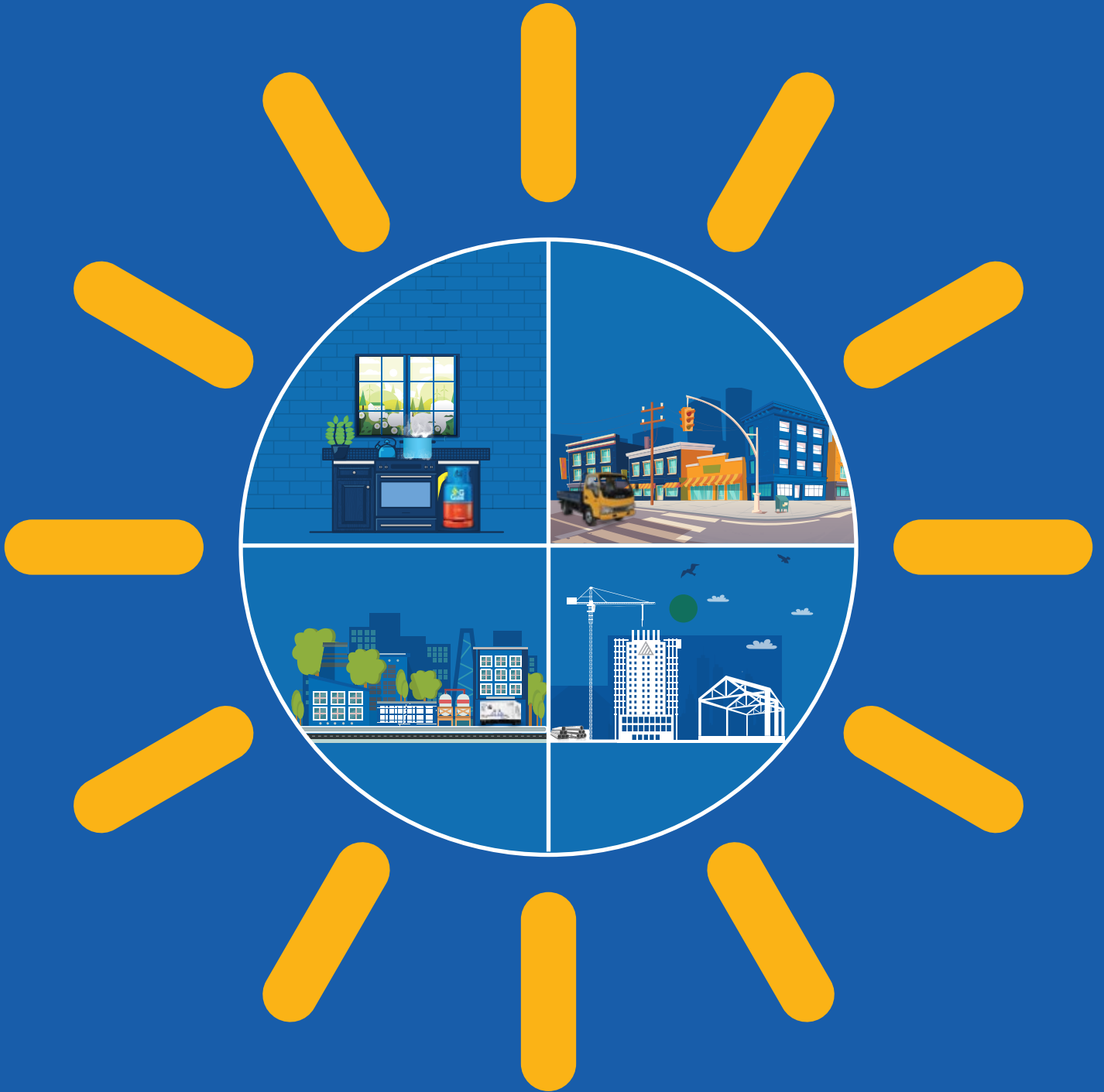


ANNUAL
REPORT
2020



Annual Report

2019-2020

25th Annual General Meeting
on
December 23, 2020

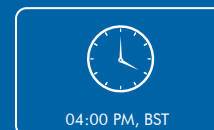
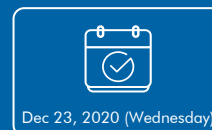
 **Energypac**[®]

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25TH ANNUAL GENERAL MEETING

Virtual Shareholder Meeting



Virtual meeting link will be shared prior to the AGM

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Report Online



Annual Report 2020

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Visit: www.energypac.com
to view the online version of this Annual Report

Letter of Transmittal

All Shareholders
Bangladesh Bank
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 JUNE 30, 2020

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, 2020 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, 2020.

Yours sincerely

s/d

Md. Alauddin Shibly, ACS, ITP
Company Secretary



Notice Of The Annual General Meeting

25TH

Notice is hereby given that the 25th Annual General Meeting (AGM) of Energypac Power Generation Limited will be held on Wednesday, December 23, 2020 at 4.00 pm in Digital Platform to transact the following business:

1. To receive, consider and adopt the audited Financial Statements of the company for the year ended on June 30, 2020 and the reports of the Directors and the Auditors thereon
2. To declare Dividend for the year ended on June 30, 2020
3. To elect Directors and to approve their appointment
4. i) To appoint the Statutory Auditor and fix their remuneration
ii) To appoint the Corporate Governance Auditor and fix their remuneration

By order of the Board

s/d

Md. Alauddin Shibly, ACS, ITP
Company Secretary

Dated: December 09, 2020
Dhaka

Notes:

- The Shareholders, whose name appears on the members register on the record date (i.e. December 06, 2020), shall be eligible to attend the 25th Annual General Meeting (virtual meeting through digital platform/online live portal) of the Company and to receive the Dividend;
- In view of the Order (SEC/SRMIC/04-231/932, dated: March 24, 2020) of Bangladesh Securities and Exchange Commission (BSEC), the ensuing 25th AGM of the Company would be conducted through digital platform (virtual meeting). Therefore, the shareholders are requested to attend the 25th AGM through online live portal to avoid serious health risk due to the COVID-19 pandemic Coronavirus crisis. The detailed procedures and link of the online live portal to attend the meeting will be communicated to the shareholders in due course.
- The soft copy of the Annual Report 2020 of the Company will be sent to the shareholders' respective e-mail addresses.
- The Annual Report'2020 is available on Investor section of the Company's website: www.energypac.com
- Shareholders may as well scan the QR code on their smart devices for accessing the soft copy of the Annual Report'2020.
- A shareholder wishing to appoint a Proxy must deposit the Proxy Form, duly stamped at the Company's Registered Office within 48 hours of AGM



Company Profile

Energypac Power Generation Limited. (EPGL) was established on the 15th of July 1995 as a private limited company under the Company Act 1994 with registration no. C-28822 (103)/95. Energypac has become one of the leading Power Engineering companies of Bangladesh. Subsequently, the company became a public limited company on the 27th of December 2011. EPGL received ISO 9001:2015 certification due to their continuous effort for industry leading solutions.

“Energy Works Wonders” These are the words EPGL considers its motto. Energypac Power Generation Limited continuously strives to eradicate the deficiency of the country’s Power Generation Systems. Thus improving the quality of the lives of its employees and the communities it serves. The company constantly commits to provide complete power engineering solutions for its customers and achieves the mission through the excellence of their service and their use of the best quality products.

EPGL registered their office at 79, Shahid Tajuddin Ahmed Sarani, Tejgaon 1/A Dhaka – 1208. The Energy Center at 25, Tejgaon I/A Dhaka -1208 houses their corporate office. Additionally the company operates several establishments across the country for uninterrupted smooth operation. EPGL has diverse business interests including but not limited to the trading of standby and base load generators, JAC brand automobiles, John Deere brand Agro machineries and equipments, JCB brand construction machineries and material handling equipments and operation of CNG stations along with aftermarket service.

The company is also dedicated to EPC Contracts (Engineering, Procurement and Construction), operations, installations of CNG refueling stations, conversion kits and providing installation and maintenance services to power plants.

EPGL has established plant to assemble gas and diesel generators. STEELPAC, a new brand of Energypac provides designing, manufacturing and assembly of pre-engineered steel buildings. Providing solutions to industrial, commercial, and residential steel structures.

EPGL has also successfully entered the LPG industry under its G-Gas brand. The LPG bottling and distribution plant is located near Mongla Seaport and daughter station of Rugganj, Narayanganj.

Particulars	Important Date
Date of Incorporation	July 15, 1995
Conversion to a public Limited company	December 27, 2011
Conversion of Denomination of Face Value of Shares	December 27, 2011



Stone To Milestone

1995

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]



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

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

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

Awarded 



2008

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

2010

Awarded



EPC in Faridpur for 54 MW Power Plant

EPC in Gopalganj for 108 MW Power Plant

Introduction of industrial forklift brand HELI

2012



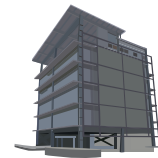
Introduced an UK brand Construction Machinery JCB

2014

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

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

2013



Inauguration of energy saving office building "ENERGY CENTER"

Issuance of 274K ordinary shares for capital raising

25 YEARS OF TOWERING LEGACY IN ELECTRO MECHANICAL ENGINEERING IN BANGLADESH

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 Rupganj, 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 Generator as the Sole Distributor

Awarded steel structure EPC Contract from BERGER



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.

OUR VISION

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

MISSION

Employer of Choice
Super Brand

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	% OF
			SHARES*	SHAREHOLDING (PRE IPO)*
Mr. Rabiul Alam	Chairman	Flat # C 203, Plot # 1/C Road # 79, Gulshan-02 Dhaka	6,054,983	4.04%
Mr. Humayun Rashid	Managing Director	Flat # C 303, Plot # 1/C Road # 79, Gulshan- 02 Dhaka	6,054,983	4.04%
Mr. Enamul Haque Chowdhury	Director	House # 338, Road # 24 Mohakhali New DOHS Mohakhali, Dhaka	6,054,983	4.04%
Mr. Nurul Aktar	Director	Flat No # A3, House # 4B Road # 62, Gulshan- 02 Dhaka	6,054,983	4.04%
Mr. Rezwanul Kabir	Director	House # 38, Road # 01 Banani DOHS, Dhaka	6,054,983	4.04%
Dr. Meerjady Sabrina Flora	Shareholder	Flat # C 203, Plot # 1/C Road # 79, Gulshan-2 Dhaka	6,054,982	4.04%
Mrs. Rifat Farzana	Shareholder	Flat # C 303, Plot # 1/C Road # 79, Gulshan- 02 Dhaka	6,054,982	4.04%
Mrs. Mahfuza Rahman Chy	Shareholder	House # 338, Road # 24 Mohakhali New DOHS Mohakhali, Dhaka	6,054,981	4.04%
Energypac Engineering Limited	Shareholder	Energy Center, 25 Tejgaon I/A, Dhaka-1208	72,659,790	48.48%
Institutional & Individual Private Placement	Shareholder		28,770,000	19.20%
Total			149,869,650	100.00%



Shareholders Position

The following indicate the pre-IPO Shareholders position:

Name of the Shareholders	Position	No. of Shares	Pre-IPO % of Shareholding
Mr. Rabiul Alam	Chairman	6,054,983	4.04%
Mr. Humayun Rashid	MD & CEO	6,054,983	4.04%
Mr. Enamul Haque Chowdhury	Director	6,054,983	4.04%
Mr. Nurul Aktar	Director	6,054,983	4.04%
Mr. Rezwatul Kabir	Director	6,054,983	4.04%
Dr. Meerjady Sabrina Flora	Shareholder	6,054,982	4.04%
Mrs. Mahfuza Rahman Chowdhury	Shareholder	6,054,981	4.04%
Mrs. Rifat Farzana	Shareholder	6,054,982	4.04%
Energypac Engineering Limited	Shareholder	72,659,790	48.48%
GSP Finance Company (BD) Limited	Shareholder	1,192,800	0.80%
Mr. Md. Khalid Hossain Khan	Shareholder	238,350	0.16%
Roman Rouf Chowdhury	Shareholder	53,650	0.03%
Mr. Manik Ahmed	Shareholder	65,000	0.04%
MTB Securities Limited	Shareholder	476,700	0.32%
Green Delta Insurance Co. Limited	Shareholder	118,650	0.08%
Mutual Trust Bank Ltd.	Shareholder	1,192,800	0.80%
AIBL Capital Management Ltd.	Shareholder	238,350	0.16%
ICB AMCL Unit Fund	Shareholder	724,500	0.48%
ICB AMCL Sonali Bank Ltd. 1st Mutual Fund	Shareholder	472,500	0.32%
Bangladesh Fund	Shareholder	2,835,000	1.89%
IFIL Islamic Mutual Fund-1	Shareholder	241,500	0.16%
ICB Asset Management Company Ltd.	Shareholder	472,500	0.32%
Bank Asia Securities Limited	Shareholder	477,225	0.32%
ICB Unit Fund	Shareholder	7,245,000	4.83%
ICB	Shareholder	3,045,000	2.03%
IFIC Bank Limited	Shareholder	619,500	0.41%
Mr. Mohammad Lutfar Rahaman	Shareholder	1,050,000	0.70%
Mr. Md. Abdul Hamid	Shareholder	47,250	0.03%
Mr. Kamal Uddin Ahmed Mollah	Shareholder	24,150	0.02%
Mr. Hassan Md. Ziaul Haque Khan	Shareholder	71,400	0.05%
Mr. Syed Mazharul Haq	Shareholder	78,750	0.05%
Sea Natural Limited	Shareholder	236,250	0.16%
ICB Capital Management Ltd.	Shareholder	1,207,500	0.81%
Mr. M. Muniruzzaman	Shareholder	210,000	0.14%
DBL Securities Ltd.	Shareholder	210,000	0.14%
Lakabangla Investments Ltd. (Nasrin Afrose)	Shareholder	119,280	0.08%
Mr. Selim Reza Farhad Hussain	Shareholder	238,350	0.16%
Mr. Md. Sultan Mahmud	Shareholder	105,000	0.07%
Mr. Abhizit Pandit	Shareholder	210,000	0.14%
Ms. Faaria Islam	Shareholder	238,350	0.16%
Bank Asia Limited	Shareholder	1,192,800	0.80%
Mr. Md. Ziaul Hossain	Shareholder	105,000	0.07%
Mr. Md. Ata Ullah	Shareholder	105,000	0.07%
ICB Securities Trading Company Limited	Shareholder	472,500	0.32%
Mr. Md. Moniruzzaman	Shareholder	115,500	0.08%
Mr. Sheikh Naweed Rashid	Shareholder	454,650	0.30%
Ms. Pramiti Anasuya Alam	Shareholder	454,650	0.30%

Shareholders

Position

The following indicate the pre-IPO Shareholders position:

Name of the Shareholders	Position	No. of Shares	Pre-IPO % of Shareholding
Ms. Rakiba Chowdhury	Shareholder	193,200	0.13%
Ms. Mahjabeen Parvez	Shareholder	118,125	0.08%
Mr. Faiaz Hassan Chowdhury	Shareholder	193,200	0.13%
Mr. Mohammad Arshadur Rouf	Shareholder	24,150	0.02%
IDLC Investments Ltd. (Pro-0001)	Shareholder	402,570	0.27%
IDLC Investments Ltd. (Pro-0004)	Shareholder	10,500	0.01%
IDLC Investments Ltd. Employees Provident Fund	Shareholder	5,250	0.00%
IDLC Investments Ltd. (Pro-0003)	Shareholder	35,700	0.02%
IDLC Secutities Limited	Shareholder	246,750	0.16%
IDLC Investments Ltd. (IOP-0090)	Shareholder	59,850	0.04%
Mr. Sirajul Islam Khan	Shareholder	11,813	0.01%
Mr. Shamsul Islam Khan	Shareholder	11,812	0.01%
Ms. Mamtaz Begum	Shareholder	11,813	0.01%
Mr. Moinul Islam Khan	Shareholder	11,812	0.01%
Ms. Sabreena Sadek	Shareholder	118,125	0.08%
Others	Shareholder	659,925	0.44%
TOTAL		149,869,650	100.00%



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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**
Chief Financial Officer
- S.M. Jashim Uddin**
GM (Head of MVD)
- Abu Sayed Raza**
GM (Head of LPG)
- Alomay Biswas**
GM (Head of BMD)
- Mohammad Masum Parvez**
GM (Head of PED)
- Shahed Latif**
Head of Supply Chain Management
- Wahid Sadat Chowdhury**
Head of IT & ERP
- Syed Erfan Saleh, ACA**
Head of Internal Audit & Compliance
- Sheikh Naweed Rashid**
Head of Strategic Portfolio Management
- Faiaz Hassan Chowdhury**
DGM, Motor Vehicle Division
- Md. Faisal Pervez**
Senior Manager (Administration)
- Md. Imran Azim**
Manager, Human Resources

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
- Mr. 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: +880(2) 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.
HR Bhaban (6th Floor), 100 Bir Uttam A. K
Khandaker Road, Mohakhali C/A, Dhaka-
1212, Bangladesh
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

*** Nomination withdrawn by ICB on July 16, 2020

Board Of Directors

Our business is led by our Board of Directors ('the Board'). Their scale of knowledge and business acumen ship 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

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



Directors' Profile



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 34 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.

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 37 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). 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, current President of International Business Forum of Bangladesh (IBFB). He completed his Bachelor Degree under University of Dhaka and participated in different training at home and abroad like AOTS- Japan and IIM India.



Humayun Rashid
Managing Director & CEO



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.



Mr. Md. Nurul Aktar is the CEO & Director of Energypac Electronics Limited and Director of Energypac Power Generation Ltd., Energypac Fashions Limited and Energypac Infrastructure Development Limited. He is the Vice President of Bangladesh Solar & Renewable Energy Association, Bangladesh Efficient Light Manufacturers Association and Bangladesh Chemical Engineers Alumni Association. He graduated from BUET in Chemical Engineering and post graduate in Industrial Management from Bangladesh Institute of Management. He has attended various training programs both at home and abroad like Diploma in Ceramic Glaze Decoration, NITC JAPAN under JICA in the year 1988, Executive Programs for Quality Management, AOTS-JAPAN in the year 2009 and Smart Energy Networks, KSGA- KOREA in the year 2014. He is a fellow member of Institute of Engineers Bangladesh.



