to Directors stated in the Note # 43.00 of the audited Financial Statements of the Company which is an integral part of this report. The Company didn't pay any remuneration to its Independent Directors.

# Overall Financial Performance (Standalone)

| Sl. No | Particulars | 2021-2022 | 2020-2021 | Growth | Growth (%) |
|---|---|---|---|---|---|
| 1 | Sales | 9,172,697,815 | 7,708,882,413 | 1,463,815,402 | 18.99% |
| 2 | EPC Sales | - | 129,294,051 | (129,294,051) | -100.00% |
| 3 | Total Sales | 9,172,697,815 | 7,838,176,465 | 1,334,521,350 | 17.03% |
| 4 | Cost of Revenues | 6,873,526,614 | 5,655,461,928 | 1,218,064,686 | 21.54% |
| 5 | Gross Profit | 2,299,171,201 | 2,182,714,536 | 116,456,665 | 5.34% |
| 6 | Administrative O/H | 678,344,077 | 649,939,472 | 28,404,605 | 4.37% |
| 7 | Selling O/H | 607,729,788 | 522,388,779 | 85,341,009 | 16.34% |
| 8 | Operational O/H | 1,286,073,865 | 1,172,328,251 | 113,745,615 | 9.70% |
| 9 | Operating Profit | 1,013,097,336 | 1,010,386,286 | 2,711,050 | 0.27% |
| 10 | Trade Receivables | 3,001,169,208 | 2,381,460,903 | 502,316,049 | 20.10% |
| 11 | Inventories | 2,460,607,974 | 1,687,732,993 | 772,874,981 | 45.79% |
| 12 | EBT | 261,779,857 | 355,201,654 | (93,421,797) | -26.30% |
| 13 | EAT | 214,351,115 | 270,448,202 | (56,097,087) | -20.74% |
| 14 | EPS | 1.13 | 1.61 | 0.48 | -30.04% |
| 15 | NAVPS | 42.72 | 43.59 | 0.13 | 0.30% |
| 16 | Current Asset | 9,854,180,722 | 10,128,575,717 | (189,564,105) | -1.89% |
| 17 | Current Liability | 11,974,733,911 | 10,620,892,106 | 1,249,352,086 | 11.65% |
| 18 | Bank Loan- Short Term | 6,888,007,244 | 4,936,287,298 | 1,951,719,947 | 39.45% |
| | Bank Loan- Long Term (Non-current portion) | 2,799,133,360 | 3,215,808,929 | (416,675,569) | -12.96% |
| | Bank Loan- Long Term (Current portion) | 1,170,585,070 | 1,633,359,742 | (462,774,671) | -28.33% |
| 19 | Total Employee | 936 | 546 | 79 | 9.22% |
| 20 | Per Capita Revenue | 9,799,891 | 14,355,635 | 653,827 | 7.15% |
| 21 | Per Capita Admin O/H | 724,727 | 1,190,365 | (33,663) | -4.44% |
| 22 | Current Ratio | 0.82 | 0.95 | 0.11 | -12.12% |
| 23 | Quick Ratio | 0.62 | 0.79 | 0.16 | -20.75% |

## Profitability

We have incurred loss for an amount of BDT 7.71 crore (Consolidated) and earmed profit of BDT 21.44 crore (Standalone) in the FY: 2021-2022 which was BDT 38.79 crore profit in Consolidation and BDT 27.04 crore in Standalone financial statements in FY: 2020-2021. It indicates a shrinking of 3.99% (Consolidated) and 1.11% (Standalone)

## Taxation

We have disputed tax liability with NBR. It is to be noted that, up to FY: 2004-05 we have no demand with NBR & with rest financial year we have disputed demand with department connecting section 82(C) of ITO 1984 & in connection of EPC as export income with connecting F.Y:10-11,11-12, 12-13, 13-14, 14-15, 15-16, 16-17, 17-18, 18-19 and 19-20. The Company already communicated and addressed with required documents to the Regulators (i.e. Appeal, Tribunal and honorable High Court) for getting verdict regarding mentioned Financial Years. The details have been mentioned in Note # 23.01 in the Audited Financial Statements of the Company.

## Audit Report

We have been able to receive an unqualified audit report for the FY: 2021-2022 from our statutory auditor Hoda Vasi Chowdhury & Co.

## Credit Rating

We have received credit rating from CRAB. We have achieved AA2 for Long Term Loan and ST-3 for Short Term Loan.

**Segment wise Revenue Analysis**

**Financial Year: 2021-2022**

| Sl. No. | Particulars | 2021-2022 | 2020-2021 | Variances | |
|---|---|---|---|---|---|
| | | | | Amount | % |
| 1 | Revenue from Liquefied Petroleum Gas (LPG) | 5,230,717,086 | 4,866,693,747 | 364,023,339 | 7.48% |
| 2 | Revenue from Building Material Division (BMD) | 802,648,904 | 537,237,907 | 265,410,998 | 49.40% |
| 3 | Revenue from Motor Vehicle Division (MVD) | 1,836,928,978 | 1,406,977,978 | 429,951,000 | 30.56% |
| 4 | Revenue from Power & Energy Division (PED) | 1,302,402,847 | 897,972,782 | 404,430,065 | 45.04% |
| **Core Business** | | **9,172,697,815** | **7,708,882,413** | **1,463,815,402** | **18.99%** |
| 5 | Revenue from EPC | - | 129,294,051 | (129,294,051) | -100.00% |
| **Total Revenue** | | **9,172,697,815** | **7,838,176,465** | **1,334,521,350** | **17.03%** |

**Accounts Receivable Position as on June 30, 2022**

| Sl. No. | Particulars | 2021-2022 | 2020-2021 | Variance | |
|---|---|---|---|---|---|
| | | | | Amount | % |
| **1** | Local Trade receivables | 2673234191 | 2,082,475,419 | 590,758,772 | 28.37% |
| **2** | EPC | 335871676.9 | 424,314,400 | (88,442,723) | -20.84% |
| **3** | Less: Doubtful Debt | (7,936,660) | (7,936,660) | - | 0.00% |
| **Total** | | **3,001,169,208** | **2,498,853,159** | **502,316,049** | **20.10%** |

**Inventory Position as on June 30, 2022**

| Sl. No. | Particulars | 2021-2022 | 2020-2021 | Variance | |
|---|---|---|---|---|---|
| | | | | Amount | % |
| 1 | Raw material | 620,503,107 | 495,463,033 | 125,040,074 | 25.24% |
| 2 | Semi-finished goods | 14,641,293 | 16,196,363 | (1,555,070) | -9.60% |
| 3 | Finished goods | 445,287,868 | 459,690,464 | (14,402,596) | -3.13% |
| 4 | Stock of spare parts | 348,441,195 | 320,332,966 | 28,108,229 | 8.77% |
| 5 | Stock in transit & contract assets | 1,218,653,166 | 582,968,822 | 635,684,345 | 109.04% |
| **Less:** | | | | | |
| 6 | Provision | 186,918,655 | 186,918,655 | - | 0.00% |
| **Total** | | **2,460,607,974** | **1,687,732,993** | **772,874,981** | **45.79%** |

## Director's Retirement

Mr. Enamul Haque Chowdhury, Director and Mr. Rezwanul Kabir, Director retired from the Board in terms of Articles of Association, and being eligible, offered themselves for re-election.



# Corporate Citizenship

Energypac constantly strives to spread its brand philosophy “change people's lives” amongst its community, stakeholders and the society at large. Some of our notable efforts were the distribution of G-Gas branded garbage bags to our surrounding communities to help them keep their city clean during Eid-Ul-Azha and uphold the spirit of the holy occasion. Energypac also ran its Mask Campaign, where we distributed masks adorned with fun images and icons amongst the city’s Rickshaw Pullers, Students, Pedestrians, Street Children and Vendors to protect them from dust and pollution every day.

“OMLAN SURJOSANTANRA” was the title given to an initiative, launching a website that intends to raise awareness about our Martyred Intellectuals of the 1971 Liberation War. This website contains all their relevant Information, Pictures and their contributions to our Liberation War. This is to preserve our Martyred Intellectual’s memory for society and future generations to come.

Energypac’s another significant wellness initiative is to preserve our nation’s Rivers. Bangladesh is introduced all around the globe as a country featuring numerous rivers, yet most of our rivers are facing an uncertain future. G-Gas a brand under the umbrella of Energypac strives to keep to its philosophy - “Bhalo Thakun Bhalo Rakhun” Energypac is continuing this initiative by committing to a clean-up campaign titled “NODI AMAR MAA” of the river adjacent to our G-Gas LPG plant in Dacope Upazila in Khulna. In the future, we intend to extend this action all over Bangladesh’s rivers.

As a part of the social wellbeing awareness program, Energypac installed thousand plus trash bins depicting G-Gas’ logo and an urging message to use the bin inside CNG Auto-rickshaws to encourage commuters and show how to keep their city clean and a better way of waste management.

Bidyananda is an organization that has always had the core mission to take care of our street and underprivileged children. This organization facilitates with Nutritious food packages amongst malnourished children. Energypac has joined forces with Bidyanada to spearhead this project “EK TAKAY AHAR.” .G-Gas has modernized their project’s kitchen with a reticulated LPG systems to improve the safety and efficiency and providing subsidized LPG Gas Cylinders for day to day cooking. We at Energypac feel proud to be a part of “EK TAKAY AHAR” project.

It is well known that scarcity of drinking water is acute as freshwater aquifers are not available at suitable depths and the surface water is highly saline in southwest Bangladesh. Households are mainly dependent on a few water technologies and sources including Rain Water Harvesting (RWH), Pond Sand Filters (PSF), Reverse Osmosis (RO), and deep tube-wells and pond water for drinking purposes. But as the technologies are expensive and barely affordable for the poor communities who are the majority of the area. Thus, they mostly drink contaminated water from local sources besides, most people in the region are unaware of the increasing salinity and its many implications. Almost 84 percent of people don't know about the adverse impact of salinity in groundwater in the country's coastal region. Energypac has set up a deep tube well to supply clean water to the communities of Dacope upazila of Khulna where G-Gas LPG plant operates. Furthermore, EPGL has taken an initiative to make aware people regarding health hazard of water salinity and continuously trying to facilitate the neighborhood in terms of Good Health, Good Financial improvement and Good Living as a whole.

Energypac’s “GLAD SQUAD” is here to support the fight against the coronavirus outbreak. Energypac has spearheaded a campaign to make sure all the medical institutions and labs fighting this pandemic does not face any kind of severance of power. So they put together a team of expert technicians to provide free servicing to all their backup Generators. Energypac wishes to come forward and join the fight against this pandemic as the leading Energy & Power Generation Organization. Energypac is determined to standby and do our part along with the nation's Doctors, Nurses, Law Enforcement Officers, Media personnel and whoever else fighting from the front. Energypac staying true to its philosophy donates Essential Food Supplies to the community to help them fight this disaster.

The Energypac family is standing with the nation and strives to continue lending a supporting hand in the future. It all started with a Dream, A dream to change people's lives, A dream to create a better future for a generation to come!




# PRIORITIZING SAFE AND HEALTHY WORKPLACE

It's in our vested interest to improve the quality of life of our workforce. Energypac ensures optimum occupational safety and Takes regular awareness drives that help the workforce to understand the importance of safety.

To know more visit **www.energypac.com** or scan the QR code

8 DECENT WORK AND ECONOMIC GROWTH

Energypac®

# FINANCIAL HIGHLIGHTS

## ENERGYPAC POWER GENERATION LIMITED

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

| Particulars | 2021-2022 | 2020-2021 | 2019-2020 | 2018-2019 | 2017-2018 |
|---|---|---|---|---|---|
| Revenue | 20,333,968,493 | 10,733,927,371 | 10,973,965,236 | 14,398,996,009 | 12,444,362,651 |
| Gross profit | 3,400,463,411 | 3,048,597,316 | 3,213,810,057 | 3,312,621,645 | 2,472,220,847 |
| Gross Profit margin | 16.72% | 28.40% | 29.29% | 23.01% | 19.87% |
| Profit before tax | (29,407,313) | 472,746,698 | 643,583,231 | 627,458,227 | 609,094,193 |
| Profit for the year | (77,116,690) | 387,862,576 | 581,844,392.44 | 479,932,737.00 | 453,507,602.00 |
| Net Profit margin | -0.38% | 3.61% | 5.30% | 3.33% | 3.64% |
| Property, plant and equipment | 25,574,449,570 | 18,408,899,001 | 17,466,862,964 | 19,049,346,202 | 17,229,382,240 |
| Authorized Capital | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |
| Share Capital (no.) | 190,163,216 | 190,163,216 | 149,869,650 | 149,869,650 | 149,869,650 |
| Issued & Paid Up Capital | 1,901,632,160 | 1,901,632,160 | 1,498,696,500 | 1,498,696,500 | 1,498,696,500 |
| Inventories | 4,614,607,191 | 2,560,681,422 | 2,199,053,744 | 2,690,344,676 | 3,033,325,880 |
| Total Assets | 49,150,350,304 | 39,062,500,888 | 35,856,186,813 | 32,036,586,830 | 29,969,044,026 |
| Total Liabilities | 38,246,957,734 | 28,276,290,087 | 28,088,103,628 | 25,147,352,697 | 23,802,279,509 |
| Net Assets | 10,903,392,570 | 10,786,210,801 | 7,768,083,185 | 6,889,234,133 | 6,166,764,517 |
| Current Assets | 20,910,558,166 | 13,648,328,419 | 12,396,206,214 | 11,637,459,063 | 11,814,818,374 |
| Current Liabilities | 29,719,741,150 | 18,879,109,867 | 21,522,515,753 | 18,652,925,121 | 17,697,869,159 |
| Net Current Assets | (8,809,182,984) | (5,230,781,448) | (9,126,309,539) | (7,015,466,058) | (5,883,050,785) |
| Earnings Per Share (EPS) | 0.38 | 2.30 | 3.83 | 3.13 | 2.92 |
| Net Asset Value Per Share (NAVPS) | 48.18 | 49.01 | 51.83 | 45.15 | 40.65 |
| Current Ratio | 0.70 | 0.72 | 0.58 | 0.62 | 0.67 |
| Quick Ratio | 0.55 | 0.59 | 0.47 | 0.48 | 0.50 |
| Return on Assets (ROA) % | 0.15% | 0.99% | 1.62% | 1.50% | 1.51% |
| Return on Capital Employed (ROCE) % | 0.36% | 1.70% | 3.29% | 2.49% | 2.73% |
| Return on Equity (ROE) % | 0.78% | 4.14% | 7.94% | 7.35% | 7.69% |

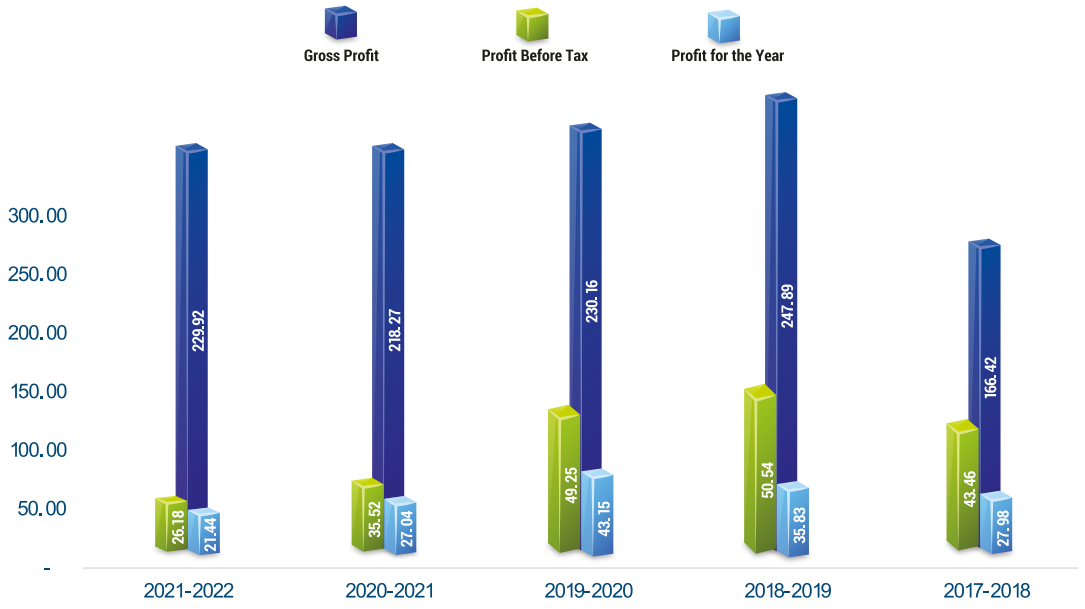
# FINANCIAL HIGHLIGHTS

## ENERGYPAC POWER GENERATION LIMITED

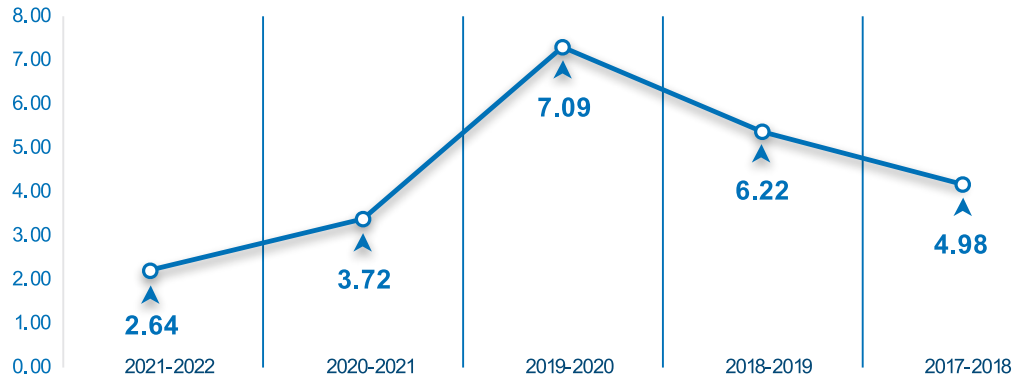
FINANCIAL HIGHLIGHTS (STANDALONE)

| Particulars | 2021-2022 | 2020-2021 | 2019-2020 | 2018-2019 | 2017-2018 |
|---|---|---|---|---|---|
| Revenue | 9,172,697,815 | 7,838,176,465 | 8,125,285,874 | 9,116,413,870 | 6,669,388,743 |
| Gross profit | 2,299,171,201 | 2,182,714,536 | 2,301,637,675 | 2,478,892,077 | 1,664,199,921 |
| Gross Profit margin | 25.07% | 27.85% | 28.33% | 27.19% | 24.95% |
| Profit before tax | 261,779,857 | 355,201,654 | 492,539,275.00 | 505,437,453.00 | 434,572,592.00 |
| Profit for the year | 214,351,115 | 270,448,202 | 431,507,688.00 | 358,352,495.00 | 279,847,564.00 |
| Net Profit margin | 2.34% | 3.45% | 5.31% | 3.93% | 4.20% |
| Property, plant and equipment | 11,381,377,515 | 10,360,810,289 | 9,120,295,005 | 8,836,928,464 | 8,033,735,211 |
| Authorized Capital | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 | 5,000,000,000 |
| Share Capital (No.) | 190,163,216 | 190,163,216 | 149,869,650 | 149,869,650 | 149,869,650 |
| Issued & Paid Up Capital | 1,901,632,160 | 1,901,632,160 | 1,498,696,500 | 1,498,696,500 | 1,498,696,500 |
| Inventories | 2,460,607,974 | 1,687,732,993 | 1,649,509,984 | 2,490,372,899 | 2,575,207,366 |
| Total Assets | 24,331,683,298 | 23,487,294,352 | 22,716,249,131 | 20,930,999,090 | 19,937,571,730 |
| Total Liabilities | 16,208,522,661 | 15,388,321,613 | 16,453,502,686 | 15,024,825,509 | 14,314,815,819 |
| Net Assets | 8,123,160,637 | 8,098,972,740 | 6,262,746,445 | 5,906,173,581 | 5,622,755,911 |
| Current Assets | 9,854,180,721 | 10,043,744,827 | 10,237,369,409 | 8,901,465,543 | 9,136,169,590 |
| Current Liabilities | 11,974,733,911 | 10,725,381,825 | 11,312,120,987 | 10,771,366,408 | 10,699,473,869 |
| Net Current Assets | (2,120,553,190) | (681,636,998) | (1,074,751,578) | (1,869,900,865) | (1,563,304,279) |
| Earnings Per Share (EPS) | 1.13 | 1.61 | 2.88 | 2.39 | 1.87 |
| Net Asset Value Per Share (NAVPS) | 42.72 | 42.59 | 41.79 | 39.41 | 37.52 |
| Current Ratio | 0.82 | 0.94 | 0.90 | 0.83 | 0.85 |
| Quick Ratio | 0.62 | 0.78 | 0.76 | 0.60 | 0.61 |
| Return on Assets (ROA) % | 0.88% | 1.15% | 1.90% | 1.71% | 1.40% |
| Return on Capital Employed (ROCE) % | 1.71% | 2.22% | 4.03% | 3.84% | 3.67% |
| Return on Equity (ROE) % | 2.64% | 3.77% | 7.09% | 6.22% | 4.98% |

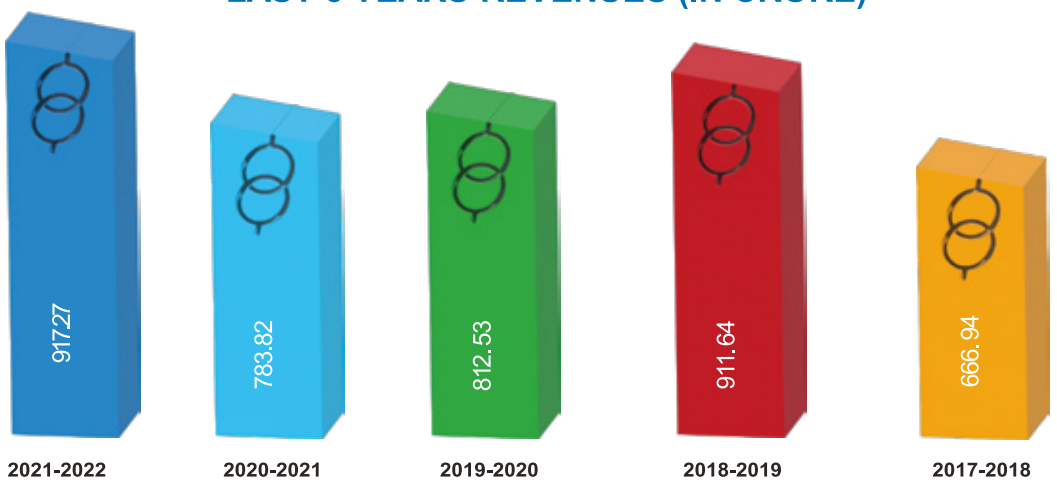
## GP, PBT & PAT (IN CRORE)