Md. Nurul Aktar
Director



Rezwanul Kabir
Director

Mr. Rezwanul Kabir is the Director of Energypac Power Generation Ltd., Energypac Electronics Ltd. and Energypac Fashions Ltd. He is the Managing Director of Energypac Power Ventures and Energypac Infrastructure & Development Limited. Mr. Rezwanul Kabir has graduated in Electrical and Electronics Engineering and a member of Institute of Engineers, Bangladesh (MIEB) and Institute of Electrical and Electronic Engineers, Inc. USA. He has participated in numerous workshops and seminars on Leadership, Power and Energy Infrastructure Projects Technology and Financing.

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. 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).



Mohammed Nurul Amin
Independent Director





Mikail Shipar
Independent Director

Mr. Mikail Shipar worked as the Secretary of the Ministry of Labour and Employment, Government of the People's Republic of Bangladesh from February 2012 to August 2017. 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.



Golam Mohammad
Representative Director

Mr. Golam Mohammad serving as a Nominee Director in the board of Energypac Power Generation Limited. He is currently working as the Head of Finance at Energypac Engineering Limited. He has completed Masters in Commerce from National University. Prior to joining Energypac Engineering Limited, he has also served at Fu- Wang group. He brings 17 years of professional experience to the Company's Board.



Md. Aminur Rahman Khan
Chief Financial Officer

Mr. 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 is 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. He was the first trainer on Generalized Accounting Software "ACCPRO" in Bangladesh and served as trainer in Institute of Cost Management Accountant (ICMA). He took lot of professional training to increase his knowledge, expertise, efficiency and skill in his working arena.

Mr. Md. Alauddin Shibly joined 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 was born in a reputed Muslim family and he is the youngest member of his family.



Md. Alauddin Shibly, ACS, ITP
Company Secretary



Management Team



STANDING

From right to left

Shahed Latif

Head of Supply Chain Management

Md. Alauddin Shibly, ACS, ITP

Company Secretary

Sayed Erfan Saleh, ACA

Head of Internal Audit & Compliance

Wahid Sadat Chowdhury

Head of IT & ERP

SITTING

From left to right

Md. Aminur Rahman Khan

Chief Financial Officer

Alomay Biswas

GM, Head of Building Material Division

S M Jashim Uddin

GM & Head of Motor Vehicle Division

Abu Sayed Raza

GM & Head of LPG Division

Mohammad Masum Parvez

GM & Head of Power & Energy Division



S M Jashim Uddin

General Manager
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 Energygypac 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.

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.



Abu Sayed Raza

General Manager
Head of LPG Division (G-Gas)



Mohammad Masum Parvez

General Manager
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 Kaltimax 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 Energygypac in Feb 2019, sales & services in power generation & especially in the selling of capital machineries.



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.



Alomay Biswas
General Manager
Head of Building Material Division



Wahid Sadat Chowdhury
Head of IT & ERP

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

Mr. Shahed has a colourful 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 Memnber of Bangladesh Supply Chain Management Society



Shahed Latif
General Manager
Head of Supply Chain



Sayed Erfan Saleh, ACA
Head of Internal Audit & Compliance

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 Member of The Institute of Chartered Accountants of Bangladesh (ACCA). 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.



Meet our Energetic Team

Strategic Business Partner



STANDING

From right to left

Md. Lutfar Rahman, FCA

Deputy General Manager, Finance & Accounts

Faiaz Hassan Chowdhury

Deputy General Manager, Motor Vehicle Division

SITTING

From left to right

Md. Faisal Perveg

Senior Manager, Administration

Md. Monir Uddin

Assistant General Manager, Agro Machineries

Sheikh Naweed Rashid

Head of Strategic Portfolio Management

Md. Imran Azim

Manager, Human Resources



CHAIRMAN'S MESSAGE

Dear Shareholders,

Welcome to the 25th Annual General Meeting of your company and continue to take pride in your association with us. Thank you for putting your trust in Energypac.

As business evolves, the biggest challenge of any company is to ensure smooth leadership succession and cultural continuity. They extended Energypac's legacy of more than 25 years by introducing innovative products and services, executing strategy to deliver long-term profitable growth and shareholder value, and ultimately making our customers more successful. Their efforts executing our strategy and serving our customers drove profitability, increased sales and delivered strong operational performance.

Recently, the global economy has found itself in a state of turmoil. Uncertainties abound in trade relations, consumer trends, stock markets and the manufacturing industry. However, our experience tells us there are huge opportunities behind the anxiety and friction. The only question is how we should pivot. Monumental challenges give rise to monumental opportunities, and Energypac is well positioned because we are adept at weathering adversity.

I can feel Energypac is embarking on an unprecedented development trajectory and confidence in our future and in ourselves has become more important.

I want to thank you, our shareholders for your trust and support. Energypac will not stop at opportunities that are already apparent. We will always invest for the future. Our focus on the future means that current turbulence and instability will not likely affect us. We strongly believe that if we innovate to solve problems and create real value in the process, market opportunity and profitability will not escape us.



Dear Shareholders

On behalf of Directors, I have the pleasure in submitting the Report and Financial Statements for the year ended on June 30, 2020

FINANCIAL PERFORMANCE

Standalone

Particulars	Current Year (Taka in Thousand)	Previous Year (Taka in Thousand)	Increase/(Decrease) %
Sales	8,125,286	9,116,414	(10.87)
Gross Profit	2,301,638	2,478,892	(7.15)
Profit from Operating Activities	1,114,471	1,104,873	0.87

Consolidated

Particulars	Current Year (Taka in Thousand)	Previous Year (Taka in Thousand)	Increase/(Decrease) %
Sales	10,973,965	14,398,996	(23.79)
Gross Profit	3,213,810	3,312,622	(2.98)
Profit from Operating Activities	1,969,383	1,879,800	4.77

Contribution To National Exchequer

The Company contributed an amount of BDT 769.11 million in the financial year 2019-2020 to the National Exchequer consisting of the following:

(Taka in Million)

Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Income Tax	310.78	200.07	274.24	118.87	161.26
Value Added Tax (VAT)	374.06	406.96	771.52	57.95	78.48
Customs Duties	84.27	201.17	267.97	319.47	360.69
TOTAL	769.11	808.20	1,313.73	496.29	600.42

Dividends

During last year, EPS of your Company was Tk. 2.88. The Board of Directors at the 81st Board Meeting held on October 28, 2020, has recommended no dividend to the Shareholders. This will be considered for approval by the Shareholders at the 25th Annual General Meeting (AGM) to be held on December 23, 2020.

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	2019-2020	2018-2019
Management	40	37
Staff	313	363
Workers	73	86
Projects Staffs	—	99
TOTAL	426	585



Brands

live at the heart of life



Approved Partner





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-UI-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 “GOLD 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!







CLEANER ENERGY FOR A GREENER WORLD



 **Energypac**[®]

Dear Shareholders

Industry Outlook and Possible Future Developments

Energypac Power Generation Limited is engaged in diversified business broadly categorized power & energy and commercial automobile sectors. Electricity is a key component for the development of socio-economic state of the country and GOB initiatives toward the power sectors promise modest progress despite huge supply-demand gap and limited capacity utilization. As the power sector is a capital-intensive industry, huge investments are required in order to generate addition to the capacity. Recognizing these situations, the GOB amended its industrial policies to enable private investment in the power sector.

EPGL has diversified its business through 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. The Company has established Steelpac brand to provide designing, manufacturing and erecting of pre-engineered steel buildings, aiming to provide complete steel constructions to industrial, commercial and residential steel buildings. In addition, Energypac Power Generation Limited has successfully entered in LPG market branding as G-GAS. The LPG bottling & distribution plant is located near Mongla seaport. However, Energypac intends to include the industrial customers as well who use LPG or similar products in bulk quantity.

EPGL has started to assemble own brand generator. Diesel Generator and JAC Vehicle Assembling Factory are located in Jaina Bazar. EPGL has a plan to assemble and manufacture ATS, Canopy, LT Panel, Gensets Trailer, control panel, Elevator, etc.

EPGL signed contract with Sylhet Gas Fields Limited for designing, commissioning, HAZOP study, procurement, construction, commissioning and hand over of one skin mounted 4000 BDL/day capacity condensate fractionation Plant & associated facilities at Bahubol, Habigonj on Turn-Key-Basis under JVAC with PT.ISTANA KARANG LAUT of Indonesia. Total contract value is US\$ 28,011,930 and BDT 1,183,156,524. The share of EPGL in this consortium is 52.40%. EPGL has also been awarded with a captive power plant project of Essential Drugs Company Limited. Total size of the contract is 80 crore.

I would like to thank our board members and personally, its Managing Director and CEO Mr. Humayun Rashid. I also want to thank my Directors Mr. Enamul Haque Chowdhury, Mr. Md. Nurul Aktar, Mr. Rezwanul Kabir, Mr. Mohammed Nurul Amin, Mr. Mikail Shipar and last, but not least, the energetic EPGL team for some great achievement during the last financial year. We had attained some remarkable achievement during the financial year. Some of those stated below for your encouragement:

- ❖ 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
- ❖ LPG Storage capacity increased to 5,405.83 MT
- ❖ Started generating revenue from CNG & Auto gas station
- ❖ Owned 11,177.07 decimal land and plans for further expansion
- ❖ Successfully implemented SAP S4Hana
- ❖ Availed makers code from BRTA for below types of commercial vehicle:
 - i. HFC1020KD- PICKUP
 - ii. HFC1020KND1- PICKUP
 - iii. HFC1037DK- DOUBLE CABIN PICKUP (2WD)
 - iv. HFC1037DKS- DOUBLE CABIN PICKUP (4WD)
 - v. HFC1042KD- MINI TRUCK
 - vi. HFC1073KD- MINI TRUCK
 - vii. HFC1120P71K- TRUCK
- ❖ Consent of Electronic Bidding & Public Subscription for IPO from Bangladesh Securities & Exchange Commission (BSEC)
- ❖ Introduction of SIEMENS Gas Generator as the Sole Distributor
- ❖ Awarded steel structure EPC Contract from BERGER



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's 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. So, 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

Devaluation of local currency against major international currencies i.e. USD, GBP and Euro may affect company's income.

Management Perception

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 effect on the present and future financial performance as well cash flows of the Company.



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 Companies Act, 1994, taxation related laws and rules, rules of Bangladesh Securities and Exchange Commission 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 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 existing 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.

Director's Retirement

Mr. Md. Nurul Aktar, Director and Mr. Rezwatul Kabir, Director retired from the Board in terms of Articles of Association, and being eligible, offers them for re-election.

Board Meetings and Attendance

During the year, four (04) Board Meetings held and the attendance by each Director was as follow:

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

*** ICB withdrawn the nomination of Mr. Helal Uddin Ahammed from the post of Director on July 16, 2020

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

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 report of Audit Committee is annexed here.

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

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.



Share Holding

In accordance with the requirement of Bangladesh Securities and Exchange Commission, pattern of shareholdings as of June 30, 2020 are given in Annexure I.

Remuneration of Directors

In accordance with the requirement of Bangladesh Securities and Exchange Commission, remuneration of directors for the year ended June 30, 2020 are given in note number 41.00 of the financial statements.

Corporate Governance Compliance Report

In accordance with the requirement of Bangladesh Securities and Exchange Commission, "Corporate Governance Compliance Report" is annexed.

Acknowledgement

The Directors take this opportunity to acknowledge the continued support and efforts of all members of the company, as well as all customers, suppliers and associates during the past year. Our performance would not have been possible without their support.

On behalf of the Board,

s/d

Rabiul Alam

Chairman



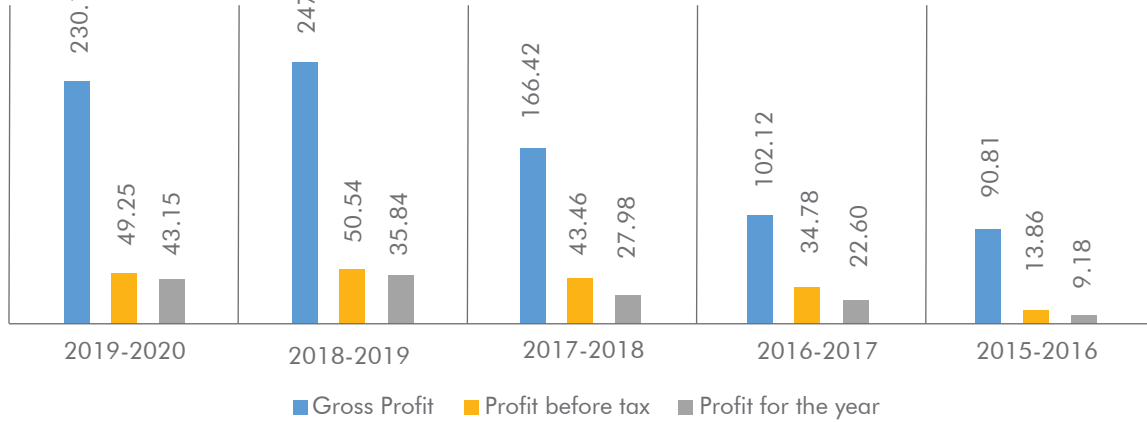
Financial Highlights

ENERGY PAC POWER GENERATION LIMITED FINANCIAL HIGHLIGHTS (STANDALONE)

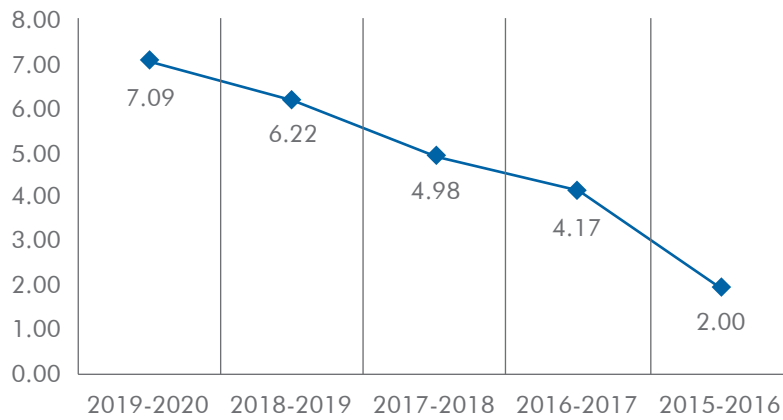
Particulars	2019-2020	2018-2019	2017-2018	2016-17	2015-16
Revenue	8,125,285,874	9,116,413,870	6,669,388,743	4,429,585,106	3,480,069,130
Gross profit	2,301,637,675	2,478,892,077	1,664,199,921	1,021,236,879	908,109,603
Gross Profit margin	28.33%	27.19%	24.95%	23.05%	26.09%
Profit before tax	492,539,275	505,437,453	505,437,453	347,773,091	138,617,358
Profit for the year	431,507,688	358,352,495	279,847,564	226,028,750	91,848,688
Net Profit margin	5.31%	3.93%	4.20%	5.10%	2.64%
Property, plant and equipment	9,120,295,005	8,836,928,464	8,033,735,211	3,051,225,719	2,281,030,293
Authorized Capital	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Share Capital	149,869,650	149,869,650	149,869,650	149,869,650	149,869,650
Issued & Paid Up Capital	1,498,696,500	1,498,696,500	1,498,696,500	1,498,696,500	1,498,696,500
Inventories	1,649,509,984	2,490,372,899	2,575,207,366	1,160,625,289	705,367,295
Total Assets	22,716,249,131	20,930,999,090	19,937,571,730	13,901,528,950	8,766,763,370
Total Liabilities	16,453,502,686	15,024,825,509	14,314,815,819	8,483,685,777	4,182,677,534
Net Assets	6,262,746,445	5,906,173,581	5,622,755,911	5,417,843,173	4,584,085,836
Current Assets	10,237,369,409	8,901,465,543	9,136,169,590	6,946,473,681	5,348,105,687
Current Liabilities	11,312,120,987	10,771,366,408	10,699,473,869	6,991,865,653	3,999,899,672
Net Current Assets	(1,074,751,578)	(1,869,900,865)	(1,563,304,279)	(45,391,973)	1,348,206,015
Cash dividend	—	74,934,825	74,934,825	74,934,825	74,934,825
Stock dividend	—	—	—	—	—
Total Dividend	—	74,934,825	74,934,825	74,934,825	74,934,825
Earnings Per Share (EPS)	2.88	2.39	1.87	1.51	0.61
Dividend Per Share	—	0.50	0.50	0.50	0.50
Net Asset Value Per Share (NAVPS)	41.79	39.41	37.52	36.15	30.59
Current Ratio	0.90	0.83	0.85	0.99	1.34
Quick Ratio	0.76	0.60	0.61	0.83	1.16
Interest Coverage Ratio	1.75	1.83	2.44	2.37	1.56
Return on Assets (ROA)	1.90	1.71	1.40	1.99	0.92
Return on Capital Employed (ROCE)	4.03	2.91	3.67	3.87	1.67
Return on Equity (ROE)	7.09	6.22	4.98	4.17	2.00



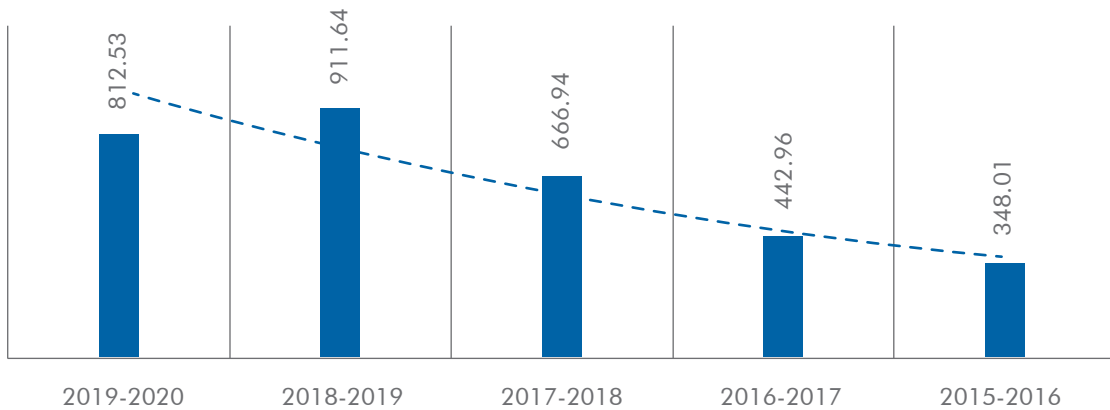
GP, PBT & PAT (IN CRORE)



RETURN ON EQUITY (ROE)



LAST 5 YEARS REVENUES (IN CRORE)



Managing Director's Review of Business

"Welcome in 25th AGM and thanks for being with us. In the course of financial year 2019-2020, our company had to tackle a variety of challenges within its business environment. However, we were able to master them and achieved a good result, despite the adversities. At the same time, the company is systematically laying the foundations for long-term success going forward. Particularly in these times of fundamental change, Energyrac maintains a leading position in the engineering industry, shaping technological transformation with determination, passion and professional excellence.