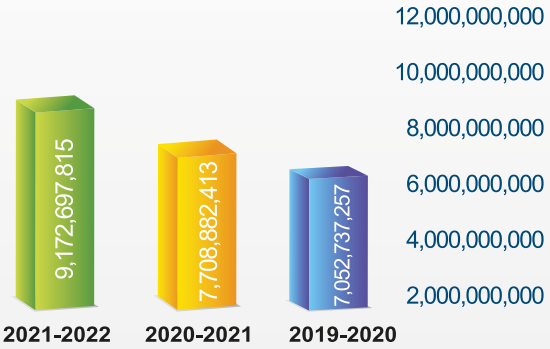

## RETURN ON EQUITY (ROE)



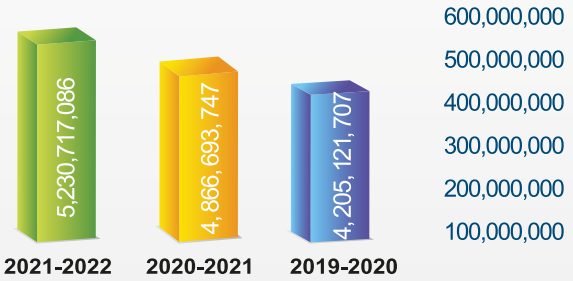

## LAST 5 YEARS REVENUES (IN CRORE)



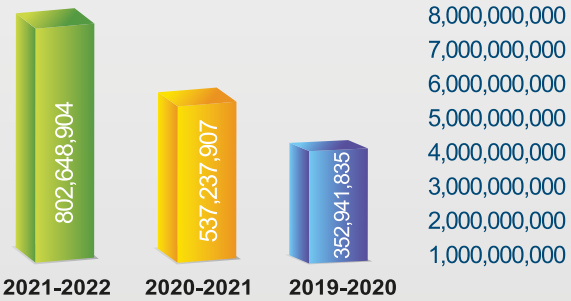
### Comparison of Revenue from Core Business



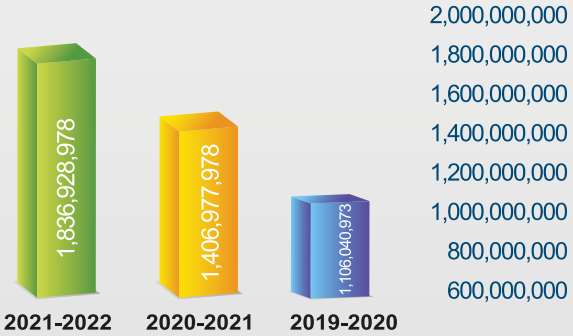

### Comparison of Revenue from Liquefied Petroleum Gas (LPG)



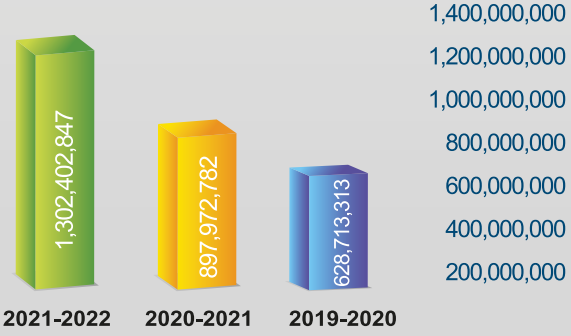

### Comparison of Revenue from Building Material Division (BMD)



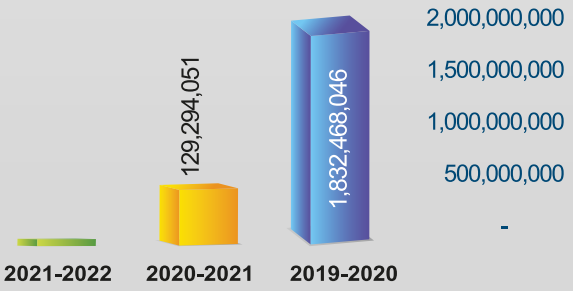

### Comparison of Revenue from Motor Vehicle Division (MVD)




### Comparison of Revenue from Power & Energy Division (PED)




### Comparison of Revenue from Engineering, Procurement and Construction (EPC)



## Audit Committee

The Audit Committee was set up to review the financial results, audit and compliance with the statutory and regulatory requirements. The Committee recommended to the Board of Directors to appoint the Company's auditors and to review the scope of internal audit. The Audit Committee constitutes with the following Members:

i. Mr. Mohammed Nurul Amin, Independent Director, Chairman of Audit Committee
ii. Mr. Rezwanul Kabir, Director, Member of Audit Committee
iii. Mr. Golam Mohammad, Director (Representative of EEL), Member of Audit Committee

## Report on Pattern of Shareholding

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification #SEC/CMRRCD/2006-158/134/Admin/44; Dated: August 07, 2012 and subsequently amended through their notification #SEC/CMRRCD/2006-158/207/Admin/80; Dated: June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

## Compliance of Condition No. 1.5 (xxiii)
## The pattern of Shareholding as on June 30, 2022

### A. Parent/Subsidiary/Associated companies and other related parties (name wise details):

| Sl. No. | Name of the Company | Number of Shareholdings |
|---|---|---|
| 1. | Energypac Power Venture Ltd. | 15,974,986 |
| 2. | EPV Ctg. Ltd. | |
| | i. Direct Holding | 34,082,001 |
| | ii. Indirect Holding | 177,270,622 |
| 3. | EPV Thakurgaon Ltd. (Indirect Holding) | 119,727,902 |

### B. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and their spouses and minor children (name wise details):

| Energypac Power Generation Limited | | | | | |
|---|---|---|---|---|---|
| Sl. No. | Particulars | | No. of Shareholdings | Name of Spouse | Shares hold by Spouse |
| 1 | Directors | | | | |
| | i. | Mr. Md. Rabiul Alam | 6,054,983 | Dr. Meerjady Sabrina Flora | 6,054,982 |
| | ii. | Mr. Enamul Haque Chowdhury | 6,054,983 | Mrs. Mahfuza Rahman Chowdhury | 6,054,982 |
| | iii. | Mr. Md. Nurul Aktar | 6,054,983 | Mrs. Mahjabeen Parvez | 118,125 |
| | iv. | Mr. Rezwanul Kabir | 6,054,983 | Mrs. Sabrina Sadek | 118,125 |
| | v. | Mr. Golam Mohammad (Representative of EEL) | 72,659,790 | Dr. Ireen Hossain | - |
| | vi. | Mr. Helal Uddin Ahammad (Representative of ICB) | 16,716,000 | | |
| | vii. | Mr. Mohammed Nurul Amin, Independent Director | - | Tahamina Arzuman | - |
| | viii. | Mr. Miakil Shipar, Independent Director | - | Mrs. Sarmir Hossain Ruhi | - |
| 2 | MD & Chief Executive Office<br>Mr. Humayun Rashid | | 6,054,983 | Mrs. Rifat Farzana | 6,054,981 |
| 3 | Chief Financial Officer<br>Mr. Md. Aminur Rahaman Khan | | - | Dr. Sharmin Hossain | - |
| 4 | Company Secretary & CCO<br>Mr. Md. Alauddin Shibly, ACS, ITP | | 36,675 | Mrs. Farah Deeba | - |
| 5 | Head of Internal Audit<br>Mr. Syed Erfan Saleh, FCA | | - | Mrs. Taskin Azim | - |

### C. Executives (Top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance):

| Sl. No. | Name of Executive | Designation | No. of Shareholdings |
|---|---|---|---|
| 1. | Mr. S. M. Jashim Uddin | GM & CBO, MVD | 23,250 |
| 2. | Mr. Alomay Biswas | GM & CBO, STEELPAC | - |
| 3. | Mr. Shahed Latif | GM & CBO, SCM | |
| 4. | Mr. Abu Sayed Raza | GM & CBO, LPG | 7,875 |
| 5. | Mr. Mohammad Masum Parvez | GM & CBO, PED | - |

## D. Shareholders holding ten percent (10%) or more voting interest in the company (name wise details):

| Sl. No. | Name of Shareholder/(s) | No. of Shareholdings | % of Shareholdings |
|---|---|---|---|
| 1. | Energypac Engineering Ltd. | 72,659,790 | 38.21% |

## Corporate Governance Compliance Report

In accordance with the requirement of Bangladesh Securities and Exchange Commission, "Certificate on Corporate Governance Compliance" is annexed with this report.

## Board Meetings and Attendance

During the year, five (05) Board Meetings held and the attendance by each Director was as follow:

| 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 |

The Directors who could not attend the meetings granted leave of absence.

## Corporate & Financial Reporting

The Company has complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission. Accordingly, the Directors are pleased to confirm the following:

(i) The financial statements together with the notes thereon have drawn up in conformity with International Financial Reporting Standards (BFRS), the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
(ii) Proper books of accounts of the Company have maintained.
(iii) Appropriate accounting policies have consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
(iv) The International Accounting Standards, as applicable in Bangladesh, have followed in preparation of financial statements.
(v) The systems of internal control are maintained and effectively implemented and monitored as well.
(vi) The company has carried on transactions smoothly with other Inter Companies.
(vii) There are no significant doubts upon the Company's ability to operate its business efficiently.
(viii) The key operating and financial data for last five years are annexed.

## Human Resources Development

Energypac Power Generation Ltd. emphasizes heavily on the Development of Human Resources. Employment at Energypac is governed by a set of policies and process, which not only ensures employee benefits but statutory compliances also.

In order to improve skills and productivity of the individuals, EPGL continuously provides external and in-house training maintaining a training calendar round the year. During the year, 2021-2022 the Company provided 3,851 person-hours of training to its employees. During this period 95% of the individuals were brought under the training program both home and abroad. It is expected that all employees will ultimately make a great contribution to company's growth and achieve further heights in the days to come.

# Energypac Power Generation Limited
# Declaration by CEO and CFO

October 26, 2022

**The Board of Directors**
Energypac Power Generation Limited
Energy Center
25 Tejgaon I/A, Dhaka-1208.

Subject: Declaration on Financial Statements for the year ended on June 30, 2022

Dear Sir/(s),

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No SEC/CMRRCD/2006-158/207/Admin/80; Dated: 03/06/2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

i. The Financial Statements of Energypac Power Generation Limited for the year ended on June 30, 2022 has been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

ii. The estimates and judgments related to the Financial Statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

iii. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

iv. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

v. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

vi. The management's use of the going concern basis of accounting in preparing the Financial Statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

i. We have reviewed the Financial Statements for the year ended on June 30, 2022 and that to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) These statements collectively present true and fair view of the Company's affairs and comply with existing accounting standards and applicable laws.

ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

**Sincerely yours,**

s/d
**Md. Aminur Rahman Khan**
**Chief Financial Officer (CFO)**

s/d
**Humayun Rashid**
**Chief Executive Officer (CEO)**

## Note of Appreciation

I sincerely express my gratitude to Hoda Vasi Chowdhury & Co. Chartered Accountants for carrying out the external audit professionally and advising us on various compliance issues relating to International Financial Reporting Standards (IFRSs). Auditor's direction has helped us to ensure compliance with laws and regulations in preparing the financial statements.

I would like to express my gratitude to our respected Regulators, Stakeholders and Well-wishers for their continuous support and confidence, which they have reposed on us, allowing EPGL to lay the foundations for its success story.

It is a challenge to have the compatriots as well as the broader world know the Energypac we know. As we strive to make our company better, we will also look for ways to build trust by communicating the good work. We are working hard to strengthen our culture of integrity and improve our compliance talent, processes and systems. Of course, we are not perfect. We make mistakes. Nevertheless, if the world could see all of the hard working, well-intentioned people inside our company who are making things better in their communities and in the world, I'm convinced they would be moved by it all.