We have incorporated on July 15, 1995 as Private Limited Company and converted to Public Limited Company in the year 2011 with a vision to be the first local company in Engineering, Procurement & Constructions, Power Generation and Engineering business in Bangladesh.

OUR VISION

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

MISSION

Employer of Choice
Super Brand

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

Being in the corona war, policymakers worldwide are engaged in damage control of the economic losses at the moment and preparing for confronting the upcoming economic crisis. In addition, there are evidences and indications that financial and banking industries around the globe might have to face remarkable instability in the forthcoming months.



The country's overall economy has not yet been able to recover from the devastation caused by the corona virus. Nevertheless, we strongly believe that, our ENERGETIC team paves the way to overcome our economic stagnation and turn around completely.

We are continuously trying to develop new products. We developed few new products and achieved a significant amount of revenue. For example, we earned following revenue from the respective products and we believe that these will create another success of door for Energypac.

Sl. No.	Product Segment	Revenue in FY: 2019-2020
1	Revenue from Liquefied Petroleum Gas (LPG)	4,050,034,550
2	Revenue from Building Material Division (BMD)	352,941,835
3	Revenue from Motor Vehicle Division (DMV)	1,106,040,973
4	Revenue from Central Service Division (CSD)	759,919,429
5	Revenue from Power & Energy Division (PED)	628,713,313
6	Revenue from Compressed Natural Gas (CNG)	155,087,158
7	Revenue from Engineering, Procurement & Construction (EPC)	1,072,548,617
	Total Amount	8,125,285,874

As a continuous intent of developing new product, we got TYPE approval from BRTA as noted below which will contribute significant revenue in the FY: 2020-2021:

- i. HFC1020KD- PICKUP
- ii. HFC1020KND1 - PICKUP
- iii. HFC1037DK- DOUBLE CABIN PICKUP (2WD)
- iv. HFC1037DKS- DOUBLE CABIN PICKUP (4WD)
- v. HFC1042KD- MINI TRUCK
- vi. HFC1073KD- MINI TRUCK
- vii. HFC1120P71K- TRUCK

We already submitted the following models to BRTA for type approval and hopefully we will get very soon.

- i. HFC1037D3KST- DOUBLE CABIN PICKUP (4WD)
- ii. HFC1120KD- TRUCK
- iii. HFC1021KD- PICKUP

LPG Bottling & Manufacturing plant, which is branded as G-Gas aims to meet the ever-increasing customer's need as the best solution for their cooking fuel, commercial need, and automobile fuel with the slogan **ভালো থাকুন ভালো রাখুন**। Thus the way we established 08 (Eight) Regional Distribution Center (RDC) to supply our product more smoothly and faster to our valued customer from different point. Accordingly, we have been able to add BDT 4,050,034,550 crore to current year's LPG revenue line.

With the aim of upgrading the capacity of LPG storage to 6,000 MT, we completed the construction of 3rd spherical tank of 1,800 MT situated at Dacope, Khulna. In addition to that, construction of a Daughter Station with capacity of 1,200 MT in Ruppangj Upazilla under Narayanganj district is in progress. It will have total LPG capacity of 6,605 MT.

On the other hand, we are trying to cope-up with the investment opportunity in power sector of Bangladesh. As part of that, we participate different tender offered by BPDB and other Govt. and Private organization and hopefully we will be awarded considering our expertise and experience. Besides the investment opportunity, we are trying to grab the EPC job of the upcoming power projects.

Profitability:

We have earned an amount of BDT 196.93 crore (Consolidated) and BDT 111.44 crore (Standalone) operating profit in the FY: 2019-2020 which was BDT 187.97 crore (Consolidated) and BDT 110.48 crore (Standalone) in the FY: 2018-2019 which indicates a growth of 4.77% (Consolidated) and 0.87% (Standalone). On the other hand, Earning after Tax (EAT) has increased by 21.23% (Consolidated) and 20.41% (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 connection section 82(C) & in connection of EPC as export income with connecting F.Y:10-11,11-12, 12-13, 13-14 & 14-15.

Audit Report:

We have been able to receive an unqualified audit report for the FY: 2019-2020 from Statutory Auditor "Hoda Vasi Chowdhury & Co." which is obviously a remarkable achievement.

Good Credit Rating:

We have received a good credit rating from CRAB. We have achieved AA2 for Long Term Loan and ST-3 for short Term Loan as on Dec' 2020. We have invested in some potential area that will help to sustainable growth of business of the organization in near future and I believe, EPGL is in the right track on its mission and vision and we shall be successful accordingly.

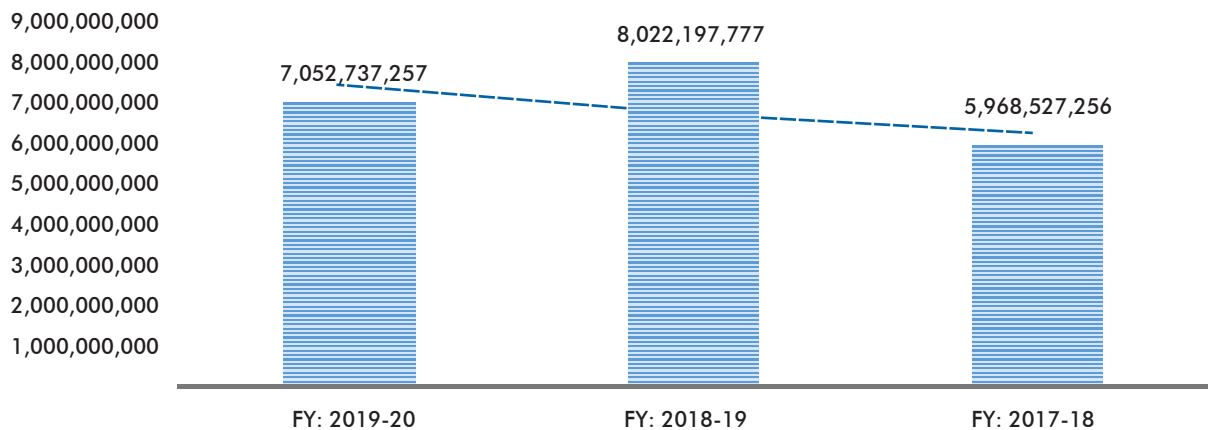
The following table will help to get an idea regarding the financial performances, position and affairs of the company:

Overall Financial Performance (Standalone)

Particulars	2019-2020	2018-2019	Growth	Growth (%)
Sales	7,052,737,257	8,022,197,777	(969,460,520)	-12.08%
EPC Sales	1,072,548,617	1,094,216,094	(21,667,477)	-1.98%
Total Sales	8,125,285,874	9,116,413,871	(991,127,997)	-10.87%
Cost of Revenues	5,823,648,199	6,637,521,793	(813,873,594)	-12.26%
Gross Profit	2,301,637,675	2,478,892,077	(177,254,403)	-7.15%
Administrative O/H	678,259,813	821,860,025	(143,600,212)	-17.47%
Selling O/H	508,907,257	552,158,873	(43,251,616)	-7.83%
Research and Development expenses	—	4,259,752	(4,259,752)	-100.00%
Operational O/H	1,187,167,069	1,378,278,650	(191,111,581)	-13.87%
Operating Profit	1,114,470,605	1,104,873,179	9,597,426	0.87%
Trade Receivables	4,247,012,588	3,598,875,498	648,137,090	18.01%
Inventories	1,649,509,984	2,490,372,899	(840,862,915)	-33.76%
EBT	492,539,275	505,437,453	(12,898,178)	-2.55%
EAT	431,507,688	358,352,495	73,155,193	20.41%
EPS	2.88	2.39	0.49	20.41%
NAV	41.79	39.41	2.38	6.04%
Current Asset	10,237,369,409	8,901,465,543	1,335,903,866	15.01%
Current Liability	11,312,120,987	10,771,366,408	540,754,580	5.02%
Bank Loan- Short Term	3,971,210,805	3,258,174,595	713,036,210	21.88%
Bank Loan- Long Term (Non-current portion)	3,702,119,990	2,929,530,020	772,589,969	26.37%
Bank Loan- Long Term (Current portion)	1,492,981,782	1,104,016,241	388,965,541	35.23%
Total Employee	426	585	(159)	-27.18%
Per Capita Revenue	19,073,441	15,583,613	3,489,828	22.39%
Per Capita Admin O/H	1,592,159	1,397,607	194,552	13.92%
Current Ratio	0.90	0.83	0.08	9.51%
Quick Ratio	0.76	0.60	0.16	27.55%

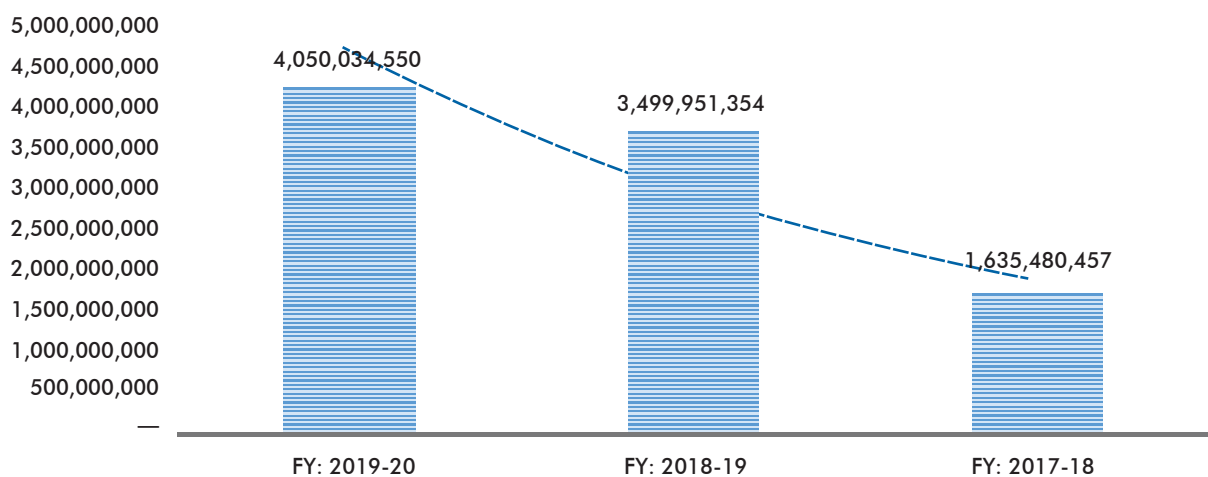


Comparison of Revenue from Core Business:



All of us are well aware about the spread of the Novel Coronavirus (COVID 19), which has created a worldwide humanitarian and economic crisis. As a typical “Black Swan” event, COVID-19 took Bangladesh to a complete shock. This resulted complete shutdown of our industry for few months during the last fiscal year and had caused significant damage for all the companies including manufactures, dealers and its suppliers. In that unbearable circumstances, it was really difficult for us to keep our business running. Although we had futuristic strategies to facilitate the advancement of untapped investment ambience in relevant field for sustainable growth, somehow we managed to keep our heads high. This year we have suffered a 12.08% revenue shrink in core business.

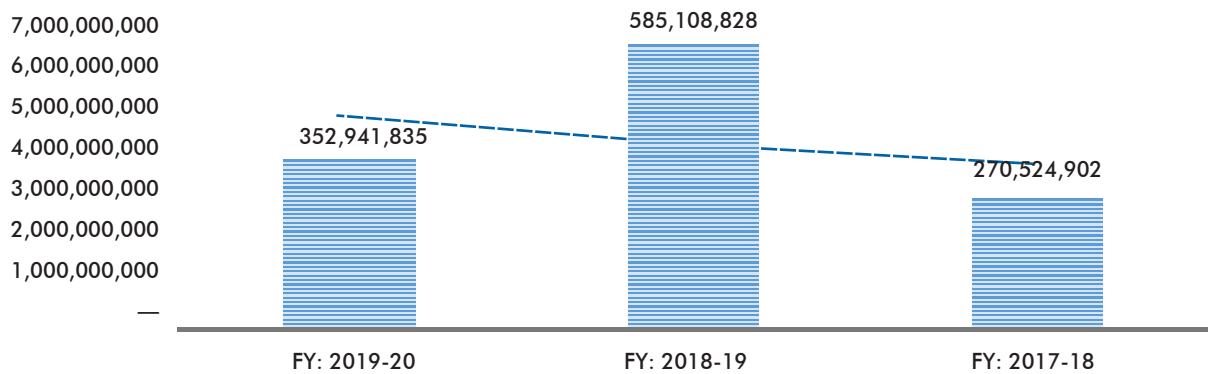
Comparison of Revenue from Liquefied Petroleum Gas (LPG)



Although like others we have suffered from the pandemic situation aroused from COVID - 19 but we have managed to achieve a revenue growth of 15.72% in LPG segment. However we are expecting more growth in near future.

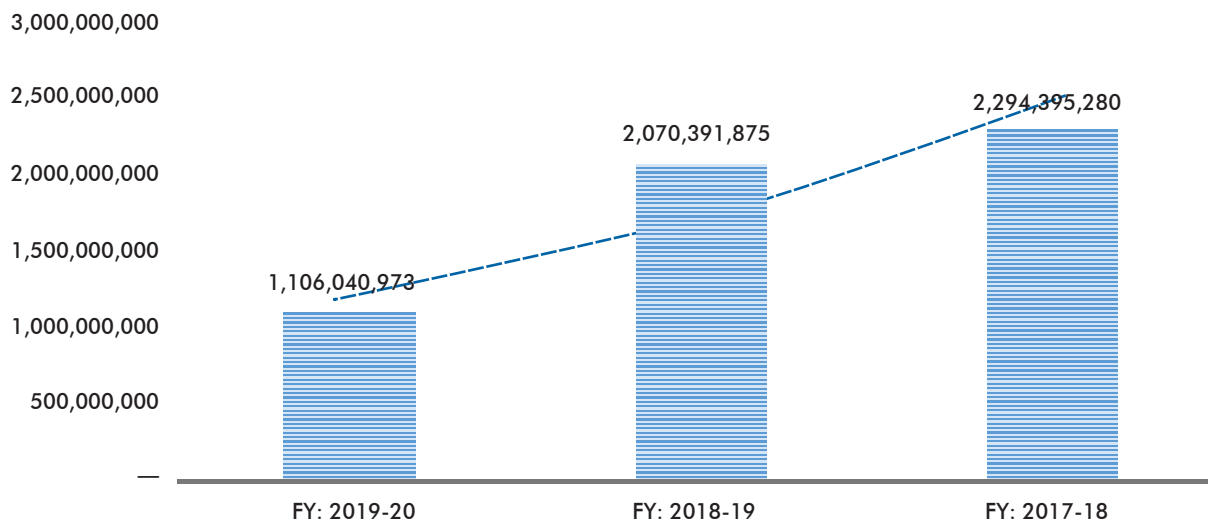


Comparison of Revenue from Building Material Division (BMD)



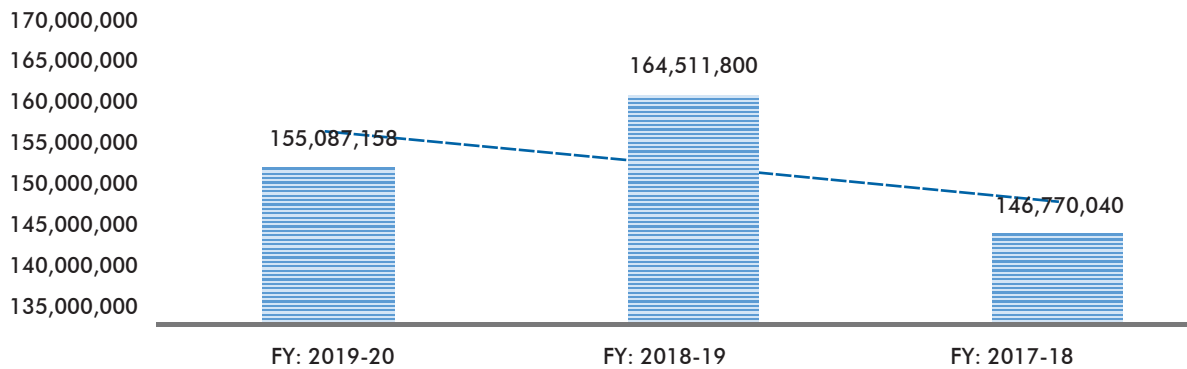
Revenue from the Building Material Division has decreased by 39.68% over the last fiscal year.