We are changing how we work and what we do without changing our purpose and values. We will continue to work hard every day to earn your trust and support. We are proud of you and thank you for your interest in our company and your continued support.

I would like to thank our board members and personally, the Chairman, Mr. Md. Rabiul Alam. I also want to thank my Directors Mr. Enamul Haque Chowdhury, Mr. Md. Nurul Aktar, Mr. Rezwanul Kabir, Mr. Mohammed Nurul Amin, Mr. Helal Uddin Ahammed, Mr. Mikail Shipar, Mr. Golam Mohammad and last, but not least, the energetic EPGL team for some great achievement during the last financial year.

I wish the Company every success in the future.

s/d

**Humayun Rashid**
**Chief Executive Officer (CEO)**




# HARNESSING THE POWER OF NATURAL LIGHT

We are actively infusing natural light, an abundant resource, into all facets of our daily activities and educating our team members about the positive effects of daylight and how it impacts their well-being, engagement, and productivity.

To know more visit **www.energypac.com** or scan the QR code

SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Energypac®

# MANUFACTURING

## LPG BOTTLING PLANT
## LPG CYLINDER MANUFACTURING PLANT

- G-Gas has Started Commercial operations of LPG Import, Storage and bottling plant in Chunkuri, Dacope, Khulna in 2017 to distribute nationwide
- G-Gas using world class technology for Bottling from SIRAGA, France
- G-Gas has built Cylinder manufacturing plant using ROKTEC (Turkey) technology to manufacture LPG cylinders complying American Standard specifications DOT-4BA-240.
- Storage capacity 5,405.83 MT (Mother Plant) & 1,200 MT (Satellite Plant)

## POWER GENERATION GLAD

- EPGL is highly experienced in providing diesel and gas based power engineering EPC and turnkey solutions.
- EPGL has years of proven track record for both public and private sectors to deliver unparalleled engineering service and solution.

## COMMERCIAL VEHICLE ASSEMBLING JAC

- JAC has phenomenal market share and best in class commercial vehicle in 1.5 ton segment.
- JAC offers a wide range of commercial vehicle in trucks, covered van and pickups.











crafted with pride

## BUILDING MATERIAL Steelpac

- A complete steel construction solution which provides specialized service ranging from engineering, procurement, manufacturing and erection of steel structure.
- Steelpac adheres the usage of modern technology, standard construction codes and Safety protocols
- Steelpac has State-of-the-art manufacturing facility to ensure superior quality
- Steelpac offers EPC solutions both for commercial and industrial steel structure

## ASSEMBLING PLANT FOR GENERATOR AND COMMERCIAL VEHICLES

- Established assembly plant in Gazipur in association with JAC, a Chinese commercial vehicle manufacturer to assemble commercial vehicles.
- Established Diesel based generator assembly plant in 2015 to offer GLAD branded genset in association with Perkins engine.
- Production capacity per year - Commercial Vehicles 1,200 units; Diesel Generator 300 units & Steelpac 12,000 MT

# TRADING



## MOTOR VEHICLE DIVISION

- Started operation of Commercial Vehicle import, Sales & Service in 2006
- EPGL Motor Vehicle Division represents **JAC**, a world class Commercial Vehicle brand as an Exclusive Distributor in Bangladesh
- Launched **SHACMAN**, a heavy duty vehicle widely used for commercial usage
- Considering the safety of mass transportation, introduced **ANKAI**, one of the safest passenger and commercial buses



## CONSTRUCTION MACHINERIES AND MATERIAL HANDLING

- Introduced **JCB**, one of the top brands of construction machineries origin in UK and assembled in India
- EPGL's wide range of **JCB** earth moving equipment is highly recognized and competitive worldwide
- Launched **HELI** forklifts and pallets to the customers for smooth material handling to save man hour and increase productivity
- **HELI** is the most popular brand in material handling equipment segment all over China and an well accepted brand worldwide

## RENTAL

- Keeping the customer's need in mind, EPGL offers its wide range of machineries as a rental service
- RENTAL Service facilitates small & medium enterprises to help their businesses



## AGRO MACHINERY DIVISION

- Introduced world renowned brand **John Deere** from USA
- Contributing in mechanization of Bangladesh agricultural sector's growth since 2015



## POWER & ENERGY DIVISION

- Sole Distributor of **PERKINS** engines, a concern of CATERPILLAR INC., USA for after sales & spares support
- EPGL started trading of **FG Wilson** genset, a concern of Catterpillar, INC. USA. FG Wilson is highly accepted for its Reliability and Performance. Giving it a strong presence and making it a premium brand in Bangladesh.
- EPGL's Spares & Service team is highly focused on the service experiences using **Woodward** Governing system. It is the only authorized **Woodward** governing systems service provider in Bangladesh with workshop facilities with trained engineer
- Representing **SIEMENS** brand for providing Gas Gen-sets based solution
- **FS Curtis** Compressor is also represented by EPGL
- EPGL introduced **LiftsAll** a own branded lift with a various range - Passenger Lift, Panorama Lift, Goods Lift, Hospital Lift, Escalator, Car Lift, Dumbwaiter, Scissor lift
- **YC DIESEL** is a renowned Marine Engine introduced by EPGL in 2015




JCB Customer Meet-2022




4th Dhaka Commercial Automotive Show 2022 as a Platinum Sponsor




Annual JAC Day in conjunction with other countries around the world



Launches brand new "ANKAI Bus Chassis




Joined 4th Edition of 'BIMOX 2022' as a proud sponsor



Celebrates World Rivers Day 2022




Inauguration ceremony of country's first and only state-of-the-art generator testing lab " Engr. Khaleda Shahariar Dora testing lab"



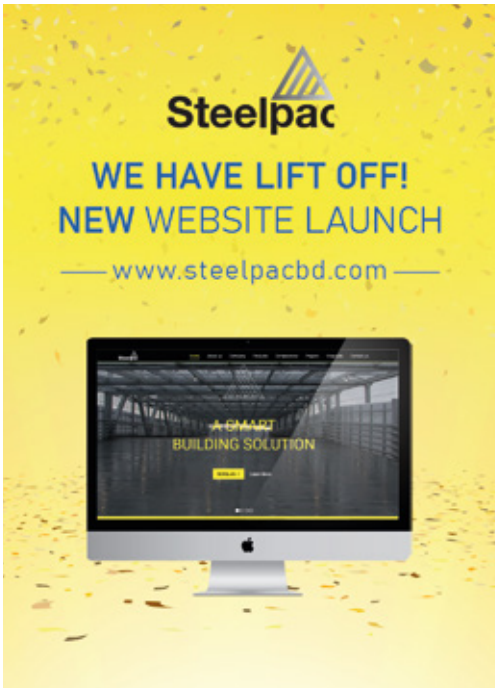

Certification award ceremony of EFLP




Inauguration Ceremony of G-Gas satellite Plant -101



Relief distributions among flood effected people in Sylhet




Lift off re-designed responsive Website of Steelpac




Awarded "AmCham CSR Excellence Award"




Celebrates World Environment Day 2022




Awarded "GBO Best CSR Company (Utility)




Participated the 7th edition of Safecon International Expo- 2022




METABUILD Certification On
"Resource Efficient Supply Chain Measures"




LPG Vessel MT G-Gas- 101




Celebrates International Women's Day 2022

# Report on Corporate Governance

Corporate Governance clearly defines the rights and responsibilities of the Board of Directors, Management, Shareholders and other Stakeholders. The Board supports Management, Internal and External Auditors and other related parties including the Shareholders. A good corporate governance is the most valuable and competitive asset of a company. Energypac Power Generation Ltd. (EPGL) believes in the continued improvement of corporate governance. The Board of Directors and the Management Team of Energypac Power Generation Ltd. is committed to maintaining effective Corporate Governance through a culture of accountability and transparency.

## Board of Directors

The Board of Directors comprises of eleven (11) members including the Independent Director's. All Directors have sound knowledge in the area of Engineering, Financial, Managerial expertise and sound academic and professional knowledge. They are well conversant with corporate governance.

## Appointment of Board Members

The Directors of the Board are appointed by the Shareholders in the Annual General Meeting who are accountable to the Shareholders.

## Appointment of Independent Director

The Board of Directors appointed Two (02) Independent Director. One of them was appointed in its 72nd BOD meeting held on November 22, 2018 and 76th BOD meeting held on December 09, 2019 consecutively. In selecting Independent Director, the Company always looks for an individual who possesses experience; strong inter personal skills and independence. The Board considered Independent Director to be independent of the Company and free of any business or other relationship that could impair his independent judgment. The Board believes that his experience and knowledge assists in providing both effective and constructive contribution to the Board.

## The Role of the Chairman and Managing Director

Position of the Chairman and Managing Director (MD) is identified clearly. The Chairman is responsible for leading the Board and its effectiveness. The Managing Director serves as the Chief Executive Officer (CEO) of the Company.

## Audit Committee

The Audit Committee was established as a sub-committee of the Board of Directors. The audit committee consists of three members of the Board including an Independent Director who is the Chairman of the Audit Committee. The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

## Company Secretary & CCO

The Company appointed Md. Alauddin Shibly, ACS, ITP as the Company Secretary and Chief Compliance Officer (CCO). He assists in legal and corporate affairs to the Board. Among other functions, the Company Secretary:

- Bridges between the Board of Directors and Shareholders on strategic and statutory decision.
- Acts as a quality assurance agent in all information towards the Shareholders and the Board
- Is responsible for ensuring that the appropriate Board procedures are followed.
- Acts as the "Disclosure Officer" of the Company and monitors the compliance of the Acts, rules, regulations, notifications, guidelines, orders/directives etc. issued by Bangladesh Securities and Exchange Commission and Stock Exchange (s) applicable to the conduct of the business activities of the Company.

The Company Secretary keeps the records of the Company's compliance/ noncompliance status of the conditions imposed by BSEC, which has shown in the compliance report on BSEC Notification.

## Chief Financial Officer

Mr. Md. Aminur Rahman Khan has been working as the Chief Financial Officer of the Company. He looks after the overall financial affairs of the Company. Among other functions, the Chief Financial Officer:

- Prepares Quarterly, Half-yearly and Yearly financial statements
- Maintain financial reporting procedures in line with the requirement of Bangladesh Accounting Standard
- Reports financial position and performance of the Company in its Board meeting

## Financial Reporting and Transparency

Financial Statements have been prepared in line with the Bangladesh Financial Reporting Standards, Bangladesh Accounting Standards and other legislations as applicable in Bangladesh. The company ensures timely publication of quarterly, half yearly and annual financial statements with comprehensive details beyond the statutory requirement.

## Compliance with Applicable Rules and Regulations

The Company's business activities are guided and supervised by local laws and regulations, which includes:

- The Companies Act, 1994
- Bangladesh Securities and Exchange Commission Ordinance, 1969
- Bangladesh Securities and Exchange Commission Rules, 1987
- Listing regulations of Dhaka and Chittagong Stock Exchange Limited
- International Accounting Standards
- International Financial Reporting Standards
- International Standards on Auditing
- The Income Tax Ordinance and Rules 1984
- The Value Added Tax and Supplementary Duty Act, 2012
- Value Added Tax and Supplementary Duty Rules, 2016

## Purchase Committee

A purchase committee is functioning with a group of executives, headed by a senior most executive to examine the purchase proposal of goods. Among others, the followings are the main responsibilities of the Committee:

- To evaluate the received proposal and find out the effectiveness of each proposal.
- To prepare a report based on evaluation of the purchase proposal with recommendation and sent to concerned departments for obtaining approval from the competent authority.
- To supervise the entire activities against procurement.

## Statutory Audit

The Companies Act, 1994 governs Statutory Audit of the Company. The Companies Act provides guidelines for the appointment, scope of work and retirement of auditors. Shareholders appoint auditors and fix their remuneration in the Annual General Meeting.

## Internal Audit

Internal Audit support the Company to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management and internal control system. Internal Audit activity is governed by the Internal Team, which is approved by the Board.

## Internal Control

The Company has an Internal Audit department consisting of seven (07) members and headed by the Head of Internal Audit & Compliance. The Internal control system is maintained and reviewed by an internal audit function that reports directly to the Audit Committee. Internal Control mechanism is built by the Company's systems and procedures to reduce the risk of error and fraud. The Board of Directors ensures sound internal control to provide reasonable assurance regarding the achievement of the Company's objectives in the areas of:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with laws and regulations

## Code of Conduct

Energypac Power Generation Ltd. has adopted Code of Conduct for securing good business ethics and conduct in all aspects of the Company's activities. The Code of Conduct is properly communicated to all employees and is strictly followed.

## Management Committee

The day-to-day Management of the Company is entrusted with the Managing Director and the Management Committee. The Management Committee serves the interest of the Company and achieves sustainable growth. The members of the Management Committee are jointly accountable for the entire Management of the Company and decide on the basic issues of business policy and corporate strategies.

## Restrictions on dealing in the Company's share by insiders

The Company has established policy relating to trading shares by Directors, Employees and other insiders. The securities laws has also imposed restrictions on similar sort of transaction.

## Going Concern

The Company has adequate resources to continue in operational existence for the near future. For this reason, the Company continues to adopt the going concern basis in preparing the financial statements.

## Communication with Shareholders

The Company encourages communication with shareholders throughout the year and welcomes their participation at shareholders meeting. The Company is transparent with the stakeholders, including the owners of the Company. Energypac Power Generation Ltd. reports to its shareholders quarterly regarding its business, financial position and earnings. These include:

- 1st Quarter, Half-yearly and 3rd Quarter financial statements.
- Audited Financial Statements in the Annual General Meeting.
- Price -Sensitive disclosures and other disclosures to the BSEC and Stock Exchanges

Energypac Power Generation Ltd. believes in transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance procedure.

On behalf of the Board

s/d

**Md. Alauddin Shibly, ACS, ITP**
Company Secretary & CCO




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13 CLIMATE ACTION

Energypac®

## Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3rd June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks (If any) |
|---|---|---|---|---|
| | | Complied | Not complied | |
| **1.** | **BOARD OF DIRECTORS (BOD):** | | | |
| 1.1 | **Board's Size**<br>The total number of members of a company's Board of Directors hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty). | √ | | The Board of Energypac Power Generation Limited Consists of 09 (nine) Members including 02 (Two) Independent Directors |
| **1.2** | **Independent Directors:** | | | |
| 1.2(a) | All Companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company the follow: At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s); | √ | | Energypac Power Generation Ltd. Board comprised of 09 (nine) Directors out of them 02 (two) are Independent Directors. |
| 1.2(b) | **Independent Director means a director:** | | | |
| 1.2(b) (i) | For the purpose of this clause "Independent Director" means a director who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company | √ | | The Independent Directors have declared their compliances. |
| 1.2(b) (ii) | Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company.<br>Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members. | √ | | |
| 1.2(b) (iii) | Who has not been executive of the company in immediately preceding 2 (two) financial years. | √ | | |
| 1.2(b) (iv) | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies | √ | | |
| 1.2(b) (v) | Who is not a member or TREC (Trading Right Entitlement Certificate) holder director or officer of any stock exchange? | √ | | |
| 1.2(b) (vi) | Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market | √ | | |

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| 1.2(b) (vii) | Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code | √ | | |
| 1.2(b) (viii) | Who shall not independent director in more than 5 (Five) listed companies. | √ | | |
| 1.2(b) (ix) | Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or Non-Bank Financial Institution (NBFI) | √ | | |
| 1.2(b) (x) | Who has not been convicted for a criminal offence involving moral turpitude | √ | | |
| 1.2 (c) | Independent Director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). | √ | | Appointment of Independent Directors were approved in the 26th AGM. |
| 1.2 (d) | The post of Independent director(s) cannot remain vacant for more than 90 (ninety) days | √ | | There was no vacancy in the position of Independent Directors during the period. |
| 1.2 (e) | The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. | √ | | |
| **1.3** | **Qualification of Independent Director (ID)** | | | |
| 1.3(a) | Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws regulatory requirements and corporate laws and can make meaningful contribution to business | √ | | The qualification and background of Independent Directors justify their ability as such. |
| 1.3(b) | **Independent director shall have following qualifications:** | | | |
| 1.3(b)(i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association | | | N/A |
| 1.3(b)(ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Chief Financial Officer or Head of Finance Or Accounts or Company Secretary or Head of internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of TK 100.00 million or of a listed company | √ | | Mr. Mohammed Nurul Amin, Independent Director is a Corporate leader. He was a Banker. |
| 1.3(b)(iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, Who has at least educational background of bachelor degree in economics or commerce or business or Law | √ | | Mr. Mikail Shipar is a former Secretary of Ministry of Labor and Employment. |
| 1.3(b)(iv) | University teacher who has educational background in Economics or Commerce or Business Studies or Law | | | |
| 1.3(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification | | | N/A |

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| 1.3(c) | The independent director shall have at least 10 (ten) years of experience in any filed mentioned in clause (b) | √ | | |
| 1.3(d) | In special cases, the above qualification or experiences may be relaxed subject to prior approval of the Commission. | | | **N/A** |
| 1.4 | **Duality of Chairperson of the Board of Directors and Managing Directors or Chief Executive Officer:-** | | | |
| 1.4(a) | The position of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals. | √ | | |
| 1.4(b) | The managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company. | √ | | |
| 1.4 (c) | The Chairperson of the Board shall be elected from among the non-executive directors of the Company. | √ | | Chairperson of the Board elected from among the non-executive Directors of the Company. |
| 1.4 (d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and /or Chief Executive Officer. | √ | | |
| 1.4 (e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Boards meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | √ | | |
| **1.5** | **The Directors' Report to Shareholders** | | | |
| 1.5(i) | Industry outlook & possible future development in the industry | √ | | |
| 1.5(ii) | Segment- wise or product- wise performance | √ | | |
| 1.5(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any. | √ | | |
| 1.5(iv) | A discussion on Cost of Goods sold, Gross Profit and Net Profit Margin and Net profit Margin, Where applicable | √ | | |
| 1.5(v) | Discussion on continuity of any Extra-Ordinary activities and their implication ( gain or loss) | √ | | |
| 1.5(vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; | √ | | |
| 1.5(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | √ | | |
| 1.5(viii) | An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights offer, Direct listing etc. | √ | | |
| 1.5(ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements; | √ | | |
| 1.5(x) | A statement of Remuneration paid to directors including independent directors | √ | | |
| 1.5(xi) | A statement that The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity | √ | | |
| 1.5(xii) | Proper books of accounts have been maintained | √ | | |

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| 1.5(xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment | √ | | |
| 1.5(xiv) | IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure | √ | | |
| 1.5(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored | √ | | |
| 1.5(xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress | √ | | |
| 1.5(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | √ | | |
| 1.5(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | √ | | |
| 1.5(xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized | √ | | |
| 1.5(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year | √ | | |
| 1.5(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend. | √ | | No interim dividend declared |
| 1.5(xxii) | The total number of Board meetings held during the year and attendance by each director, | √ | | |
| 1.5(xxiii) | **Pattern of shareholding and name wise details (disclosing aggregate number of shares):** | | | |
| 1.5(xxiii)(a) | Parent/Subsidiary/Associated Companies and other related parties (Name wise details) | √ | | |
| 1.5(xxiii)(b) | Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children (Name wise details) | √ | | |
| 1.5(xxiii)(c) | Executives | √ | | |
| 1.5(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (Name wise details) | √ | | |
| 1.5 (xxiv) | **In case of appointment/re-appointment of a Director, disclose:** | | | |
| 1.5(xxiv)(a) | a brief resume of the Director | √ | | |
| 1.5(xxiv)(b) | Nature of his /her expertise in specific functional areas | √ | | Directors have expertise on the activities of the Company's business. |
| 1.5(xxiv)(c) | Name of companies in which the person also holds the directorship and the membership of committees of that Board. | √ | | |

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| 1.5(xxv) | **Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:** | | | |
| 1.5(xxv)(a) | accounting policies and estimation for preparation of financial statements | √ | | |
| 1.5(xxv) (b) | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes | √ | | |
| 1.5(xxv)(c) | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof | √ | | |
| 1.5(xxv) (d) | Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario. | √ | | |
| 1.5(xxv)(e) | Briefly explain the financial and economic scenario of the country and the globe | √ | | |
| 1.5(xxv)(f) | Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company | √ | | |
| 1.5(xxv)(g) | Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM | √ | | |
| 1.5(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A** | √ | | |
| 1.5(xxvii) | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C.** | √ | | |
| 1.6 | **Meetings of the Board of Directors** | | | |
| 1.7 | **Code of Conduct for the Chairperson, other Board members and Chief Executive Officer** | | | |
| 1.7(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company | √ | | |
| 1.7(b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency | √ | | |
| 2 | **Governance of Board of Directors of Subsidiary Company.** | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company | √ | | |
| 2(b) | At least 1 (one) independent director on the Board of the holding company shall be a | √ | | |

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| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company | √ | | |
| 2( d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also | √ | | |
| 2 (e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | √ | | |
| 3.0 | **Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).** | | | |
| 3.1 | Appointment: | | | |
| 3.1(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) | √ | | |
| 3.1 (b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals. | √ | | |
| 3.1 (c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time. | √ | | |
| 3.1 (d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS | √ | | |
| 3.1 (e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | √ | | |
| 3.2 | **Requirement to attend Board of Directors' Meetings** | | | |
| 3.3 | **Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)** | | | |
| 3.3(a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief. | √ | | |
| 3.3(a)(i) | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; | √ | | |
| 3.3(a)(ii) | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws | √ | | |
| 3.3 (b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members; | √ | | |
| 3.3 (c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | √ | | |
| 4 | **Board of Directors' Committee.** | | | |
| 4.i | Audit Committee | √ | | |
| 4.ii | Nomination and Remuneration Committee. | √ | | |

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| **5** | **AUDIT COMMITTEE:** | | | |
| 5(i) | Responsibility to the Board of Directors | √ | | |
| 5.1(a) | The Company shall have an Audit Committee as a sub-committee of the Board of Directors | √ | | |
| 5.1(b) | The Audit Committee shall assist the BOD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. | √ | | |
| 5.1(c) | The Audit Committee shall responsible to the BOD. The duties of the Audit Committee shall be clearly set forth in writing | √ | | |
| **5.2** | **Constitution of the Audit Committee:** | | | |
| 5.2(a) | The Audit Committee shall be composed of at least 3 (three) members | √ | | The Audit Committee is composed with 3 (Three) members. |
| 5.2(b) | The BOD shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director. | √ | | The members of the Audit Committee are appointed by the Board including 1 (One) Independent Director. |
| 5.2(c) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience | √ | | |
| 5.2(d) | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee | √ | | |
| 5.2(e) | The Company Secretary shall act as the Secretary of the Audit Committee. | √ | | |
| 5.2(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director | √ | | |
| **5.3** | **Chairperson of the Audit Committee** | | | |
| 5.3 (a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director. | √ | | Mr. Mohammed Nurul Amin, Independent Director, is the Chairman of the Audit Committee. |
| 5.3 (b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes | √ | | |
| 5.3 (c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): | √ | | Chairperson of the Audit Committee will be present in the next AGM. |
| 5.4 | **Meeting of the Audit Committee** | | | |
| 5.4(a) | The Audit Committee shall conduct at least its four meetings in a financial year. | √ | | |
| 5.4(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must | √ | | |