Comparison of Revenue from Motor Vehicle Division (MVD)



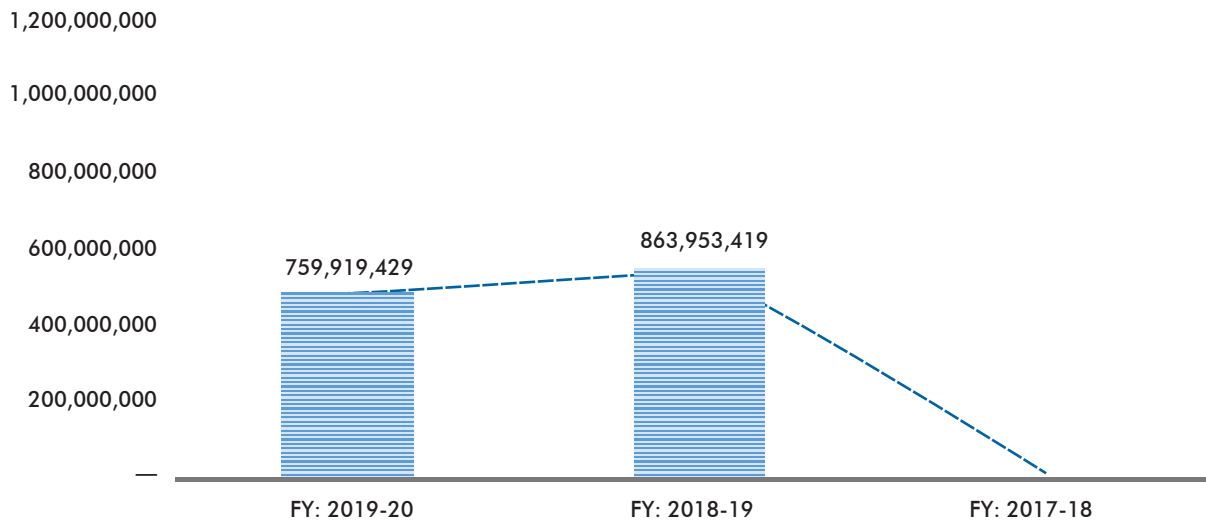
Revenue from the Motor vehicle sales have decreased by 46.58% over the last fiscal year due to COVID pandemic. To support the business of pick-up van we have established commercial vehicles assembling plant at Joina Bazar, Gazipur. We have been succeeded to deliver some products from the said Assemble Plant contributed significant revenue and this will significantly grow in the upcoming years.

Comparison of Revenue from CNG Station



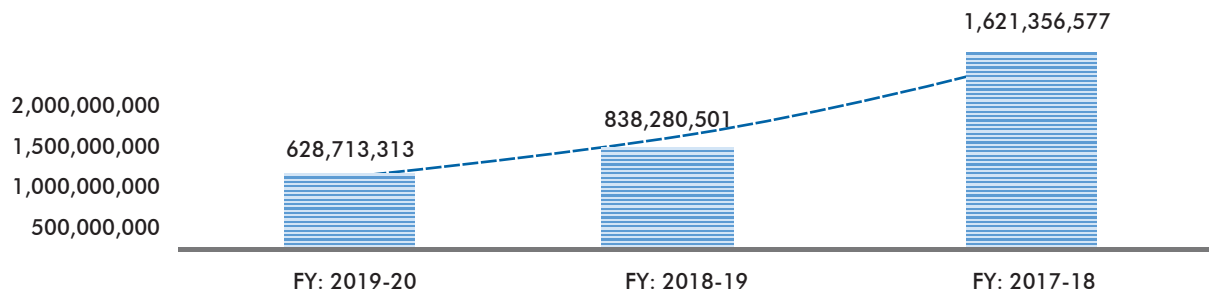
Revenue from CNG station has decreased by 5.73% during the last financial year.

Comparison of Revenue from Central Service Division (CSD)



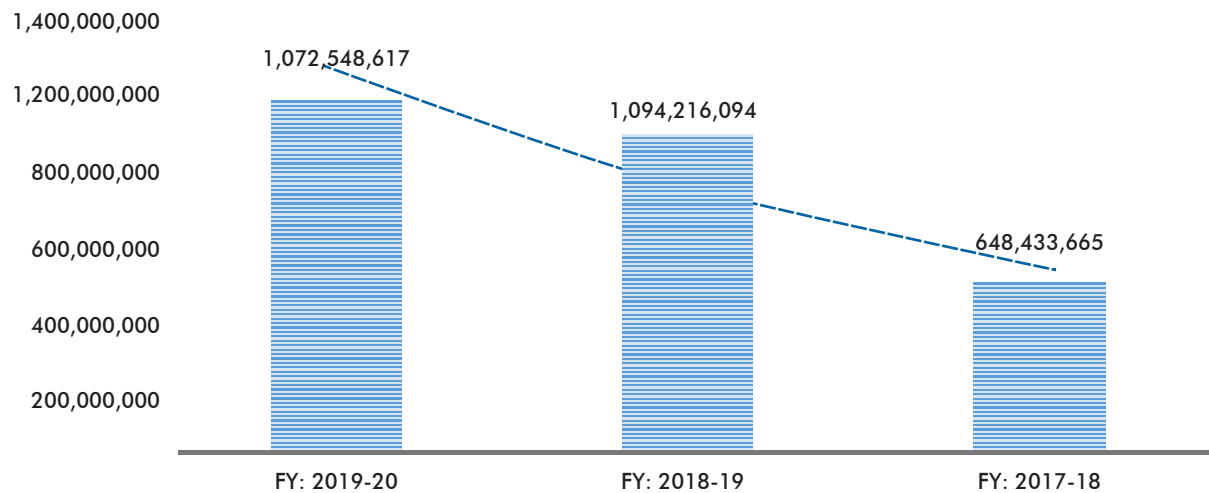
Revenue from LPG has decreased by 12.04% during the last financial year.

Comparison of Revenue from Power & Energy Division (PED)



Revenue from PED affected due to ongoing pandemic and has decreased by 25% than the last financial year.

Comparison of Revenue from Engineering, Procurement & Construction (EPC)



One of the main driver of the company's revenue is the revenue from EPC business and that has decreased by 1.98% than the last fiscal year.

Segment wise Revenue Analysis					
Financial Year: 2019-2020					
Sl. No.	Particulars	FY: 2019-2020	FY: 2018-2019	Variances	
				Amount	%
1	Revenue from Liquefied Petroleum Gas (LPG)	4,050,034,550	3,499,951,354	550,083,196	15.72%
2	Revenue from Building Material Division (BMD)	352,941,835	585,108,828	(232,166,994)	-39.68%
3	Revenue from Motor Vehicle Division (DMV)	1,106,040,973	2,070,391,875	(964,350,901)	-46.58%
4	Revenue from Central Service Division (CSD)	759,919,429	863,953,419	(104,033,990)	-12.04%
5	Revenue from Power & Energy Division (PED)	628,713,313	838,280,501	(209,567,188)	-25.00%
6	Revenue from Compressed Natural Gas (CNG)	155,087,158	164,511,800	(9,424,642)	-5.73%
9	Core Business	7,052,737,257	8,022,197,777	(969,460,520)	-12.08%
10	EPC revenue	1,072,548,617	1,094,216,094	(21,667,477)	-1.98%
11	Total Revenue	8,125,285,874	9,116,413,871	(991,127,997)	-10.87%

Accounts Receivable Position as on June 30, 2020

Sl. No.	PARTICULARS	FY: 2019-2020	FY: 2018-2019	Variance	
				Amount	%
1	Local Trade receivables	3,315,172,316	2,690,918,111	624,254,206	23.20%
2	EPC	939,776,932	915,894,047	23,882,885	2.61%
3	Less: Doubtful Debt	(7,936,660)	(7,936,660)	-	0.00%
	Total	4,247,012,588	3,598,875,498	648,137,090	18.01%

Inventory Position as on June 30, 2020

Sl. No.	PARTICULARS	FY: 2019-2020	FY: 2018-2019	Variance	
				Amount	%
1	Raw material	488,611,476	343,055,009	145,556,467	42.43%
2	Semi-finished goods	18,331,235	757,769,811	(739,438,575)	-97.58%
3	Finished goods	704,487,622	1,065,504,939	(361,017,317)	-33.88%
4	Stock of spare parts	49,888,318	39,098,721	10,789,597	27.60%
5	Stock in transit & contract assets	604,628,712	502,582,623	102,046,088	20.30%
Less:					
6	Provision	216,437,380	217,638,204	(1,200,824)	-0.55%
	Total	1,649,509,984	2,490,372,899	(840,862,915)	-33.76%



SUPPORTING SUSTAINABLE URBANIZATION WITH HIGHLY EFFICIENT TRANSPORTATION VEHICLES



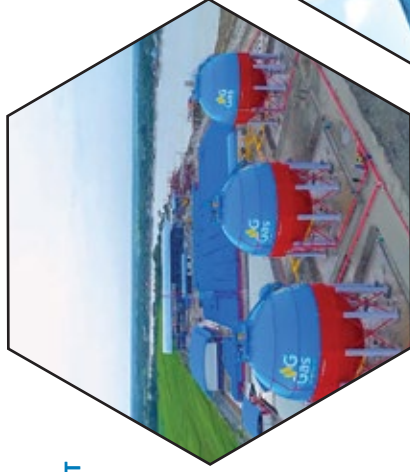
 **Energypac**[®]

MANUFACTURING



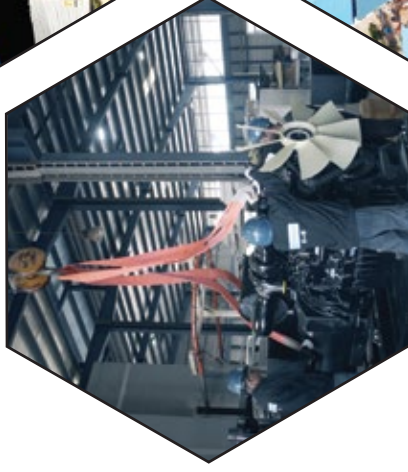
LPG BOTTLING PLANT LPG CYLINDER MANUFACTURING PLANT

- 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 FOR GENERATOR AND PLANT 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 **HELIX** forklifts and pallets to the customers for smooth material handling to save man hour and increase productivity
- **HELIX** 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

Introduction and Planning for New Businesses:

Liquefied Petroleum Gas (LPG) Storage and Bottling Plant

Energypac Power Generation Ltd. started activities LPG plant near Mongla Sea Port, Bangladesh to storing, bottling and marketing of LPG in Bangladesh. LPG is an intermediate product between natural gas and crude oil. LPG is one of the common cooking fuels in our country. The prime objective of this business is to sell LPG for household purpose. However, Energypac intends to include the industrial customers as well who use LPG or similar products in bulk quantity.

With the aim of upgrading the capacity of LPG storage to 6,000 MT, we completed the construction of 3rd spherical tank of 1,800 MT situated at Chalna, Dacope, Khulna.

In addition to that, construction of a Daughter Station with capacity of 1,200 MT in Rugganj upazila under Narayanganj district is in progress. It will have total LPG capacity of 6,605 MT

Infrastructural development if Mirsarai Economic Zone

We already know that, Sojitz Corporation, Energypac Power Generation Limited and Japan Development Institute (JDI) have signed a Memorandum of Understanding with BEZA for the proposed Bangabandhu Industrial Park at Mirsarai. The materialization of this project will require approximately \$500 million during the preliminary stages. The completion of the commercial jetty and the industrial park will result in the creation of 100,000 new jobs. Additionally, the industrial park and jetty could pave the path for the formation of energy storage facilities such as LPG, LNG and HFO. It's a matter of great pleasure to inform you that, Bangladesh Economic Zone Authority (BEZA) already allotted 50 acre of land to Energypac Power Generation in Mirsarai Economic Zone. We are very close to start the infrastructural development work in the said premises and strongly believe that, it will paves the way of getting return of our Shareholder's investment.

Sojitz Corporation, Energypac Power Generation Limited and JDI believe that the formation of the proposed jetty will be a fitting accomplishment to mark the 50th anniversary of Bangladesh's independence.

Initial Public Offering (IPO)

You already known that, after successful bidding by the Eligible Investors (EI) and complying all necessary requirements, the Company received the IPO Consent letter on November 05, 2020.

Details of the estimated project cost for this expansion project and financing has planned as under:

Sl. No.	Particulars	Amount in BDT
1	LPG Project expansion	959,868,492
2	Loan repayment	500,000,000
3	Estimated IPO expenses	40,131,508
Total Amount		1,500,000,000

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. HR Policies of EPGL are nicely aligned with its Vision 2020.

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, 2019-2020 the Company provided 3,993 person-hours of training to its employees. During this period 84.90% 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.



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.

At last but not the least, I would like to thank and express my sincere gratitude to our distinguished Chairman and Honorable members of the Board of Directors, our valued Customers, Suppliers and 'ENERGETIC' employees for their generous support and encouragement to the management team without which the Company might not have achieved its consistent level of growth and dominance in the Engineering sector of the country.

I wish the Company every success in the future.

s/d

Humayun Rashid

Managing Director & CEO





Women's day celebration



G-Gas LPG supply agreement with Ruposhi Pro-Active Village



MOU signing between G-Gas and Shwapno super shop



Agreement signing ceremony for LPG Autogas franchise between Padma oil company Limited and G-Gas LPG



JAC double cabin pickup (T6) handover to ITD Bangladesh Company Limited.



Celebration Ceremony: GLAD 500 units diesel generator production



G-Gas LPG supply agreement between EPGL and Unimart



Participation in CEMS Commercial Automotive Show 2019





24th Annual General Meeting



Agreement between Steelpac and Paramount Textile Ltd.



Badminton tournament 2020



G-Gas LPG Autogas station Inauguration



JAC double cabin pickup (T6) handover to IG Prisons Directorate



PRODUCING POWER AND DURABILITY TO SUPPORT INDUSTRY, INNOVATION AND INFRASTRUCTURE



 **Energypac**[®]

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 Eight (08) members including the Independent Director. 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

The Company appointed Md. Alauddin Shibly, ACS, ITP as the Company Secretary. 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/non-compliance 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 Rules 1987.
- Listing regulations of Dhaka and Chittagong Stock Exchange Limited.
- International Financial Reporting Standards.
- The Income Tax Ordinance and Rules 1984.
- The Value Added Tax Act and Rules 2012.

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, 1994 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 Six (06) members and headed by the Head of Internal Auditor. 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:

- First Quarterly, Half-yearly and Third Quarterly financial statements.
- Audited Financial Statements in the Annual General Meeting.
- Price-Sensitive Disclosure and other disclosure 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



Energypac Power Generation Limited Declaration by CEO and CFO

October 28, 2020

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2020

Dear Sir/(s),

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/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:

- 1) The Financial Statements of Energypac Power Generation Limited for the year ended on June 30, 2020 have 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;
- 2) 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;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) 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, 2020 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)



(Report under Condition No. 9)

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 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 08 (Eight) 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 08 (Eight) 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. 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	✓		
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 (NBF)	✓		
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 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			
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 5 th 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			
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.			
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	√		
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	✓		According to BSEC consent letter No: BSEC/CI/BB-12/2017/249; Dated 5 th November 2020, the Company is not allowed to declare any Dividend before listing.
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)	✓		Included in the Annexure
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.	✓		
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)	✓		



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 director on the Board of the subsidiary company	✓		
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.	✓		
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 consists of 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 Directors.
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)	✓		



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	✓		
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.			
5.7	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			
6	Nomination and Remuneration Committee (NRC).			



6.a	Responsibility to the Board of Directors:			
6.1(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	✓		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	✓		
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 independent director is must as required under condition No. 6(2)(h)	✓		
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	√		
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 ENERYPAC POWER GENERATION LIMITED for the year ended on June 30, 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 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:

- a. 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 of the Chairperson of the Board shall be elected from among the non-executive directors of the Company.
- b. 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.
- c. 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
- d. The Governance of the Company is satisfactory.