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| 5.5 | **Role of Audit Committee** | | | |
| 5.5(a) | Oversee the financial reporting process | √ | | |
| 5.5(b) | Monitor choice of accounting policies and principles | √ | | |
| 5.5(c) | Monitor Internal Control Risk management process | √ | | |
| 5.5(d) | Oversee hiring and performance of external auditors | √ | | |
| 5.5(e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | √ | | |
| 5.5(f) | Review along with the management, the annual financial statements before submission to the Board for approval; | √ | | |
| 5.5(g) | Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | √ | | |
| 5.5(h) | Review the adequacy of internal audit function; | √ | | |
| 5.5(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | √ | | |
| 5.5(j) | Review statement of all related party transactions submitted by the management; | √ | | |
| 5.5(k) | Review Management Letters or Letter of Internal Control Weakness issued by statutory auditors. | √ | | |
| 5.5(L) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; | √ | | |
| 5.5(m) | oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: | √ | | |
| **5.6** | **Reporting of the Audit Committee** | | | |
| **5.6.(a)** | **Reporting to the Board of Directors** | | | |
| **5.6 (a) (i)** | The Audit Committee shall report on its activities to the Board. | √ | | |
| **5.6 (a) (ii)** | The Audit Committee shall immediately report to the Board on the following findings, if any | √ | | |
| **5.6 (a) (ii)(a)** | Report on conflicts of interests | √ | | |
| **5.6 (a) (ii)(b)** | suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements | √ | | |
| **5.6 (a) (ii)(c)** | Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations | √ | | |
| **5.6 (a) (ii)(d)** | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately | √ | | |
| 5.6.(b) | **Reporting to the Authorities.** | | | |

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| 6.1(c) | The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b). | √ | | |
| 6.2 | **Constitution of the NRC** | | | |
| 6.2(a) | The Committee shall comprise of at least three members including an independent director | √ | | |
| 6.2(b) | All members of the Committee shall be non-executive directors. | √ | | |
| 6.2(c) | Members of the Committee shall be nominated and appointed by the Board. | √ | | |
| 6.2(d) | The Board shall have authority to remove and appoint any member of the Committee | √ | | |
| 6.2(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee | | | |
| 6.2(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee | √ | | |
| 6.2(g) | The company secretary shall act as the secretary of the Committee | √ | | |
| 6.2(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director | √ | | |
| 6.2(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | √ | | |
| 6.3 | **Chairperson of the NRC** | | | |
| 6.3(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director | √ | | |
| 6.3(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes | √ | | |
| 6.3(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: | √ | | The Chairperson of the NRC shall attend the AGM to answer the queries of the shareholders. |
| 6.4 | **Meeting of the NRC** | | | |
| 6.4(a) | The NRC shall conduct at least one meeting in a financial year | √ | | |
| 6.4(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC | √ | | |
| 6.4(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an | √ | | |

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| 6.4(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC | √ | | |
| 6.5 | Role of the NRC | | | |
| 6.5(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders | √ | | |
| 6.5(b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board: | √ | | |
| 6.5(b)(i) | formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following | √ | | |
| 6.5(b)(i)(a) | the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully | √ | | |
| 6.5(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks | √ | | |
| 6.5(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals | √ | | |
| 6.5(b)(ii) | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality | √ | | |
| 6.5(b)(iii) | identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board | √ | | |
| 6.5(b)(iv) | Formulating the criteria for evaluation of performance of independent directors and the Board | √ | | |
| 6.5(b)(v) | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria | √ | | |
| 6.5(b)(vi) | Developing, recommending and reviewing annually the company's human resources and training policies | √ | | |
| 6.5(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report | √ | | |
| **7.** | **EXTERNAL / STATUTORY AUDITORS:** | | | |
| 7.1 | The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely | √ | | |
| 7.1(i) | Appraisal or valuation services or fairness opinions | √ | | |
| 7.1(ii) | Financial information systems design and implementation | √ | | |

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| 7.1(iii) | Book-keeping or other services related to the accounting records or financial statements | √ | | |
| 7.1(iv) | Broker-dealer services | √ | | |
| 7.1(v) | Actuarial services | √ | | |
| 7.1(vi) | Internal audit services or special audit services | √ | | |
| 7.1(vii) | Any service that the Audit Committee determines | √ | | |
| 7.1(viii) | Audit or certification services on compliance of corporate governance as required under condition No. 9(1) | √ | | |
| 7.1(ix) | Any other service that creates conflict of interest | √ | | |
| 7.2 | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members | √ | | |
| 7.3 | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders | √ | | |
| **8.** | **Maintaining a website by the Company:** | | | |
| 8.1 | The company shall have an official website linked with the website of the stock exchange | √ | | https://www.energypac.com linked with DSE & CSE |
| 8.2 | The company shall keep the website functional from the date of listing | √ | | |
| 8.3 | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | √ | | |
| **9.** | **REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:** | | | |
| 9.1 | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | √ | | Certificate of compliance of corporate Governance obtained from ARTISHAN-Chartered Accountant. |
| 9.2 | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. | √ | | |
| 9.3 | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not. | √ | | |

# REPORT TO THE SHAREHOLDERS OF ENERGYPAC POWER GENERATION LIMITED ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code **ENERGYPAC POWER GENERATION LIMITED** for the year ended on June 30, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

ⓐ The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except the conditions stated in the remarks column of the status.

ⓑ The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.

ⓒ Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

ⓓ The Governance of the company is satisfactory.

s/d
**Md. Selim Reza, FCA, FCS**
Partner
ARTISAN-Chartered Accountants

Place: Dhaka
Date: 09 November, 2022

**Sonargaon Terrace (2nd Floor), H # 52, Road # 13/C**
**Block # E, Banani, Dhaka - 1213, Bangladesh**

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# Audit Committee Report

## Background

In accordance to the best practice of Corporate Governance, the Board of Directors of Energypac Power Generation Limited established an Audit Committee on December 09, 2012 in its 41st Board Meeting as per Circulation of BSEC Vide Order No BSEC/CMRRCD/2006-158/207/Admin/80; Dated: June 03, 2018.

The Board of the Company appointed Audit Committee and all of them are Non-Executive Directors. The other member of the committee is Independent Director who is also the Chairperson of the committee. All members of the Audit Committee are financially literate and are able to analyze and interpret financial statements effectively and discharge their duties and responsibilities as members of the Audit Committee.

The Audit Committee supports the Board in fulfilling their responsibilities more effectively.

## Composition of Audit Committee

The Audit Committee is composed of the following members:

- **Mr. Mohammed Nurul Amin, Independent Director**
  Chairman of Audit Committee
- **Mr. Rezwanul Kabir, Director**
  Member of Audit Committee
- **Mr. Golam Mohammad, Director (Representative of EEL)**
  Member of Audit Committee

The Chief Financial Officer attends the meeting by invitation. The Company Secretary functions as the Secretary of the Audit Committee.

## Purpose of Audit Committee

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and when appropriate, make recommendations to the main Board on business risks, internal controls and compliance. The Committee satisfies itself, by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the Company's business is conducted in a proper and economically sound manner. The key responsibilities as members of the Audit Committee includes:

- Monitor the integrity of the financial reporting process ensuring compliance to accounting policies, standards and principles
- Monitor internal control and business risk management process.
- Oversee hiring and performance of external auditors
- Monitor and review the effectiveness of internal audit function
- Other matters as per terms of reference of the Audit Committee.

## Authority

The Audit Committee is authorized by the main Board to review any activity within the business as per its terms of reference. It is authorized to seek any information it requires from, and require the attendance at any of its meetings of any Director or member of management and all employees are expected to co-operate with any request made by the Committee.

The Committee is also authorized to have information and advice from the Company's legal Advisor, Tax Consultant and Statutory Auditor if required. The terms of reference of the Audit Committee may be amended from time to time as required for the business in line with BSEC notifications subject to approval by the Board.

## Meeting Attendance

During the financial year 2021-2022, 04 (Four) meetings of the Audit Committee were held. Proceedings of the Audit Committee Meetings were reported regularly to the Board of Directors. The details of attendance of each member at the Audit Committee meetings during the year ended on June 30, 2022 are as follows:

| Name of the Member | Designation | Meeting Held | Attended | % |
|---|---|---|---|---|
| Mr. Mohammed Nurul Amin, Independent Director | Chairman | 4 | 4 | 100% |
| Mr. Rezwanul Kabir, Director | Member | | 4 | 100% |
| Mr. Golam Mohammad (Representative of EEL) | Member | | 3 | 75% |

Chief Financial Officer and Head of Internal Audit of Energypac Power Generation Limited attended all the meetings upon invitation by the Audit Committee. From time to time, other senior members of management also appeared in the meetings for consultation and discussion.

## Summary of Activities in 2021

In 2022, the Audit Committee reviewed its terms of reference in line with requirements of BSEC notification on corporate governance. The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. Moreover, an Audit Committee effectiveness survey had been carried out for the year 2022, which reflected full compliance to the effectiveness Guidelines. During the year 2022, the Audit Committee carried out the following activities:

### Approval of Financial Statements

The Audit Committee reviewed and examined the quarterly and the Annual Financial Statement for the FY: 2021-2022 prepared by the Management and recommended to place the same before the Board of Directors for consideration. The Board approved the Annual Financial Statement at its 90th BOD Meeting held on October 27, 2022 and forwarded for consideration and adoption by the Shareholders in the Annual General Meeting.

### Internal Control and Business Risk Management

- Reviewed EPGL Risk Management Framework, assessed, and evaluated the relevance and robustness of the risk mitigation plans.
- Reviewed the status, learning and enhancements of the identified Business Continuity Plans.
- Reviewed the management self-assessment of controls across the business and the action plans
- Put forward for further enhancement of the same.
- Reviewed and recommended to the Board steps to improve the Company's internal control
- Systems derived from the findings of the internal and external auditors.
- Received updates on breaches of the standards of Business Conduct and reviewed relevant management actions.

### Internal Audit

- Reviewed and approved internal audit plans as to its consistency with the EPGL Risk Management Frame work and examined the adequacy of coverage.
- Reviewed internal audit reports as per EPGL's annual audit plan and corresponding actions to improve controls as agreed by the management.
- Reviewed status reports of internal Audit to ensure that appropriate actions had been taken to implement the audit recommendations.

## Related party Transactions

Reviewed the recurrent related party transactions entered into by the Company in 2022.

## External Audit

Reviewed the observations and recommendation suggested by external audit. The committee directed the management for necessary changes.

## Regulatory Compliance

The Audit Committee examined whether the Company's procedures are in place to ensure compliance with-

- The laws and regulations framed by the regulatory Authorities (BSEC, DSE, CSE, CDBL, NBR, RJSC&F and Others)
- Internal regulations approved by the Board of Directors.

The Committee was satisfied that the Company substantially complied with these regulatory requirements.

Acknowledgement
The Audit Committee expressed its sincere gratitude to the members of the Committee, management and the auditors for their support in carrying out its duties and responsibilities effectively.

On behalf of the Audit Committee

s/d
**Mohammed Nurul Amin**
Chairman of Audit Committee

# Nomination & Remuneration Committee Report

Pursuant to Code 6.5(c) of Codes of Corporate Governance, the policy and report of the Nomination and Remuneration Committee (NRC) are presented hereunder at a glance. The tasks under the purview of HR for ensuring best practices in employment, recruitment and selection are important functions at Energypac Power Generation Limited. Considering the magnitude and to discharge its entrusted responsibilities, the Board of Directors of Energypac Power Generation Limited has duly constituted a Nomination and Remuneration Committee, as per the requirements of the BSEC Codes of Corporate Governance. NRC assists the Board in formulating the nomination criteria for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives, as well as a policy for the formal process of considering the remuneration of Directors and senior level executives of the Company.

Composition of Nomination and Remuneration Committee
The Nomination & Remuneration Committee is composed of the following members:

- **Mr. Mohammed Nurul Amin, Independent Director**
  Chairman of Audit Committee
- **Mr. Mikail Shipar, Independent Director**
  Member of Audit Committee
- **Mr. Golam Mohammad, Director (Representative of EEL)**
  Member of Audit Committee

Meeting Attendance
During the financial year 2021-2022, 01 (One) meeting of the Audit Committee was held. Proceedings of the Nomination & Remuneration Committee meetings were reported regularly to the Board of Directors. The details of attendance of each member at the Nomination & Remuneration Committee meetings during the year ended on June 30, 2022 are as follows:

| Name of the Member | Designation | Meeting Held | Attended | % |
|---|---|---|---|---|
| Mr. Mohammed Nurul Amin, Independent Director | Chairman | 1 | 1 | 100% |
| Mr. Mikail Shipar Independent Director | Member | | 1 | 100% |
| Mr. Golam Mohammad, Director (Representative of EEL) | Member | | 1 | 100% |

NRC also assists the Board in formulating policy for supporting the formal and continued process of considering the remuneration/honorarium of Directors and other top-level executives. NRC fulfills a stewardship role by assisting the management to identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria. This report of the Nomination and Remuneration Committee is prepared according to the requirements of the CG Codes of BSEC. It covers nomination and remuneration policies, evaluation criteria and activities of the NRC.

## Terms of Reference

NRC has performed its duties as assigned to it by the Board of Directors, which is based on the Charter of NRC formulated in alignment with the Corporate Governance Code of BSEC, as well as comprising global best practices.

## Evaluation Criteria

### Executive Directors

The respective line authority of the Executive Director(s) sets the performance measurement criteria based on the respective role, profile and responsibilities through a Company appraisal process at the beginning of each calendar year. The Executive Director(s) prepare the performance document (half-year and year end). The respective line authority then evaluates the performance of the Executive Director(s) according to the measurement criteria.

## Independent Director & Non-Executive Director

The evaluation of performance of the Independent Directors (IDs) and Non-Executive Directors are carried out at least once a year by the Board of Directors, according to the following criteria:

i. Attendance at the Board meetings and committee meetings

ii. Participation in the Board meetings and committee meetings

iii. Contribution to improving the corporate governance practices of the Company

## Top-level Executives & other Employees

The respective line authority of top-level executives and other employees sets the performance measurement criteria based on the respective roles and responsibilities to achieve people and business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document (half-year and year end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

## Activity summary of NRC during the year

- Reviewed the Terms of Reference of NRC and reported findings to the Board;
- Formulated a policy relating to remuneration of Directors, Non-executive directors and top level management, within the terms of the employment contract on an annual basis;
- Formulated a policy relating to the remuneration package to be awarded to senior executives;
- Reviewed the Company's recruitment, retention, and termination policies for the top level management and senior executives and any changes to those policies;
- Reviewed incentive schemes for the top level management , Senior Executives and other Employees, if appropriate;
- Reviewed whether the staff remuneration is aligned with market trend or not;
- Ensured that, there is no gender or other inappropriate bias (sex, religion, color or creed etc.) in the remuneration of Senior Executives and all other Employees in line with the company's policy of being 'An Equal Opportunity Employer';
- Ensured that, the company's remuneration and incentive policies, practices and performance indicators are aligned to the Board's vision, values and overall business objectives and are appropriately designed to;
- Demonstrated a clear relationship between the achievement of the company's objectives, staff performances and remunerations;
- Adopted a code of conduct for the Chairman, Directors and top-level executives of the Company;
- Reviewed the HR policy relating to employee benefits;
- Reviewed vacancy positions or new positions and reported and/or recommended about it to the Board for ultimate appraisal

**Report Authorization**
This NRC Committee Report is made in accordance with the resolution of the Board of Directors on October 27, 2022.

On behalf of the Nomination & Remuneration Committee

**s/d**
**Mohammed Nurul Amin**
Chairman of Nomination & Remuneration Committee

# Independent Auditors' Report

## and

## Consolidated and Separate Financial Statements

## of

## Energypac Power Generation Limited

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 23.01 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.<br><br>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.<br><br>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.<br><br>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.<br><br>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:<br><br>• Understanding of various revenue streams and related operational matters;<br>• 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.<br>• Credit approval process and assigning credit limit to a customer including collection of security related documents to mitigate/minimize loss in customer default;<br>• Periodic balance confirmation from debtors;<br>• Monitoring process for overdue receivables; and<br>• Group's policy of creating provision against overdue receivables and periodic write off in line with IFRS 9.<br><br>Our substantive procedures in relation to the assessing valuation of receivables comprises the following:<br>• Reconciliation of debtors ageing to general ledger;<br>• Checking of revenues recognized from electricity supply to BPDB/REB and inquire about any overdue receivables;<br>• Conducting cut-off testing at the year-end;<br>• Reviewing subsequent receipt of receivables balance;<br>• Comparing current year rebate accruals to the prior year and issuance of credit notes post year-end; and<br>• Recalculation of provision for trade receivables as required by IFRS 9 and compared against actual write off/loss on repossession in prior periods.<br><br>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.<br><br>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.<br><br>Advances received from EPC and other customers are disclosed after netting off against receivables from them and final adjustment is made upon settlement.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>Furthermore, due to the COD of EPVTL the inventory size of the Group has also increased significantly.<br><br>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.<br><br>We observed physical inventory counts and reviewed the reconciliation process of the count results to the inventory records maintained in the system.<br><br>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.<br><br>We reviewed the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year.<br><br>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.<br><br>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.<br><br>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.<br><br>In addition, the Company has paid customs duties and taxes during importation which are provisionally kept under advance against purchase and subsequently transferred to the relevant position to inventory. |
| 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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br>For capex program we checked capitalization of costs including borrowing costs and its timely transfer to PP&E including start of charging depreciation.<br><br>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.<br><br>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.<br><br>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 4, note 7 and note 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.<br><br>In addition, the Company also has receivable from these subsidiaries which are interest-free.<br><br>Management has conducted impairment assessment and calculated recoverable value of investments in separate financial statements solo books in accordance with IAS 36.<br><br>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.<br><br>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.<br><br>Certain regulatory formalities like obtaining of certifying copy of new share allotment by the RJSC and other related matters are pending. | We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36. The impairment analysis cover the carrying value of investments as well as inter-company receivable balance.<br><br>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.<br><br>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.<br><br>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.<br><br>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 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.<br><br>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.<br><br>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.<br><br>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.<br><br>Accordingly, the Company and the Group operate in a heightened legal and regulatory environment, and 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.<br><br>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:<br><br>• Utilization of IPO fund shall be made for the intended purposes within the stipulated time as prescribed in the consent/approval letter of BSEC.<br><br>• 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.<br><br>• 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. | We have conducted the following procedures to assess compliance of various regulatory and other matters applicable for the Company and the Group:<br><br>**Utilisation of IPO proceed**<br>We have reviewed the prospectus and related IPO approval documents.<br><br>We assessed controls around administration of IPO funds including deposits in bank and withdrawals made thereon.<br><br>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.<br><br>**Related party transaction**<br>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.<br><br>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.<br><br>**The Labour Act**<br>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.<br><br>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.<br><br>The Company being a listed company is subject to lower corporate tax rate. 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.<br><br>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. | The Company's tax assessments for various years until 2017-2018 are pending at the High Court Division of the Supreme Court of Bangladesh.<br><br>For the financial years 2018-2019 and 2019-2020 appeals are pending at various levels against the initial 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.<br><br>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 12.03, 23.01 and note 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.<br><br>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.<br><br>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.<br><br>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 will be later on converted in the form of long-term loan.<br><br>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.<br><br>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 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 1987 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

(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.

s/d
**Sabbir Ahmed, FCA, Partner**
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** | | **49,150,350,304** | **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.**

s/d
**Chairman**

s/d
**Managing Director**

s/d
**Director**

s/d
**Company Secretary**

s/d
**Chief Financial Officer**

**As per our report on same date**

s/d
**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 Profit or Loss and Other Comprehensive Income
## For the year ended 30 June 2022

Amount in BDT

| Particulars | Notes | 2021-2022 | 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.**

s/d
**Chairman**

s/d
**Managing Director**

s/d
**Director**

s/d
**Company Secretary**

s/d
**Chief Financial Officer**

**As per our report on same date**

s/d
**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 | - | - | - | - | - | - | (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** |

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

| | Notes | Amount in BDT 2021-2022 | 2020-2021 |
|---|---|---|---|
| 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 | | 408,805,626 | 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** | | **3,489,884,313** | **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** | | **(994,402,428)** | **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.**

s/d
**Chairman**

s/d
**Managing Director**

s/d
**Director**

s/d
**Company Secretary**

s/d
**Chief Financial Officer**

**As per our report on same date**

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

**Dhaka, 27 October 2022**
**DVC No: 2210300770AS837692**

# 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.**

s/d
**Chairman**

s/d
**Managing Director**

s/d
**Director**

s/d
**Company Secretary**

s/d
**Chief Financial Officer**

**As per our report on same date**

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

**Dhaka, 27 October 2022**
**DVC No: 2210300770AS837692**

## 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 | Amount in BDT 2021-2022 | 2020-2021 |
|---|---|---|---|
| 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.**

## 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.

**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

**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

**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.
• 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 existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

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

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

- 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 principle, 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.

| | | | |
|---|---|---|---|
| **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 | 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 | | 30 June 2021 | |
|---|---|---|---|---|---|
| | | No. of shares | Value (Tk) | No. of shares | 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** |

**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 39.

### 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 surplus 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.

ENERGYPAC POWER GENERATION LIMITED
Notes to the Consolidated and Separate Financial Statements
As on and for the year ended June 30, 2022

## 4.00 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** | **11,381,377,515** |
| **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** |

## 4.01 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.



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| | | Amount in BDT | |
|---|---|---|---|
| | | 30 June 2022 | 30 June 2021 |
| **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 | 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 | | 30 June 2021 | |
|---|---|---|---|---|---|
| | | No. of shares | Value (Tk) | No. of shares | 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 surplus.

## 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.

| **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**.

| **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** |

| **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 12.03. 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.

**23.02** 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.

**23.03 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.

| | | Amount in BDT | |
|---|---|---|---|
| | | 2021-2022 | 2020-2021 |
| **25.00** | **Revenues** | | |
| | 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 4.01) | 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 (Note 4.01) | 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 |
| 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 |
| | **(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 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

| | | |
|---|---|---|
| **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** | **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 & revaluation reserve | 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) |
| **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 year** | | | | | | **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 mo | 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 mo | 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 mo | 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 mo | 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 30 June 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.