Place: Dhaka
Dated: December 09, 2020

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

Report on Corporate Governance

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 07 August 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 (xxi)

The pattern of Shareholding as on June 30, 2020

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.	1,251,000
2	EPV Ctg. Ltd.	
	i. Direct Holding	1,000,000
	ii. Indirect Holding	8,100,000
3	EPV Thakurgaon Ltd. (Indirect Holding)	40,249,501

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

Energypac Power Generation Limited				
Sl. No.		No. of Shareholdings		Shares hold by Spouse
01.	Directors			
	i. Mr. Rabiul Alam	6,054,983	Dr. Meerjady Sabrina Flora	6,054,983
	ii. Mr. Enamul Haque Chowdhury	6,054,983	Mrs. Mahfuza Rahman Chowdhury	6,054,983
	iii. Mr. Md. Nurul Aktar	6,054,983	Mrs. Mahjabeen Parvez	118,125
	iv. Mr. Rezwatul Kabir	6,054,983	Mrs. Sabrina Sadek	118,125
	v. Mr. Mohammed Nurul Amin, Independent Director	-	Tahamina Arzuman	-
	vi. Mr. Miakil Shipar, Independent Director	-	Mrs. Samir Hossain Ruhi	-
	Mr. Golam Mohammad (Representative of EEL)	72,659,790	Dr. Ireen Hossain	-
02.	MD & Chief Executive Office Mr. Humayun Rashid	6,054,983	Mrs. Rifat Farzana	6,054,983
03.	Company Secretary Mr. Md. Alauddin Shibly, ACS, ITP	26,175	Mrs. Farah Deebea	-
04.	Chief Financial Officer Mr. Md. Aminur Rahaman Khan	21,000	Dr. Shamin Hossain	-
05.	Head of Internal Audit & Compliance Mr. Syed Erfan Saleh, ACA	-	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):

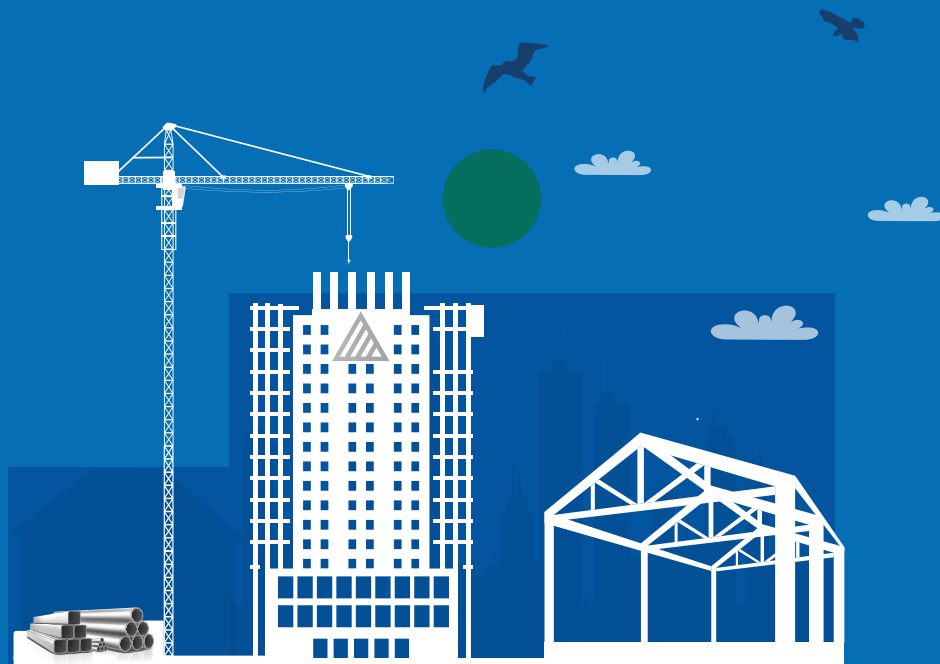
Sl. No.	Name of Executive	Designation	No. of Shareholdings
1	Mr. S. M. Jashim Uddin	GM & Head of Motor Vehicle Division	26,250
2	Mr. Abu Sayed Raza	GM & Head of LPG Division	7,875
3	Mr. Md. Lutfar Rahman, FCA	DGM, Finance & Accounts	61,500
4	Mr. Wahid Sadat Chowdhury	Head of IT & ERP	17,000
5	Mr. Shahed Latif	Head of Supply Chain Management	-

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

Sl. No.	Name of Shareholder	No. of Shareholdings	% of Shareholdings
1.	Energypac Engineering Ltd.	72,659,790	48.48%



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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 main Board appointed Audit Committee and two members of the Audit Committee are Non-Executive Directors. 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 was composed of the following members:

Mr. Mohammed Nurul Amin, Independent Director
Chairman of Audit Committee

Mr. Rezwatul 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 include:

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 include:

- 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

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.

Number of Audit Committee Meetings

Name of the Member	Designation	Held	Attend	%
Mr. Mohammed Nurul Amin, Independent Director	Chairman	5	5	100%
Mr. Rezwanul Kabir, Director	Member		5	100%
Mr. Golam Mohammad, Director (Representative of EEL)	Member		3	60%

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 2020

In 2020, 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 2019, which reflected full compliance to the effectiveness Guidelines. During the year 2020, 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: 2019-2020 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 81st BOD Meeting held on October 28, 2020.

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 Framework 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 2020.

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 (NRC) Report

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.

Composition of Nomination and Remuneration Committee

Directors	No. of Meetings held	No. of Meetings attended	Attendance %
Mr. Mohammed Nurul Amin, Independent Director Chairman of the Committee	1	1	100%
Mr. Mikail Shipar, Independent Director Member of the Committee	1	1	100%
Mr. Golam Mohammad, Director (Representative of EEL) Member of the Committee	1	1	100%
Mr. Enamul Haque Khandker, HR Advisor Advisor of the Committee	1	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

a) 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.

b) 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

c) 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

- (a) Reviewed the Terms of Reference of NRC and reported findings to the Board;
- (b) 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;
- (c) Formulated a policy relating to the remuneration package to be awarded to senior executives;
- (d) Reviewed the Company's recruitment, retention, and termination policies for the top level management and senior executives and any changes to those policies;
- (e) Reviewed incentive schemes for the top level management , Senior Executives and other Employees, if appropriate;
- (f) Reviewed whether the staff remuneration is aligned with market trend or not;
- (g) 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';
- (h) 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;
- (i) Demonstrated a clear relationship between the achievement of the company's objectives, staff performances and remunerations;
- (j) Adopted a code of conduct for the Chairman, Directors and top-level executives of the Company;
- (k) Reviewed the HR policy relating to employee benefits;
- (l) 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 28, 2020.

On behalf of the Nomination & Remuneration Committee

s/d

Mohammed Nurul Amin

Chairman of Nomination & Remuneration Committee



Independent Auditors' Report To the Shareholders of “Energypac Power Generation Limited”

As at and for the year ended June 30, 2020



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 2020, 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 statement 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 2020, 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.

Other Matters

The consolidated and separate financial statements of Energypac Power Generation Limited for the year ended 30 June 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 09 December 2019.

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	
<p>The Company has diversified revenue streams e.g. direct sales to customer, hire purchase sales, operation of CNG refueling station, execution of EPC contracts and other projects, liquefied petroleum gas (LPG) sales. 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.</p> <p>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 electricity supplied by the Group and accepted by the Client which may delay collection and require negotiation.</p> <p>Due to inherent risk associated with determination of revenues and recovery of accounts receivable balance as well as difficulties in forecasting future loss in case of default by debtors this area require significant estimate and judgment. In particular, due to COVID 19 related impact overall business and economic activities both globally and in Bangladesh have been adversely impacted, which also affected the Group as well, especially in relation to revenue recognition and increased overdue receivables. Therefore, we have considered this area as a key audit matter.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Understanding of various revenue streams and related operation matters; • Assessment of the five step model for revenue recognition adopted by the Company including cut-off point to satisfy performance obligation. • Credit approval process and assigning credit limit to a customer including collection of security related documents; • Periodic balance confirmation from debtors; • Monitoring process for overdue receivables; and • Group’s policy of creating provision against overdue receivables and periodic write off in line with IFRS 9. Our substantive procedures in relation to the assessing valuation of receivables comprises the following: <ul style="list-style-type: none"> • Reconciliation of debtors ageing to general ledger; • Checking of revenues recognized from electricity supply to BPDB/REB and inquire about any overdue receivables; • Conducting cut-off testing at the year-end; • Reviewing subsequent receipt of receivables balance; • Comparing current year rebate accruals to the prior year and issuance of credit notes post year-end; and • Recalculation of provision for trade receivables as required by IFRS 9 and compared against actual write off/loss on repossession in prior periods.
See note number 9 and 24 for details	



Valuation of inventories	
<p>The Group had substantial amount of inventories as at 30 June 2020 which were maintained at multiple locations including factory and dealers' premises creating risk of existence and completeness.</p> <p>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.</p> <p>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.</p> <p>Moreover, due to COVID 19 related impacts 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.</p> <p>Therefore, this area we have considered as a key audit matter.</p>	<p>We evaluated the design and implementation of key inventory controls operating across the product lines and multiple locations within the Group.</p> <p>We observed physical inventory counts and reviewed the reconciliation process of the count results to the inventory records maintained in the system.</p> <p>We compared the net realizable value through a detailed 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.</p> <p>We reviewed the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year.</p> <p>We discussed with management about their sales forecasting procedures and ordering of stocks, and inquired about remedial action taken in case of excess or shortage of inventories due to difference in forecast and actual results.</p> <p>We have assessed COVID 19 related impacts during the last quarter of 2019-2020 as well as subsequent period covering the First quarter of 2020-2021.</p>
See note number 11 for details	

Revaluation of property, plant and equipment including impairment assessment	
<p>The Group in prior years has undertaken revaluation of its land portfolio. As a result of this revaluation exercise, an amount of BDT 2,240,911,519 is recognised as the fair value gain in revaluation surplus for the Group and Tk 1,969,891,525 for the Company. Determination of fair value in absence of any quoted price and active market require significant judgment.</p> <p>As per the prevailing industry practice, significant portion of the Company owned LPG cylinders are at the hands of distributors and customers creating inherent risk. The Company has implemented internal control process for regular monitoring of sales activities of its distributors and utilization of cylinders.</p> <p>Furthermore, due to COVID 19 related country-wide lock down, business activities of the Group has impacted resulting lower capacity utilization of PP&E and hence we also considered any potential impairment under IAS 36.</p>	<p>We assessed the process of revaluation previously taken by the Group. We reviewed revaluation report of the independent valuer along with relevant documents and applied our judgment to see whether the fair value is still relevant, especially due to COVID 19 impact. We observed that the valuation was done as at 30 June 2017 by an independent valuer. We have inquired from external valuers about any major variation in current market price of those properties with its carrying value. We checked related accounting treatments of fair value gain and associated deferred tax as recognized by the Group.</p> <p>We have evaluated control mechanism of the Company to monitor use of cylinders by its distributors and customers, including accounting of subsequent charging of depreciation on these cylinders.</p> <p>Finally, we discussed actual capacity utilization during the period and future forecast including expected recovery time from COVID 19 impact to assess whether any impairment is required.</p>
See impairment policy, note 4 and note 17 for details	

Legal, regulatory and other compliance matters	
<p>The Company in the prior period has applied to Bangladesh Securities and Exchange Commission (BSEC) for approval to raise Tk 150 crore fund through issuance of its shares by the initial public offering (IPO) process. During the year ended 30 June 2020 the Company's application for IPO was under consideration at BSEC.</p> <p>Subsequently, on 21 October 2020 BSEC 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 is in the process of completing all IPO related formalities so that its shares can be immediately listed in stock exchanges.</p> <p>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.</p>	<p>We have conducted the following procedures to assess compliance of various regulatory and other matters applicable for the Company and the Group:</p> <p>Related party transaction Consistent with the previous arrangements, there are various types of related party transactions between the entities forming part of the Group as well as other related entities outside the Group. The Company has also undertaken various related party transactions. All such transactions are disclosed in note 38 to the financial statements. In accordance with Bangladesh Securities and Exchange Commission notification No. SEC/CMMR-RCD/2006-159/Admin/02-10 dated 2 September 2006 Management is taking various compliance steps on this matter, including sanction of these transactions by the Board of Directors and if applicable, approval at the general meeting.</p>



<p>In addition, the Company and Group has also taken substantial amount of loans and borrowings from various banks and financial institutions and subject to compliance with related covenants.</p> <p>Accordingly, the Company and the Group operate in a heightened legal and regulatory environment, and going forward it would 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.</p> <p>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:</p> <ul style="list-style-type: none"> • As per Bangladesh Securities and Exchange Commission notification No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 2 September 2006, no issuer company listed with the stock exchanges shall make any loan or give any guarantee or provide any security in connection with a loan made by a third party to certain types of entities. However, nothing in this order shall apply to the making of a loan or giving of any guarantee or providing any security by the said company if such company as a holding company makes the loan or gives the guarantee or provide the security to its subsidiary, but in no case the total amount of the loan shall exceed 50% of the paid up value of the shares held by such director in his own name. • As per Financial Reporting Council notification no 146/FRC/SS/2020/251 dated 11 February 2020 any amount of share money deposit shall be converted to capital within a maximum period of six months. • As per Income Tax Ordinance 1984, the Company and all its subsidiaries including those enjoying tax exemption shall submit income tax return. • 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. • Loans and borrowings of the Company and the Group need to be disclosed properly including key terms and conditions. 	<p>Share money deposit Some of the subsidiaries of the Group has received share money deposit from its shareholders. To comply with FRC directive on conversion to share capital those entities started required formalities but the process could not be completed on timely basis due to COVID 19.</p> <p>Income tax matters The Company and all entities of the Group are submitting their income tax returns on timely basis. Provision for the current year income tax has been made at the reduced rate applicable for a company transferring at least 20% of its paid-up capital through IPO. However, there are some disputes with income tax authorities on certain tax matters of the Company for which appeals have been filed and pending at various stages as disclosed in note 22.02 to the financial statements.</p> <p>The Labour Act The Company has made required provision for the WPPF and in the process of setting 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.</p> <p>Loans and Borrowings 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.</p> <p>Substantial portion of the Group's borrowings are mainly to fund construction of Two IPP Projects, one of which is under construction and expected to start commercial operation in April 2021. 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. Similarly, 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. Moreover, the Company would also pay off a portion of its existing borrowing from IPO proceeds.</p>
<p>See note number 11 for details</p>	

Carrying value of investments in subsidiaries by the Company

<p>The Company has directly invested in two subsidiaries, namely Energypac Power Venture Limited and EPV Chittagong Limited. As at 30 June 2020 the carrying value of this investment is BDT 2,169,821,587. In addition, there is an indirect investment in EPV Thakurgaon Limited by the Company. 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.</p> <p>At the time of conducting our audit of the separate financial statements of the Company we have considered recoverable value of the Company's investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued 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.</p> <p>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.</p>
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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

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of those books;
- (iii) the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account; and
- (iv) the expenditures incurred were for the purpose of the Group's business.

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

s/d

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 28 October 2020



Energypac Power Generation Limited and Its Subsidiaries

Consolidated Statement of Financial Position

As at 30 June 2020

Amount in BDT

	Notes	30 June 2020	30 June 2019
Assets			
Property, plant and equipment	4A.00	17,466,862,964	17,837,752,691
Goodwill	5.00	130,028,294	130,028,294
Intangible assets	6A.00	9,802,358	19,014,549
Capital work in progress	7A.00	5,786,286,982	2,197,362,458
Investment in non-listed companies	8A.00	67,000,000	214,969,775
Non-current assets		23,459,980,598	20,399,127,767
Trade receivables	9A.00	5,157,683,993	4,745,248,933
Other receivables	10A.00	492,965,878	776,346,489
Inventories	11A.00	2,199,053,744	2,690,344,676
Advances, deposits and prepayments	12A.00	2,731,068,090	2,139,464,591
Investments in shares	13A.00	1,041,595	2,294,355
Cash and cash equivalents	14A.00	1,814,392,914	1,283,760,019
Current assets		12,396,206,214	11,637,459,062
Total assets		35,856,186,813	32,036,586,830
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	15A.00	1,498,696,500	1,498,696,500
Share premium	16A.00	931,600,000	931,600,000
Revaluation surplus	17A.00	2,240,911,519	2,240,911,519
Retained earnings	SOCE	2,553,704,845	2,096,003,177
Shareholders' equity of the parent		7,224,912,864	6,767,211,196
Non controlling interest	SOCE	543,170,320	122,022,937
Total equity		7,768,083,185	6,889,234,133
Liabilities			
Term loan-non current portion	18A.01	5,126,326,166	5,170,498,495
Security deposits from customers & dealers	19A.00	1,228,861,337	1,094,879,229
Deferred tax liability non-current portion	32.03A	210,400,372	229,049,852
Non-current liabilities		6,565,587,875	6,494,427,576
Bank overdraft	20A.00	1,768,181,127	942,113,608
Trade payables	21A.00	2,029,469,408	2,706,006,871
Other payables	22A.00	2,330,503,371	3,651,830,215
Short term bank loan	23A.00	13,031,904,041	3,258,174,595
Term loan-current portion	18A.02	2,362,457,805	8,094,799,831
Current liabilities		21,522,515,753	18,652,925,120
Total liabilities		28,088,103,628	25,147,352,696
Total shareholders' equity and liabilities		35,856,186,813	32,036,586,830

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

S/d
Chairman

S/d
Managing Director

S/d
Director

S/d
Chief Financial Officer

See the annexed report of even date

Dhaka, 28 October 2020

S/d
Company Secretary

S/d
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Energypac Power Generation Limited and Its Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Notes	Amount in BDT	
		2019-2020	2018-2019
Revenues	24A.00	10,973,965,236	14398996009.73
Cost of revenues	25A.00	(7,760,155,179)	(11086374364)
Gross profit		3,213,810,057	3,312,621,646
Administrative expenses	26A.00	(735,519,810)	(880,662,822)
Distribution expenses	27A.00	(508,907,257)	(552,158,873)
Profit from operating activities		1,969,382,990	1,879,799,951
Finance income	28A.00	21,837,782	28,202,868
Finance costs	29A.00	(1,346,610,104)	(1,245,606,325)
Non-operating income	30A.00	24,895,682	(9,666,393)
Provision for WPPF	31A.00	(25,923,120)	(25,271,873)
Profit before tax		643,583,231	627,458,228
Income tax	32A.00	(61,738,838)	(147,525,490)
Net profit for the year		581,844,392	479,932,737
Profit attributable to:			
Equity holders of parent		574,041,488	468,942,208
Non controlling interest of EPVL		3,488,471	5,212,311
Non controlling interest of EPVCL		11,603,234	7,339,113
Non controlling interest of EPVTL		(7,288,800)	(1,560,895)
		581,844,392	479,932,737
Other comprehensive income			
Other comprehensive income for the year	33A	(7,891,945)	(17,088,144)
Other comprehensive income attributable to:			
Equity holders of parent		(7,181,670)	(15,550,211)
Non controlling interest of ECPVL		(710,275)	-
Non controlling interest of ECPVCL		-	(1,537,933)
Non controlling interest of EPVTL		-	-
Total comprehensive income for the year		573,952,447	462,844,593
Earnings per share			
Basic earnings per share (per value Tk 10)		3.83	3.13

The annexed notes 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

See the annexed report of even date

Dhaka, 28 October 2020

S/d
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Energypac Power Generation Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