## 41.02 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities of the Company:

| | 30 June 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Maturity period | Nominal Interest rate | Contractual cash flows | Within 12 months or less | More than 12 months |
| | Taka | Taka | % | Taka | Taka | Taka |
| Bank overdraft | 894,917,933 | June 2022 | 9%-12% | 894,917,933 | 894,917,933 | - |
| Trade payables | 668,707,790 | June 2022 | N/A | 668,707,790 | 668,707,790 | - |
| Other payables | 2,352,515,874 | June 2022 | N/A | 2,352,515,874 | 2,352,515,874 | - |
| Short term bank loar | 6,888,007,244 | June 2022 | 9%-12% | 6,888,007,244 | 6,888,007,244 | - |
| Term Loan | 3,969,718,430 | June 23-June 25 | 9%-12% | 3,969,718,430 | 1,170,585,070 | 2,799,133,360 |
| | **14,773,867,271** | | | **14,773,867,271** | **11,974,733,911** | **2,799,133,360** |

| | 30 June 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Maturity period | Nominal Interest rate | Contractual cash flows | Within 12 months or less | More than 12 months |
| | Taka | Taka | % | Taka | Taka | Taka |
| Bank overdraft | 1,629,389,310 | June 2022 | 9%-12% | 1,629,389,310 | 1,629,389,310 | - |
| Trade payables | 696,646,304 | June 2022 | N/A | 696,646,304 | 696,646,304 | - |
| Other payables | 1,725,209,452 | June 2022 | N/A | 1,725,209,452 | 1,725,209,452 | - |
| Short term bank loar | 4,936,287,298 | June 2022 | 9%-12% | 4,936,287,298 | 4,936,287,298 | - |
| Term Loan | 4,849,168,671 | June 23-June 25 | 9%-12% | 4,849,168,671 | 1,633,359,742 | 3,215,808,929 |
| | 13,836,701,035 | | | 13,836,701,035 | 10,620,892,106 | 3,215,808,929 |

## 41.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### a) Currency risk

The Company is exposed to currency risk on certain revenues and purchases such as service revenue and purchase of generator and pick up van. Majority of the company's foreign currency transactions are denominated in USD and EURO. The Company maintains a USD and EURO bank account where all receipts are deposited and all corresponding payments are made.

#### i) Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts (in Taka):

| | 30 June 2022 | | 30 June 2021 | |
|---|---|---|---|---|
| | USD | EUR | USD | EUR |
| **Foreign currency denominated assets** | | | | |
| Bills receivable | 320,952,449 | - | 301,856,559 | - |
| Commission receivable | - | - | - | - |
| Cash at bank | 109,608 | 144,648 | 62,285,663 | 144,648 |
| | 321,062,057 | 144,648 | 364,142,223 | 144,648 |
| **Foreign currency denominated liabilities** | | | | |
| Trade payables | 365,541,541 | - | 1,359,990 | - |
| Other payables | 28,547,219 | - | - | - |
| | 394,088,760 | - | 1,359,990 | - |
| **Net exposure** | (73,026,703) | 144,648 | 362,782,232 | 144,648 |

The Company has foreign exchange loss of TK 9,091,8247.47/- for the quarter ended 31 March 2021 and it was loss of TK 5,521,761.80/- in the year of 2020-2021

The following significant exchange rates have been applied:

| | Exchange rate as at | |
|---|---|---|
| | 30 June 2022 | 30 June 2021 |
| Taka/US Dollar | 85.00-86.20 | 84.80-84.85 |
| Taka/EURO (EUR) | 93.00-96.20 | 100-101.16 |

#### ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A change of 10 basis points in foreign currencies would have increased/ (decreased) equity and profit or loss of the Company by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

| | Profit or loss | | Equity | |
|---|---|---|---|---|
| | 10 bp increase | 10 bp decrease | 10 bp increase | 10 bp decrease |
| | Taka | Taka | Taka | Taka |
| **30 June 2022** | | | | |
| Expenditures denominated in USD | 321,062 | (321,062) | 321,062 | (321,062) |
| Expenditures denominated in EUR | 145 | (145) | 145 | (145) |
| | 321,207 | (321,207) | 321,207 | (321,207) |
| **30 June 2021** | | | | |
| Expenditures denominated in USD | 364,142 | (364,142) | 364,142 | (364,142) |
| Expenditures denominated in EUR | 145 | (145) | 145 | (145) |
| | 364,287 | (364,287) | 364,287 | (364,287) |

### b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The Company is not significantly exposed to fluctuation in interest rates as it has neither floating interest rate bearing financial liabilities nor entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

#### Profile

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

| | Amount in BDT | |
|---|---|---|
| | 30 June 2022 | 30 June 2021 |
| **Fixed rate instruments** | | |
| **Financial assets** | | |
| Investment in FDR | 23,794,621 | 23,166,977 |
| Cash at banks | 256,196,948 | 1,920,052,207 |
| **Financial liabilities** | | |
| Term loan | 3,969,718,430 | 4,849,168,671 |
| Bank overdraft | 894,917,933 | 1,629,389,310 |
| Short term bank loan | 6,888,007,244 | 4,936,287,298 |

Fair value of financial assets and liabilities of the Company together with carrying amount shown in the statement of financial position are as follows:

| | 30 June 2022 | | 30 June 2021 | |
|---|---|---|---|---|
| | Carrying amount Taka | Fair value Taka | Carrying amount Taka | Fair value Taka |
| **Financial assets** | | | | |
| **Assets carried at fair value through profit or loss** | - | - | - | - |
| **Held to maturity assets** | | | | |
| Investment in FDR | 23,794,621 | 23,794,621 | 23,166,977 | 23,166,977 |
| **Loans and receivables** | | | | |
| Investment in non-listed companies | 2,192,321,587 | 2,192,321,587 | 2,192,321,587 | 2,192,321,587 |
| Trade receivables | 3,001,169,208 | 3,001,169,208 | 2,381,460,903 | 2,381,460,903 |
| Other receivables | 731,754,952 | 731,754,952 | 967,525,826 | 967,525,826 |
| Cash and cash equivalents | 295,506,221 | 295,506,221 | 1,954,279,077 | 1,954,279,077 |
| **Available for sale financial assets** | | | | |
| Investment in shares of listed companies | 222,819 | 222,819 | 424,301 | 424,301 |
| **Financial liabilities** | | | | |
| **Liabilities carried at fair value through profit or loss** | - | - | - | - |
| **Liabilities carried at amortized costs** | | | | |
| Term loan | 3,969,718,430 | 3,969,718,430 | 4,849,168,671 | 4,849,168,671 |
| Bank overdraft | 894,917,933 | 894,917,933 | 1,629,389,310 | 1,629,389,310 |
| Trade payables | 668,707,790 | 668,707,790 | 696,646,304 | 696,646,304 |
| Other payables | 2,352,515,874 | 2,352,515,874 | 1,725,209,452 | 1,725,209,452 |
| Short term bank loan | 6,888,007,244 | 6,888,007,244 | 4,936,287,298 | 4,936,287,298 |

**Interest rates used for determining amortized cost**

The interest rates used to discount estimated cash flows, when applicable were as follows:

| | 30 June 2022 | 30 June 2021 |
|---|---|---|
| Investment in FDR | 5.5%-6.00% | 9%-12% |
| Term loan | 9%-12% | 9%-12% |
| Bank overdraft | 9%-12% | 9%-12% |

## 42.00 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity attributable to the equity holders of the Company. The Board of Directors monitors the level of capital as well as the level of dividend to the ordinary shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend, return capital to shareholders, issue new shares or obtain long-term debt.

The Company is not subject to any externally imposed capital requirement.

| | | Amount in BDT | |
|---|---|---|---|
| | | 2021-2022 | 2020-2021 |
| **43.00** | **Key management personnel compensation** | | |
| | Managing Director's remuneration and benefits (Note 43.01) | 10,125,000 | 9,380,034 |
| | Directors' remuneration and benefits (Note 43.02) | 12,150,000 | 10,350,000 |
| | Other key management personnel's salaries and benefits (Note 43.03) | 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) | 1-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 | 1-Mar-23 | 1,490,000 |
| Dhaka | Ifad Autos Ltd | 1-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 | 1-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 | 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 | 9-Apr-23 | 1,000,000 |
| Mercantile | Eng. Md. Abul Kashem Project Director, Construction. | 1-Aug-22 | 12,000,000 |
| Mercantile | Chittagong Eye Infirmary and Training Complex | 1-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 |

| | | |
|---|---|---|
| Trust Bank Limited | | 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 |
| | 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** |

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

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.

ix) **For assessment year 2013-14 (income year 2012-13 )**
The company referred the case to the High Court division of the Supreme Court.

x) **For assessment year 2012-13 (income year 2011- 12)**
The company referred the case to the High Court division of the Supreme Court.

xi) **For assessment year 2011-12 (income year 2010-11)**
The company referred the case to the High Court division of the Supreme Court.

xii) **For assessment year 2010-11 (income year 2009-10)**
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.

xiii) **For assessment year 2008-09 , 2007-08, 2006-07, (income year 2007-08 , 2006-07 and 2005-06 respectively)**
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 - 40)

**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 | 400,000,000 | 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) | | 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 |
| 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.

**Energypac Power Generation Limited**
**As at and for the year ended 30 June 2022**
**Disclosure on Bank wise Credit 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 |
| 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 |
| 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 |
| | **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 tra | 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 m |
| **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 |
| 9. OD (GOV Work & Autonomous Body) | 150,000,000 | - | awarded by different authorities & organizations. |
| 10. New Term Loan (Own Manufacturing P | 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 |
| Term Loan | 200,000,000 | 86,797,992 | by long term loan |
| **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 | 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, Naraynganj
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 |
| 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 |
| ULC/SLC/Acceptance (Foreign) | 70,100,000 | | |
| ULC/SLC/Acceptance (Local) | | | |
| 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

# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

*Ref. No: CM-2022/085*

BAPLC

*Date of issue : Feb 1, 2022*

## Certificate of Membership

*This is to certify that*

ENERGYPAC POWER GENERATION LIMITED

*is an Ordinary Member of* Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31st December 2022.*

BAPLC

Secretary-General

# ACRONYMS
# ELABORATION

| Position | Name of the Shareholders |
|---|---|
| AGM | Annual General Meeting |
| BPDB | Bangladesh Power Development Board |
| BDT | Bangladeshi Taka |
| BSEC | Bangladesh Securities and Exchange Commission |
| CAGR | Compounded Annual Growth Rate |
| CAO | Chief Audit Officer |
| CBO | Chief Business Officer |
| CCO | Chief Compliance Officer |
| CCPP | Combined Cycle Power Plant |
| CHCO | Chief Human Capital Officer |
| CIO | Chief Information Officer |
| CNG | Compressed Natural Gas (CNG) |
| CSCO | Chief Supply Chain Officer |
| EPC | Engineering, Procurement and Construction |
| EPS | Earnings per Share |
| FY | Financial Year |
| GOB | Government of Bangladesh |
| GP Margin | Gross profit margin |
| IFRS | International Financial Reporting Standards |
| IAS | International Accounting Standards |
| ISA | International Standards on Auditing |
| ICB | Investment Corporation of Bangladesh |
| IPO | Initial Public Offering |
| IPP | Independent Power Producer |
| JAC | Anhui Jianghuai Automobile Co., Ltd. |
| JCB | J.C. Bamford Excavators Limited |
| KW | kilowatt |
| LPG | Liquefied petroleum gas |
| MW | Mega Watt |
| MMCFD | Million Cubic Feet per Day |
| NAV | Net Asset Value |
| NOCFS | Net Operating Cash Flows per Share |
| NG | Natural Gas |
| NBFI | Non-Banking Financial Institution |
| NP Margin | Net Profit Margin |
| NRB | Non Resident Bangladeshi |
| SBPM | Strategic Business Portfolio Management |
| SPONSORS | The sponsor shareholders of Energypac Power Generation Limited |
| SIPP | Small Independent Power Producers |
| USD | United States Dollar |
| VAT | Value Added Tax |

## Notes

## Notes

## Notes

# এনার্জিপ্যাক পাওয়ার জেনারেশন লিমিটেড

এনার্জি সেক্টর, ২৫ তেজগাঁও শি/এ, ঢাকা - ১২০৮

আমি/আমার _ _ _

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