Particulars	Attributable to the equity holders of parent						Non Controlling Interest	Total
	Share Capital	Share Premium	Revaluation reserve	Retained Earnings	Total			
	Amount in BDT							
Balance at 01 July 2019	1,498,696,500	931,600,000	2,240,911,519	2,096,003,177	6,767,211,196	122,022,937	6,889,234,133	
Profit for the year	-	-	-	574,041,488	574,041,488	7,802,905	581,844,392	
Non-controlling interest recognised during the year	-	-	-	(34,223,324)	(34,223,324)	414,054,753	379,831,429	
Other comprehensive income	-	-	-	(7,181,670)	(7,181,670)	(710,275)	(7,891,945)	
Dividend for the year	-	-	-	(74,934,825)	(74,934,825)	-	(74,934,825)	
Balance at 30 June 2020	1,498,696,500	931,600,000	2,240,911,519	2,553,704,845	7,224,912,865	543,170,320	7,768,083,185	
Balance at 01 July 2018	1,498,696,500	931,600,000	2,240,911,519	1,420,304,706	6,091,512,726	75,251,792	6,166,764,518	
Profit for the year	-	-	-	468,942,208	468,942,208	10,990,528	479,932,737	
Holding gain on disposal of indirect holding adjustment	-	-	-	297,241,299	297,241,299	-	297,241,299	
Non-controlling interest adjustment on disposal	-	-	-	-	-	37,318,549	37,318,549	
Other comprehensive income	-	-	-	(15,550,211)	(15,550,211)	(1,537,933)	(17,088,144)	
Dividend for the year	-	-	-	(74,934,825)	(74,934,825)	-	(74,934,825)	
Balance at 30 June 2019	1,498,696,500	931,600,000	2,240,911,519	2,096,003,177	6,767,211,197	122,022,937	6,889,234,134	

The annexed notes 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

Energypac Power Generation Limited and Its Subsidiaries

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Amount in BDT	
	2019-2020	2018-2019
Cash receipts from customers	11,283,130,865	13,944,239,542
Cash payments to and on behalf of employees	(376,919,614)	(573,530,663)
Payment to suppliers, contractors and others	(9,403,189,138)	(10,937,360,980)
Cash generated from/(used in) operating activities	1,503,022,113	2,433,347,899
Income tax paid	(39,303,609)	(209,661,150)
Net cash from/(used in) operating activities	1,463,718,504	2,223,686,749
Cash flows from investing activities		
Acquisition of property, plant and equipment	(501,251,373)	(2,713,294,851)
Acquisition of intangible assets	-	(3,484,798)
Capital work in progress	(4,299,442,850)	(317,024,917)
Investment in/(divestment) from of subsidiary, associate and others	148,182,420	34,156,107
Intercompany current a/c	(156,923,128)	-
Proceed from/(paid for) short term investment	-	260,004,442
Interest received	24,799,171	31,346,263
Net cash from/(used in) investing activities	(4,784,635,760)	(2,708,297,753)
Cash flows from financing activities		
Payment of dividend	-	(74,934,825)
Non-controlling interest arisen from increase of share capital	371,939,484	195,084,522
Interest paid	(1,346,610,104)	(1,266,370,501)
Received from/(Payment of) short term bank loan	9,773,729,446	(488,232,407)
Received from/(Payment of) term loan	(5,776,514,355)	2,158,724,845
Net cash from/(used in) financing activities	3,022,544,472	524,271,634
Effects of exchange rate changes on cash and cash equivalents	2,938,161	(1,764,109)
Net increase/(decrease) in cash and cash equivalents	(298,372,784)	39,660,630
Cash and cash equivalents at 01 July	341,646,411	303,749,889
Cash and cash equivalents at 30 June	46,211,787	341,646,410

14A.01

The annexed notes 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

Energypac Power Generation Limited

Statement of Financial Position

As at 30 June 2020

	Notes	Amount in BDT	
		30 June 2020	30 June 2019
Assets			
Property, plant and equipment	4.00	9,120,295,005	8,836,928,464
Intangible assets	6.00	9,802,358	19,014,549
Capital work in progress	7.00	1,111,960,772	985,768,947
Investment in non-listed companies	8.00	2,236,821,587	2,187,821,587
Non-current assets		12,478,879,722	12,029,533,546
Trade receivables	9.00	4,247,012,588	3,598,875,498
Other receivables	10.00	583,732,120	309,888,734
Inventories	11.00	1,649,509,984	2,490,372,899
Advances, deposits and prepayments	12.00	2,199,283,599	1,627,233,182
Investment in listed companies	13.00	444,415	1,484,530
Cash and cash equivalents	14.00	1,557,386,703	873,610,700
Current assets		10,237,369,409	8,901,465,543
Total assets		22,716,249,131	20,930,999,090
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	15.00	1,498,696,500	1,498,696,500
Share premium	16.00	931,600,000	931,600,000
Revaluation surplus	17.00	1,969,891,525	1,969,891,525
Retained earnings	SOCE	1,862,558,419	1,505,985,557
Total equity		6,262,746,444	5,906,173,582
Liabilities			
Term loan-non current portion	18.01	3,702,119,990	2,929,530,020
Security deposits from customers and dealers	19.00	1,228,861,337	1,094,879,229
Deferred tax liability	32.03	210,400,372	229,049,852
Non-current liabilities		5,141,381,699	4,253,459,101
Bank overdraft	20.00	1,768,181,127	942,113,608
Trade payables	21.00	1,833,872,017	2,522,371,258
Other payables	22.00	2,245,875,256	2,944,690,706
Short term Bank loan	23.00	3,971,210,805	3,258,174,595
Term loan-current portion	18.02	1,492,981,782	1,104,016,241
Current liabilities		11,312,120,987	10,771,366,408
Total liabilities		16,453,502,686	15,024,825,509
Total shareholders' equity and liabilities		22,716,249,131	20,930,999,090

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

S/d
Chairman

S/d
Managing Director

S/d
Director

S/d
Chief Financial Officer

S/d
Company Secretary

See the annexed report of even date

S/d
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 28 October 2020



Energypac Power Generation Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

Particulars	Notes	Amount in BDT	
		2019-2020	2018-2019
Revenues	24.00	8,125,285,874	9,116,413,871
Cost of sales	25.00	(5,823,648,199)	(6,637,521,793)
Gross profit		2,301,637,675	2,478,892,078
Administrative expenses	26.00	(678,259,813)	(821,860,025)
Distribution expenses	27.00	(508,907,257)	(552,158,873)
Profit from operating activities		1,114,470,605	1,104,873,180
Finance income	28.00	19,661,623	26,944,203
Finance costs	29.00	(658,087,580)	(612,205,840)
Non-operating income	30.00	42,417,747	11,097,783
Provision for WPPF	31.00	(25,923,120)	(25,271,873)
Profit before tax		492,539,274	505,437,453
Income tax		(61,031,586)	(147,084,957)
Current tax	32.01	79,681,066	100,387,234
Deferred tax expense/(income)	32.02	(18,649,480)	46,697,723
Profit for the year		431,507,688	358,352,496
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		431,507,688	358,352,496
Earnings per share			
Basic earnings per share (per value Tk 10)		2.88	2.39

The annexed notes 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

See the annexed report of even date

S/d
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 28 October 2020

Energypac Power Generation Limited

Statement of Changes in Equity

For the year ended 30 June 2020

Amount in BDT

Particulars	Share capital	Share premium	Revaluation reserve	Retained earnings	Total
Balance at 01 July 2019	1,498,696,500	931,600,000	1,969,891,525	1,505,985,557	5,906,173,582
Profit for the year	-	-	-	431,507,688	431,507,688
Dividend for the year	-	-	-	(74,934,825)	(74,934,825)
Balance at 30 June 2020	1,498,696,500	931,600,000	1,969,891,525	1,862,558,421	6,262,746,446
Balance at 01 July 2018	1,498,696,500	931,600,000	1,969,891,525	1,222,567,887	5,622,755,912
Profit for the year	-	-	-	358,352,496	358,352,496
Dividend for the year	-	-	-	(74,934,825)	(74,934,825)
Balance at 30 June 2019	1,498,696,500	931,600,000	1,969,891,525	1,505,985,557	5,906,173,582

The annexed notes 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

Energypac Power Generation Limited

Statement of Cash Flows

For the year ended 30 June 2020

	Notes	Amount in BDT	
		2019-2020	2018-2019
Cash receipts from customers		7,659,047,541	7,926,333,346
Cash payments to and on behalf of employees		(291,884,870)	(562,487,592)
Payment to suppliers, contractors and others		(6,837,904,829)	(6,541,913,206)
Cash generated from/(used in) operating activities		529,257,842	821,932,547
Income tax paid		(38,596,357)	(208,799,588)
Net cash from/(used in) operating activities	36.00	490,661,485	613,132,959
Cash flows from investing activities			
Acquisition of property, plant and equipment		(832,385,038)	(1,284,713,256)
Acquisition of intangible assets		-	(3,484,797)
Capital work in progress		(836,710,151)	(317,024,916)
Investment in acquisition of subsidiary		(49,000,000)	-
Intercompany current a/c		(156,923,128)	-
Proceed from/(paid for) short term investment		-	-
Interest received		22,623,012	30,087,598
Net cash from/(used in) investing activities		(1,852,395,305)	(1,575,135,372)
Cash flows from financing activities			
Payment of dividend		-	(74,934,825)
Interest paid		(658,087,580)	(612,205,840)
Received from/(payment of) short term bank loan		713,036,210	663,500,238
Received from/(payment of) term loan		1,161,555,511	928,921,187
Net cash from/(used in) financing activities		1,216,504,140	905,280,760
Effects of exchange rate changes on cash and cash equivalents		2,938,161	(1,764,109)
Net increase/(decrease) in cash and cash equivalents		(145,229,679)	(56,721,652)
Cash and cash equivalents at 01 July		(68,502,908)	(10,017,147)
Cash and cash equivalents at 30 June	14.02	(210,794,425)	(68,502,908)

The annexed notes 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

Energypac Power Generation Limited and its Subsidiaries

Notes to the Consolidated and Separate Financial Statements
As at and for the year ended 30 June 2020

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.

1.20 Nature of business

The Company is engaged as major supplier of base load and standby gas and diesel generators and provides rent, solar panel, accessories and turnkey solutions, independent power plant, operation and maintenance of power plant, transmission and distribution, CNG refueling station and conversion kits, importing and marketing JAC automobiles, machinery and materials, spare parts, installation and service, cylinder manufacturing plant and LPG refueling station across Bangladesh.

1.30 Description of subsidiary

Energypac Power Venture Ltd.

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

Energypac Power Venture Chittagong Ltd.

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

Energypac Power Venture Thakurgaon Ltd.

EPV Thakurgaon Ltd. (EPVTL) was incorporated in Bangladesh on 17 August 2017 as a Private Limited Company. The address of the registered office of the Company is Energy Point (2nd Floor), 430/2, Tejgaon, Dhaka-1208. The Company is constructing 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) with COD date of 15 November 2019. However, due to issues beyond the control of EPVTL completion has been delayed and as per the Project PTS it is expected that start of operation will commence from the middle of April 2021.

2.00 Basis of preparation

2.01 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. 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), the 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.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and the Bangladesh Securities and Exchange Rules, 1987.

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 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



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
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 -7	Financial instruments: Disclosures
23	IFRS-8	Operating segments
24	IFRS-9	Financial instruments
25	IFRS-10	Consolidated financial statements
26	IFRS-13	Fair Value measurement
27	IFRS-15	Revenue from contracts with customers
28	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:

- Land is measured at fair value under revaluation model.
- Inventories are measured at lower of cost and net realizable value.
- 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 Group'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.



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: Depreciation of property, plant and equipment
- Note 5: Impairment assessment of goodwill
- Note 9: Impairment assessment of trade receivables
- Note 17: Revaluation of Property, plant and equipment
- Note 29: Provision for gratuity
- Note 32: Provision for income tax
- Note 32.03: Deferred tax liabilities
- Note 42: Contingent liability and commitment

2.06 Reporting period

The reporting period of the Group and the Company covers twelve months from 1 July 2019 to 30 June 2020 and is followed consistently.

2.07 Comparatives and reclassification

Comparative information has been disclosed for the year 2018-2019 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 2018-2019 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.

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. Consistent with this feature, as at 30 June 2020 the net current liabilities of the Group exceeded its net current assets by Tk 9,126,309,539 (PY: Tk 7,015,466,058) which will gradually improve as IPP projects would complete initial years. As at 30 June 2020, the Company's net liabilities exceeded its net current assets by Tk 1,074,751,578 (PY: Tk 1,869,900,864) showing significant improvement and expect to further improve once the IPO process generating Tk 150 crore is completed.

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 2020. 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.

Loss of control:

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

Transactions eliminated on consolidation:

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

Non-controlling interest

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

3.02 Measurement of fair values

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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 labour 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 (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 derecognised. 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. The rates of depreciation vary according to the estimated useful lives of the class of property, plant and equipment, as follows:

Particulars	Percentages (Annual)
Office building	5%
Factory building	4%
Machineries	5%-20%
Furniture & fixtures	12.5%-15%
Renovation and office decoration	20%
Equipment	20%
Tools	20%
Motor Vehicles	20%
Rental fleet	10%
Heavy equipment	10%
Server and network	25%
Cylinders	6.50%

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

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 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
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

3.05.02 Subsequent costs

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

3.05.03 Amortization

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

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

3.06 Financial instruments

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

3.06.01 Financial assets

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

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

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

- a. the entity's business model for managing the financial assets; and
- b. the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established: amortized cost, fair value through other comprehensive income and fair value through profit and loss. These measurement classifications align with three business models available under IFRS 9:

- 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 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.



3.12 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 recognised for these subsidiaries.

3.14 Provisions

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

3.15 Warranty

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

3.16 Revenues

The Company has initially applied IFRS 15 Revenue from contract with customers from 1 January 2019. The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principal, IFRS 15 establishes a five-step model as follows:

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

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

Liquefied Petroleum Gas (LPG)

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

Trade sales

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



Hire purchase sales

Under hire purchase sales system, purchaser pays the price of the goods in monthly instalments. Under this system the goods are delivered to the purchaser at the time of agreement before the payment of instalments but the title on the goods is transferred after the payment of all instalments as per the hire purchase sales agreement. If there is a default in the payment of any of the instalments, the Company will take away the goods from the possession of the purchaser without refunding him any amount received earlier in the form of various instalments.

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

Rental and services revenue

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

Project sales

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

CNG station revenue

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.

Operation and maintenance revenue

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

Commission revenue

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

Engineering, Procurement and Construction (EPC) contract revenue

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

3.17 Finance income and expenses

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

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

3.18 Bad debts

Provision for bad debts

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

Bad debts written off

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

3.19 Income tax

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

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. As the Company has completed all required formalities for public listing and also received approval from BSEC the effective rate of income tax is considered as 22.5% as per Finance Act 2020 after allowing for a rebate of 10% from the applicable rate of 32.5%.

Deferred tax

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



3.20 Foreign currency

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

3.21 Earnings per share

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

3.22 Determination and presentation of operating segment

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

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

3.23 Determination and presentation of operating segment

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 was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

As per IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, for a period, in exchange for consideration. The distinction between operating and finance leases is eliminated for lessees under IFRS 16, and a new lease asset (representing the right to use the leased item for the lease term) and lease liability (representing the obligation to pay rentals) are recognized for all leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases. At the commencement date of a lease, a lessee is recognized a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessee is required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

As a lessee

The Company has lease agreements for warehouse, office, apartment and others, for a specified period of time in exchange of consideration. In 2019, the Company completed an assessment of all leases under IAS 17 and recognized ROU (right-of-use) assets and leases liabilities for all leases under the scope of IFRS 16 Leases.



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.

(i) Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount any prepaid or accrued lease payments.

(ii) Leases classified as Finance leases under IAS 17

The carrying amount of ROU asset and the lease liability at January 01, 2019 for the finance leases under IAS 17, is continued treating as the financial leases under new policy.

The Company has assessed the potential impact of IFRS 16 and concludes that there is no significant impact of the IFRS on the Financial statements.

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 carrying 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 undertaken by professionally qualified values. In accordance with IAS 16 revaluation reserve relating to the land is transferred to retained earnings when it is disposed.

3.27 COVID 19

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such, as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which also impacted the Group. Although the business operation and profitability of the Company are impacted due to COVID 19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID 19 related matters on the Group's operation and financial results cannot be reasonably assessed.

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.

3.31 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 July 2019 and earlier application is permitted. However, the Company has not early applied the following new standards in preparing these financial statements.

IFRS 17 Insurance contract

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. Based on preliminary assessment this standard is not expected to have significant impact on the Company and the Group's financial statements.



4. Property, plant and equipment

Particulars	Land	Office building	Warehouse	Factory Building	Machinery	Furniture and fixtures	Renovation/ Office Decoration	Equipment	Loose tools	Motor Vehicles	Motor Vehicles Sales	Remain Fleet	Heavy Equipment	Sensor & Network	CNG Station	Cylinder	Total
Cost																	
Balance at 1 July, 2019	3,477,035,299	762,089,458	-	-	1,446,551,933	17,945,472	420,184,009	73,698,716	26,850,330	95,226,634	-	77,560,357	226,431,075	-	-	2,828,995,958	9,652,569,241
Additions during the period	4,647,375	-	-	721,606	121,157,982	29,000	829,854	3,791,824	6,1442	1,416,170	-	-	-	115,788	-	302,541,691	326,254,732
Disposals	8,607,833	-	-	632,035,812	(1,051,102,526)	(1,500)	-	(285,000)	-	(54,075,460)	54,075,460	(2,000,000)	105,102,526	7,101,581	-	370,252,640	(385,962,854)
Adjustment/Internal Transfer*	-	-	-	632,035,812	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2020	3,490,290,507	130,053,646	-	632,757,418	1,553,607,388	17,972,972	421,013,863	77,145,540	26,911,772	49,569,344	54,075,460	75,560,357	331,533,601	7,217,369	-	3,501,790,289	10,362,499,537
Balance at 1 July, 2018	3,162,177,062	618,367,148	311,175,997	-	1,439,671,263	15,033,051	334,486,075	65,040,729	24,776,131	49,852,750	-	72,413,421	221,529,075	-	60,292,307	2,372,016,025	8,466,831,034
Additions during the period	314,658,239	143,722,310	(31,175,997)	-	206,880,670	2,912,421	85,697,934	8,657,987	2,074,199	45,373,884	-	5,146,936	4,902,000	-	(60,292,307)	554,066,999	1,282,825,275
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(97,087,066)	(97,087,066)
Adjustment/Internal Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2019	3,477,035,301	762,089,458	-	-	1,646,551,933	17,945,472	420,184,009	73,698,716	26,850,330	95,226,634	-	77,560,357	226,431,075	-	-	2,828,995,958	9,652,569,241
Accumulated depreciation																	
Balance at 1 July, 2019	-	79,944,481	-	-	238,074,830	12,756,338	125,163,887	52,366,560	21,878,064	37,934,081	-	44,815,188	49,290,398	-	-	153,317,198	815,641,024
Depreciation for the period	-	22,642,677	-	15,243,116	112,669,477	4,321,351	52,733,510	7,184,815	1,772,584	8,420,239	5,228,830	6,143,869	27,017,364	3,469,931	-	161,123,056	427,970,819
Disposals/Retainment	-	-	-	-	(9,355,672)	1,385	-	(284,997)	-	(12,421,448)	12,421,448	-	9,355,672	-	-	1,966,374	1,966,374
Adjustment/Internal Transfer*	-	68,492,497	-	-	-	-	-	-	-	-	-	-	-	-	-	559,053	559,053
Balance at June 30, 2020	-	44,094,662	-	73,735,613	341,388,655	17,076,304	177,897,397	59,266,378	23,650,647	33,932,872	17,650,278	49,279,064	85,763,434	4,028,984	-	314,440,284	1,242,204,521
Balance at 1 July, 2018	-	49,425,419	25,828,691	-	128,219,550	11,278,203	59,483,683	57,209,408	20,102,803	29,488,374	-	37,530,788	13,949,018	-	41,892,945	36,782,442	474,867,177
Depreciation for the period	-	30,519,060	(25,828,691)	-	109,855,280	1,478,135	65,480,204	(4,842,848)	1,775,261	8,445,707	-	7,284,407	35,441,380	(41,892,945)	-	116,534,757	340,773,600
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment/Internal Transfer	-	79,944,479	-	-	238,074,830	12,756,338	125,163,887	52,366,560	21,878,064	37,934,081	-	44,815,195	49,290,398	-	-	153,317,198	815,640,777
Adjustment/Internal Transfer	-	79,944,481	-	-	238,074,830	12,756,338	125,163,887	52,366,560	21,878,064	37,934,081	-	44,815,195	49,290,398	-	-	153,317,198	815,640,777
Carrying amount																	
Balance at June 30, 2020	3,490,290,507	65,958,984	-	559,021,805	1,212,218,753	896,668	243,116,466	17,879,162	3,261,125	8,636,472	36,425,182	26,281,293	245,770,167	3,188,385	-	3,187,350,035	9,120,295,005
Balance at June 30, 2019	3,477,035,301	682,144,979	-	-	1,408,477,103	5,189,134	295,020,122	21,332,156	4,972,266	57,292,553	-	32,745,162	177,040,677	-	-	2,675,678,759	8,836,928,444

* As part of the migration process to an ERP solution (SAP) the Company has rearranged classification categories of certain items of PP&E for better monitoring and reflection of the nature of those items.

Allocation of depreciation:	2019-2020	2018-2019
Cost of sales	370,654,334	295,652,924
Administrative expenses	52,187,645	45,170,676
Distribution expenses	5,228,830	-
427,970,809	340,723,600	

*4A. Property, plant and equipment

	2019-2020	2018-2019
Energyrac Power Generation Ltd.	9,120,295,005	8,836,928,464
Energyrac Power Venture Ltd.	720,776,400	774,288,459
Energyrac Power Venture Cig. Ltd.	7,505,936,631	8,142,102,101
Energyrac Power Venture Thakurgaon Ltd.	119,854,928	84,433,667
Consolidated property plant & equipment	17,466,862,964	17,837,752,691

Some portion of above assets of the Company are kept as security for loans and borrowings from different banks and financial institutions.

5.00 Calculation of goodwill

Consideration for acquisition of ECPVL shares	337,502,067	337,502,067
Share of Accumulated profit upto 20 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 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 total shares and 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.

Energypac Power Generation Limited (EPGL) also signed an agreement with Confidence Cement Limited on 9th March 2017 regarding 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 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 subsidiary of EPGL by holding of 91% (10% directly and 81% indirectly).

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 been 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 subsidiary as per IFRS 10 complying the definition of indirect holding.

Amount in BDT	
30 June 2020	30 June 2019

6.00 Intangible assets

Cost:

Opening balance (System and Software)	28,543,410	25,058,613
Addition during the year	-	3,484,797
Adjustment/ transfer	(7,101,581)	-
	<u>21,441,829</u>	<u>28,543,410</u>

Accumulated amortization:

Opening balance (System and Software)	9,528,861	3,884,547
Net charged during the year	2,669,662	5,644,314
Adjustment	(559,053)	-
	<u>11,639,471</u>	<u>9,528,861</u>

Carrying amounts

<u>9,802,358</u>	<u>19,014,549</u>
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The rate of amortization is 25%.

6A.00 Intangible assets

Energypac Power Generation Ltd.	9,802,358	19,014,549
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net Balance	<u>9,802,358</u>	<u>19,014,549</u>

7.00 Capital work in progress

Asset under constructions	1,111,960,772	985,768,947
	<u>1,111,960,772</u>	<u>985,768,947</u>

7.01 Break up & movement of capital work in progress

	30 June 2020	Transfer to Asset	Addition	30 June 2019
Land & land development	789,506,344	(8,606,764)	619,772,647	178,340,461
Building & civil work	149,983,977	-	149,596	149,834,381
Renovation	3,967,544	-	3,005,787	961,757
Machinery	51,104,291	-	848,930	50,255,361
Furniture & fixtures	102,520	-	-	102,520
Equipment	2,245,526	-	-	2,245,526
Heavy equipment	810,070	-	-	810,070
Tools & others	78,235	-	45,000	33,235
Motor vehicle	117,966	-	-	117,966
Cylinder	86,035,738	(497,842,850)	-	583,878,588
Intangible asset	14,313,284	-	8,746,878	5,566,406
Others AUC	13,695,278	-	72,600	13,622,677
	<u>1,111,960,772</u>	<u>(506,449,614)</u>	<u>632,641,438</u>	<u>985,768,947</u>

7A.00 Capital work in progress

Energypac Power Generation Ltd.	1,111,960,772	985,768,947
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	4,674,326,210	1,211,593,511
Net Balance	<u>5,786,286,982</u>	<u>2,197,362,458</u>



8.00 Investment in non-listed companies

	Separate		Consolidated	
	June 2020	June-2019	June 2020	June-2019
Equity investment in EPVL (12,51,000 ordinary shares of Tk. 100 each)	337,502,067	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	1,472,398,600
Equity investment in EPV Chittagong Ltd. (1,00,000 ordinary shares of Tk. 10 each)	29,100,906	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	330,820,014
Equity investment in CLICL (180,000 ordinary shares @ Tk. 10 each)	18,000,000	18,000,000	18,000,000	18,000,000
Equity investment in Zodiac Power Chittagong Ltd.	49,000,000	-	49,000,000	-
	2,236,821,587	2,187,821,587	2,236,821,587	2,187,821,587
Less: Transaction between Parent & Subsidiary			(2,169,821,587)	(2,169,821,587)
			67,000,000	18,000,000

Subsequent to the year end, EPGL has disposed of its entire investment in Zodiac Power Chittagong Ltd.

8A.00 Investment in non-listed companies

Energypac Power Generation Limited	67,000,000	18,000,000
Energypac Power Venture Ltd.	-	196,969,775
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Proportionate associate income	-	-
Net balance	67,000,000	214,969,775
Less: Disposal	-	-
Less: Balance between parent and subsidiaries	-	-
Net balance	67,000,000	214,969,775

9.00 Trade receivables

Receivables (unsecured) - considered good

Local accounts receivable	3,472,183,217	2,690,918,111
Receivable from EPC project (note 9.01)	782,766,031	915,894,047
Less: doubtful debt	(7,936,660)	(7,936,660)
Net accounts receivable	4,247,012,588	3,598,875,498

9.01 Receivable from EPC project

Essential Drugs Company Limited (EDCL)	241,140,498	85,203,159
Sylhet Gas Field-CFP	388,676,736	573,235,780
Sylhet Gas Field-CRU	152,948,797	257,455,108
	782,766,031	915,894,047

9A.00 Trade and Other Receivables

Energypac Power Generation Limited	4,247,012,588	3,598,875,498
Energypac Power Venture Ltd.	47,396,743	21,601,570
EPV Chittagong Ltd.	871,121,662	1,134,731,665
EPV Thakurgaon Ltd.	-	-
Total balance	5,165,530,993	4,755,208,733
Less: transaction between parent and subsidiaries	(7,847,000)	(9,959,800)
Net balance	5,157,683,993	4,745,248,933

The management 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. Included above is receivable for additional power supply to BPDB and rebate claim from banks on account of interest charged during April and May 2020 which were to be reversed as per instruction of Bangladesh Bank. The above receivables are hypothecated with various banks against loans and borrowings.



10.00 Other receivables

Receivable for reimbursable	58,632,801	47,074,220
Claim receivables	8,835,955	8,835,955
Interest on FDR	5,752,651	8,714,040
Insurance commission receivable	5,295,813	5,272,747
Intercompany/related party current account (note 10.01)	505,214,900	239,991,772
	<u>583,732,120</u>	<u>309,888,734</u>

10.01 Intercompany current account

Energypac Power Venture Ltd.	109,790,866	53,560,820
EPV Chittagong Ltd.	123,497,223	89,619,979
EPV Thakurgaon Ltd.	5,000,000	5,000,000
Official Clothing Limited	28,094,000	28,094,000
Chartered Life Insurance Company Ltd.	10,545,767	10,545,767
Energypac Electronics Ltd	44,336,778	4,335,150
Energypac Fashion Ltd	119,499,256	7,236,748
Design Express Limited	4,302,221	4,274,111
Energypac Infrastructure Development Ltd	60,047,551	37,223,959
Energypac Batteries Limited	101,238	101,238
	<u>505,214,900</u>	<u>239,991,772</u>

The Company has undertaken the above transactions with its subsidiaries as well as some other related parties as temporary arrangement. 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.

10A.00 Other receivables

Energypac Power Generation Ltd.	583,732,120	309,888,734
Energypac Power Venture Ltd.	98,208,175	1,320,073
EPV Chittagong Ltd.	201,815,334	658,857,682
EPV Thakurgaon Ltd.	10,243,024	-
Total balance	<u>893,998,653</u>	<u>970,066,489</u>
Less: Transaction between parent and subsidiaries	(401,032,775)	(193,720,000)
Net balance	<u>492,965,878</u>	<u>776,346,489</u>

11.00 Inventories

Raw material	488,611,476	343,055,009
Semi finished goods	18,331,235	757,769,811
Finished goods	704,487,622	1,065,504,939
Stock of spare parts	49,888,318	39,098,721
Stock in transit and contract assets	604,628,712	502,582,623
	<u>1,865,947,364</u>	<u>2,708,011,103</u>
Provision for inventory	(216,437,380)	(217,638,204)
	<u>1,649,509,984</u>	<u>2,490,372,899</u>

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 44.3.

11A.00 Inventories

Energypac Power Generation Ltd.	1,649,509,984	2,490,372,899
Energypac Power Venture Ltd.	39,806,836	871,305
EPV Chittagong Ltd.	509,736,924	199,100,472
EPV Thakurgaon Ltd.	-	-
Net balance	<u>2,199,053,744</u>	<u>2,690,344,676</u>



	Amount in BDT	
	30 June 2020	30 June 2019
12.00 Advances, deposits and prepayments		
Advances		
Advance against Projects	424,802,105	332,106,603
Advance against purchase	537,560,744	175,038,418
Advance to employees	29,312,076	13,704,677
Advance income tax (note 12.01)	1,037,254,593	998,658,236
	2,028,929,517	1,519,507,934
Deposits		
Earnest money	20,793,828	15,787,343
LC margin	76,071,597	24,531,468
Security deposit	16,429,272	17,189,272
Security deposit for container of L/C	8,312,613	8,312,613
VAT current account	39,584,469	32,371,166
	161,191,779	98,191,862
Prepayment		
Prepaid office rent	9,162,303	9,205,873
Prepaid for internet security	-	232,513
Prepaid for renewal & registration	-	95,000
	9,162,303	9,533,386
	2,199,283,599	1,627,233,182
<p>Advance against Projects are various advances given to contractors which will be subsequently transfer to the respective heads upon completion of work. 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.</p>		
12.01 Advance income tax		
Balance at 1 July	998,658,236	790,204,795
Add: Paid during the year	39,001,108	208,453,441
Less: Adjustment during the year	(404,751)	-
Balance at 30 June	1,037,254,593	998,658,236
<p>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.</p>		
12A.00 Advances, deposits and prepayment		
Energypac Power Generation Limited	2,199,283,599	1,627,233,182
Energypac Power Venture Ltd.	4,161,236	4,081,948
EPV Chittagong Ltd.	50,663,815	86,130,256
EPV Thakurgaon Ltd.	476,959,440	422,019,205
Total balance	2,731,068,090	2,139,464,591
Less: Transaction between parent and subsidiaries	-	-
Net balance	2,731,068,090	2,139,464,591
13.00 Investment in shares of listed companies		
Investment in shares of listed companies	444,415	1,484,530
	444,415	1,484,530
<p>For details view, please see Annexure-A</p>		
13A.00 Investment in shares of listed companies		
Energypac Power Generation Ltd.	444,415	1,484,530
Energypac Power Venture Ltd.	597,180	809,825
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net balance	1,041,595	2,294,355
14.00 Cash and cash equivalents		
Cash in hand	4,222,773	9,548,032
Cheques in hand	41,872,077	20,468,182
Fixed deposit receipts	210,585,608	625,981,584
Cash at Bank	1,300,706,244	217,612,902
	1,557,386,703	873,610,700
<p>Cheques in hand represents the collection from customers which are yet to be deposited to bank account.</p>		



14.01 Cash at Bank

Islami Bank Bangladesh Limited	211,052,174	-
Sonali Bank Limited	28,693,357	307,447
Bank Asia Limited	673,687,101	65,928,249
BRAC Bank Limited	3,789,685	5,023
Dhaka Bank Limited	228,250,286	7,556,248
Eastern Bank Limited	563	590,829
HSBC	1,476	65,943
Jamuna Bank Limited	22,784,747	43,358,383
Pubali Bank Limited	52,429,192	-
Trust Bank Limited	11,625,076	27,253
United Commercial Bank Limited	40,833,202	47,128,323
Woori Bank Limited	145,513	320,093
Agrani Bank Limited	500,000	500,000
NRBC Bank Limited	26,145,039	1,586
Shimanto Bank Limited	142,067	895,635
National Bank Limited	9,241	9,241
IFIC Bank Limited	31,912	31,913
National Credit and Commerce Bank Limited	18,183	18,183
City Bank Limited	567,431	567,431
Standard Chartered Bank Limited	-	50,047,980
Mercantile Bank Limited	-	122,159
Prime Bank Limited	-	130,983
	1,300,706,244	217,612,902

14.02	Cash and cash equivalents in the statement of financial position	Note 14	1,557,386,703	873,610,700
	Bank overdrafts used for cash management purposes	Note 20	(1,768,181,127)	(942,113,608)
	Cash and cash equivalents in the statement of cash flows		(210,794,424)	(68,502,908)

14A.00 Cash and cash equivalents

Energypac Power Generation Limited	1,557,386,703	873,610,700
Energypac Power Venture Ltd.	43,518,572	310,472,598
EPV Chittagong Ltd.	183,724,511	58,431,458
EPV Thakurgaon Ltd.	29,763,129	41,245,262
Total balance	1,814,392,914	1,283,760,019
Less: Transaction between parent and subsidiaries	-	-
Net balance	1,814,392,914	1,283,760,019

14A.01	Cash and cash equivalents in the consolidated statement of financial position	1,814,392,914	1,283,760,019
	Bank overdrafts used for cash management purposes	(1,768,181,127)	(942,113,608)
	Cash and cash equivalents in the consolidated statement of cash flows	46,211,787	341,646,411

15.00 Share capital

Authorized:

500,000,000 ordinary shares of Tk 10 each	5,000,000,000	5,000,000,000
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Issued, subscribed and paid up:

200,000 ordinary shares of Tk 10 each issued for cash	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
	1,498,696,500	1,498,696,500



15A.00 Share capital

Energypac Power Generation Ltd.	1,498,696,500	1,498,696,500
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net balance	<u>1,498,696,500</u>	<u>1,498,696,500</u>

16.00 Share premium

Balance as at 1 July	931,600,000	931,600,000
Addition during the year	-	-
Closing balance	<u>931,600,000</u>	<u>931,600,000</u>

The Energypac Power Generation Ltd. had issued 27,400,000 ordinary share to the new shareholders @ Tk. 44 each including a premium of Tk. 34 per share in the year 2013-14

16A.00 Share premium

Energypac Power Generation Ltd.	931,600,000	931,600,000
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net balance	<u>931,600,000</u>	<u>931,600,000</u>

17.00 Revaluation surplus

Balance as at 1 July	1,969,891,525	1,969,891,525
Transfer to retained earnings	-	-
Addition during the year	-	-
	<u>1,969,891,525</u>	<u>1,969,891,525</u>
Adjustment during the year for deferred tax	-	-
Net balance	<u>1,969,891,525</u>	<u>1,969,891,525</u>

This represents the difference between book value and revalued value of land as on 30 June 2017. 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 and on 30 June 2017. 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.

17A.00 Revaluation surplus

Energypac Power Generation Limited	1,969,891,525	1,969,891,525
Energypac Power Venture Ltd.	6,170,046	6,170,046
EPV Chittagong Ltd.	264,849,948	264,849,948
EPV Thakurgaon Ltd.	-	-
Net balance	<u>2,240,911,519</u>	<u>2,240,911,519</u>

18.00 Term loan

Term Loan-Non-Current Portion	3,702,119,990	2,929,530,020
Term Loan-Current Portion	1,492,981,782	1,104,016,241
	<u>5,195,101,772</u>	<u>4,033,546,261</u>

18.01 Term loan-non-current portion

Uttara Finance & Investments Limited	341,657,450	-
United Commercial Bank Limited	261,130,046	186,905,337
Eastern Bank Limited	463,176,539	570,941,769
Jamuna Bank Limited	458,665,140	-
United Finance Limited	178,110,085	196,828,492
Dhaka Bank Limited	336,550,526	205,838,668
Bank Asia Limited	1,662,830,203	1,332,497,685
Meghna Bank Limited	-	124,302,405
Mercantile Bank Limited	-	312,215,664
	<u>3,702,119,990</u>	<u>2,929,530,020</u>



	Amount in BDT	
	30 June 2020	30 June 2019
18.02 Term loan-current portion		
Uttara Finance & Investments Limited	62,224,627	-
Mercantile Bank Limited	452,147,908	-
United Commercial Bank Limited	121,175,958	270,702,089
Eastern Bank Limited	180,758,061	178,398,163
Jamuna Bank Limited	98,584,571	-
United Finance Limited	60,188,830	52,969,995
Dhaka Bank Limited	62,102,030	77,210,062
Bank Asia Limited	455,799,797	403,837,194
Woori Bank Limited	-	120,898,738
	1,492,981,782	1,104,016,241

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.

18A.01 Loans and borrowings (non current portion)

Energypac Power Generation Limited	3,702,119,990	2,929,530,020
Energypac Power Venture Ltd.	435,131,674	349,447,719
EPV Chittagong Ltd.	989,074,502	1,891,520,756
EPV Thakurgaon Ltd.	-	-
Net balance	5,126,326,166	5,170,498,495

18A.02 Loans and borrowings (current portion)

Energypac Power Generation Limited	1,492,981,782	1,104,016,241
Energypac Power Venture Ltd.	156,442,437	213,610,830
EPV Chittagong Ltd.	713,033,586	5,299,269,176
EPV Thakurgaon Ltd.	-	1,477,903,583
Total balance	2,362,457,805	8,094,799,831
Less: Transaction between parent and subsidiaries	-	-
Net balance	2,362,457,805	8,094,799,831

19.00 Security deposits from customers & dealers

Security deposits from customers & dealers	1,228,861,337	1,094,879,229
	1,228,861,337	1,094,879,229

Security deposits from customers & dealers

Energypac Power Generation Limited	1,228,861,337	1,094,879,229
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Total balance	1,228,861,337	1,094,879,229
Less: Transaction between parent and subsidiaries	-	-
Net balance	1,228,861,337	1,094,879,229

20.00 Bank overdraft

Trust Bank Limited	101,442,046	103,029,359
BRAC Bank Limited	79,464,714	20,858,869
HSBC	225,491,561	54,801,061
Bank Asia Limited	469,944,036	59,975,179
Dutch Bangla Bank Limited	4,443,240	2,003,626
Dhaka Bank Limited	179,107,785	104,027,278
Eastern Bank Limited	59,817,517	42,887,822
Jamuna Bank Limited	102,553,911	97,323,055
Meghna Bank Limited	209,178,219	-
Prime Bank Limited	87,818,804	62,577,042
Standard Chartered Bank	17,118,554	-
Mercantile Bank Limited	181,411,039	265,534,989
NRBC Bank Limited	50,389,701	30,646,626
Pubali Bank Limited	-	34,917,388
Islami Bank Bangladesh Limited	-	63,531,314
	1,768,181,127	942,113,608

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**.



	Amount in BDT	
	30 June 2020	30 June 2019
20A.00 Bank overdraft		
Energypac Power Generation Limited	1,768,181,127	942,113,608
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Net balance	<u>1,768,181,127</u>	<u>942,113,608</u>

21.00 Trade payables

Payable for local purchase	1,491,632,596	2,317,254,906
Payable for EPC contract	342,239,420	205,116,352
	<u>1,833,872,016</u>	<u>2,522,371,258</u>

Payable for Local Purchase & Payable for EPC include an amount of Tk. 513,478,799/- (FY 2018-19: Tk.1,772,986,216/-) for Acceptance Liabilities regarding Usance Payable at Sight (UPAS LC) in respect of imported raw material and materials for EPC.

21A.00 Trade payables

Energypac Power Generation Limited	1,833,872,016	2,522,371,258
Energypac Power Venture Ltd.	38,410,602	43,609,815
EPV Chittagong Ltd.	139,823,466	146,359,844
EPV Thakurgaon Ltd.	25,210,324	3,625,755
Total balance	<u>2,037,316,408</u>	<u>2,715,966,671</u>
Less: Transaction between parent and subsidiaries	(7,847,000)	(9,959,800)
Net balance	<u>2,029,469,408</u>	<u>2,706,006,871</u>

22.00 Other payables

Sales commission	5,144,557	13,139,366
Accrued & provisional expenses	193,321,175	32,203,862
Payable for fixed assets	503,148,364	1,120,971,187
Tax at source payable	36,134,750	172,268,093
VAT payable	111,008,198	315,389,771
Warranty claimable exp	1,000,000	1,000,000
Unearned revenue	-	12,585,105
Provision for income tax (note 22.02)	1,064,683,009	985,001,943
Intercompany payable (note 22.01)	148,528,108	40,228,108
Provision for WPPF*	90,312,278	64,389,158
Provision for gratuity (note 22.03)	58,467,112	44,774,785
Advance from customers	34,127,706	142,739,328
	<u>2,245,875,256</u>	<u>2,944,690,706</u>

Payable for Fixed Assets includes an amount of Tk. 503,148,364/- (FY 2018-19: Tk.1,017,983,568/-) for Acceptance Liabilities regarding Usance Payable at Sight (UPAS LC) in respect of imported capital machineries.

* The Company is in the process to form a trust required by the Bangladesh labour act 2006 (amended by 2013) for management and distribution of WPPF.

22.01 Intercompany payable

Energypac Engineering Ltd.	59,528,108	40,228,108
Energypac Power Venture Ltd.	49,000,000	-
Tec Advantage Ltd.	40,000,000	-
	<u>148,528,108</u>	<u>40,228,108</u>

The above balances are interest-free, temporary in nature and repayable on demand.



	Amount in BDT	
	30 June 2020	30 June 2019
22.02 Provision for income tax		
Balance at 1 July	985,001,943	884,614,709
Add: Provision during the year	79,681,066	100,387,234
Less: Adjustment during the year	-	-
Balance at 30 June	1,064,683,009	985,001,943

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

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 Honourable 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 Honourable 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	Income tax return has been filed and the assessment is under process

22.03 Provision for gratuity		
Balance at 1 July	44,774,785	29,443,595
Add: Provision during the year	13,692,327	15,331,190
Less: Adjustment/settlement during the year	-	-
Balance at 30 June	58,467,112	44,774,785

22A.00 Other payables		
Energypac Power Generation Limited	2,245,875,256	2,944,690,706
Energypac Power Venture Ltd.	311,865,449	468,359,522
EPV Chittagong Ltd.	168,795,442	194,959,915
EPV Thakurgaon Ltd.	5,071,363	43,820,073
Total balance	2,731,607,509	3,651,830,215
Less: Transaction between parent & subsidiary	(401,104,138)	-
Net balance	2,330,503,371	3,651,830,215

23.00 Short term bank loan		
Revolving loan	1,315,425,987	66,425,435
Acceptance liability	2,340,419,869	152,213,090
Loan against Trust Receipt (LTR)	315,364,949	719,788,277
Short term borrowing	-	2,319,747,793
	3,971,210,805	3,258,174,595

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.

23A.00 Short term bank loan		
Energypac Power Generation Limited	3,971,210,805	3,258,174,595
Energypac Power Venture Ltd.	357,789,268	-
EPV Chittagong Ltd.	4,344,930,568	-
EPV Thakurgaon Ltd.	4,357,973,400	-
Net balance	13,031,904,041	3,258,174,595



24.00 Revenues

Local:		
Revenue from Liquefied Petroleum Gas (LPG)	4,050,034,550	3,499,951,354
Revenue from Building Material Division (BMD)	352,941,835	585,108,828
Revenue from Motor Vehicle Division (MVD)	1,106,040,973	2,070,391,875
Revenue from Central Service Division (CSD)	759,919,429	837,595,875
Revenue from Power & Energy Division (PED)	628,713,313	838,280,501
Revenue from Engineering, Procurement & Construction (EPC)	1,072,548,617	1,094,216,094
Revenue from Compressed Natural Gas (CNG)	155,087,158	164,511,800
	8,125,285,874	9,090,056,327
Export:		
Service revenue	-	26,357,544
	8,125,285,874	9,116,413,871

24A.00 Revenues

Energypac Power Generation Limited	8,125,285,874	9,116,413,871
Energypac Power Venture Ltd.	281,075,380	250,074,422
EPV Chittagong Ltd.	2,567,603,982	5,032,507,717
EPV Thakurgaon Ltd.	-	-
Consolidated revenue	10,973,965,236	14,398,996,010

25.00 Cost of revenues

Liquefied Petroleum Gas (LPG)	3,039,424,607	2,694,698,538
Building Material Division (BMD)	267,456,013	469,593,048
Motor Vehicle Division (MVD)	767,539,137	1,511,358,449
Central Service Division (CSD)	388,006,214	418,430,352
Power & Energy Division (PED)	410,051,465	562,231,033
Engineering, Procurement & Construction (EPC)	817,141,347	837,740,926
Compressed Natural Gas (CNG)	134,029,417	143,469,447
	5,823,648,199	6,637,521,793

25A.00 Cost of revenues

Energypac Power Generation Limited	5,823,648,199	6,637,521,793
Energypac Power Venture Ltd.	156,836,470	123,049,755
EPV Chittagong Ltd.	1,779,670,510	4,325,802,816
EPV Thakurgaon Ltd.	-	-
Consolidated cost of revenues	7,760,155,179	11,086,374,364

26.00 Administrative expenses

Personnel expenses	384,335,125	509,270,905
Conveyance	7,627,280	15,159,025
Entertainment	6,130,287	4,733,054
Mobile expense	12,590,962	10,115,268
Utilities expense	14,961,262	11,595,540
Printing and stationery	1,472,657	6,755,336
Repair and maintenance	17,129,248	6,368,627
Office expense	48,690,455	37,712,081
Rent expense	20,680,516	22,772,005
Car expense	41,615,009	42,525,211
Audit and professional fees	699,975	1,519,000
Renewal and registration fees	3,327,243	6,630,700
Insurance expense	161,691	1,007,725
Donation and misc. expense	3,098,119	2,406,172
Director remuneration	37,839,949	50,891,670
Tour and travel expense	12,240,768	16,557,483
Fees and others	906,680	2,560,000
Bank charge	-	6,926,006
Consultancy and tech. fees	5,668,839	7,727,344
IPO and capital raising expense	226,374	863,246
Legal fees	2,041,930	2,838,025
Depreciation expenses (Note 4.3)	52,187,645	45,120,676
Amortization expenses	2,669,662	5,545,174
IT related services and research expenses	1,958,136	4,259,752
	678,259,813	821,860,025



	Amount in BDT	
	30 June 2020	30 June 2019
26A.00 Administrative expenses		
Energypac Power Generation Limited	678,259,813	821,860,025
Energypac Power Venture Ltd.	8,896,119	10,766,916
EPV Chittagong Ltd.	35,050,829	36,036,856
EPV Thakurgaon Ltd.	13,313,049	11,999,025
Consolidated administrative expenses	735,519,810	880,662,822
27.00 Distribution expenses		
Sales commission	124,623,362	142,720,231
Advertisement expense	7,680,063	31,301,562
Promotional expense	54,043,547	54,056,708
Delivery expense	246,449,881	290,838,401
Documentation expenses	668,356	-
Warranty expenses	33,355	5,833,488
Sales support expense	-	818,633
Stock Maintenance expenses	17,634,055	5,053,179
Labor bill	52,442,836	19,915,152
Meeting & training (local+foreign)	-	1,621,519
Trade discount a/c	102,972	-
Depreciation	5,228,830	-
	508,907,257	552,158,873
27A.00 Distribution expenses		
Energypac Power Generation Limited	508,907,257	552,158,873
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Consolidated distribution expenses	508,907,257	552,158,873
28.00 Finance income		
See accounting policies in notes 3.17		
Interest on SND	385,525	112,411
Interest on FDR	19,276,098	26,831,792
	19,661,623	26,944,203
28A.00 Finance income		
Energypac Power Generation Limited	19,661,623	26,944,203
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	2,176,159	1,258,665
EPV Thakurgaon Ltd.	-	-
Consolidated finance income	21,837,782	28,202,868
29.00 Finance costs		
See accounting policies in notes 3.17		
Bank interest	658,087,580	612,205,840
	658,087,580	612,205,840
29A.00 Finance costs		
Energypac Power Generation Limited	658,087,580	612,205,840
Energypac Power Venture Ltd.	80,249,580	64,134,640
EPV Chittagong Ltd.	608,113,164	569,176,305
EPV Thakurgaon Ltd.	159,780	89,540
Consolidated finance cost	1,346,610,104	1,245,606,325
30.00 Non-operating income		
Rent income	22,248,376	22,151,500
Wastage and scrap sales	27,626,211	206,620
DMV registration and insurance	2,779,296	7,429,720
Delay interest income	3,219,207	-
Seized fine income	248,933	337,926
Name transfer income	2,522,310	-
VTS income	4,948,900	-
Foreign exchange gain/(loss)	(20,239,322)	(15,198,763)
Gain/(loss) on investment in shares	(1,040,115)	(4,826,531)
Others	103,950	997,311
	42,417,747	11,097,783
30A.00 Non-operating income		
Energypac Power Generation Limited	42,417,747	11,097,783
Energypac Power Venture Ltd.	(208,500)	-
EPV Chittagong Ltd.	(17,313,565)	(20,764,176)
EPV Thakurgaon Ltd.	-	-
Consolidated Other Income	24,895,682	(9,666,393)



	Amount in BDT	
	30 June 2020	30 June 2019
32.01 Provision for WPPF		
Profit after charging WPPF	518,462,394	530,709,326
Provision @5%	25,923,120	25,271,873
Provision for WPPF		
Energypac Power Generation Limited	25,923,120	25,271,873
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Consolidated Provision for WPPF	25,923,120	25,271,873
Income tax		
See accounting policies in notes 3.19		
Current tax (Note 32.01)	79,681,066	100,387,234
Deferred tax (income)/expense (Note 32.02)	(18,649,480)	46,697,723
	61,031,586	147,084,957
Calculation of income from business:		
Calculation of income from business:		
Profit before tax as per audited financial statement	492,539,274	505,437,453
Less: Non-operating income to be considered later on	42,417,746	34,743,088
Rent income	22,248,376	22,151,500
Wastage and scrap sales	27,626,211	3,620,071
DMV registration and insurance	2,779,296	206,620
Delay interest income	3,219,207	7,429,720
Seized fine income	248,933	337,926
Name transfer income	2,522,310	-
VTS income	4,948,900	-
Exchange gain/(loss)	(20,239,322)	-
Gain/(loss) on shares	(1,040,115)	-
Dividend income	-	-
Less: Finance income (Note # 39)	19,661,613	26,944,203
Income from Business (i)	430,459,915	443,750,162
Add: Expenses considered later on (ii)	1,090,781,612	957,712,494
Finance cost	658,087,580	612,205,840
Accounting depreciation (net)	426,563,745	340,773,600
Entertainment	6,130,287	4,733,054
Add: Inadmissible expenses (iii)	16,790,446	41,806,149
Donation and misc	3,098,119	1,203,086
Provision for gratuity and WPPF	13,692,327	40,603,063
Less: Admissible Expenses (iv)	1,226,311,647	1,214,515,416
Tax depreciation as per third Schedule of ITO 1984	581,755,403	597,576,522
WPPF paid	-	-
Entertainment as per rule 65	6,130,287	4,733,054
Finance costs (net off finance income)	638,425,958	612,205,840
Total income from operation/ business [A(i+ii+iii-iv)]	311,720,326	228,753,389
Add: other non- operating income [B]	42,417,747	31,123,077
Rent income	22,248,376	22,151,500
Wastage and scrap sales	27,626,211	206,620
DMV registration and insurance	2,779,296	7,429,720
Delay interest income	3,219,207	337,926
Seized fine income	248,933	-
Name transfer income	2,522,310	-
VTS income	4,948,900	-
Foreign Exchange gain/(loss)	(20,239,322)	-
Gain/(loss) on shares	(1,040,115)	-
Others	103,950	997,311
Add: Finance income [C]	-	26,944,203
Less: Finance costs [D]	-	-
Total Taxable income [A+B]	354,138,073	286,820,669
Corporate tax rate	22.50%	35%
Current tax chargeable to income statement	79,681,066	100,387,234

For the income year 2019-2020 (corresponding to the assessment year 2020-2021), the income tax rate applicable for a company is 32.5%. However, 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 is expecting to complete all IPO related formalities during tax assessment year 2020-2021. Accordingly, for the income year 2019-2020 corresponding to tax assessment year 2020-2021, Management has considered the rate of income tax applicable for the Company as 22.5% (32.5% less 10%).



32.02 Deferred tax assets /(liabilities) as on 30 June, 2020

	WDV as per Tax	WDV as per Accounts	Taxable/ (Deductible) temporary difference
Property, plant and equipment (excluding land)	5,059,686,463	5,630,004,498	570,318,035
Provision for gratuity	-	-	-
Taxable/(deductible) temporary difference except loss from share	5,059,686,463	5,630,004,498	570,318,035
Capital loss on share sale	-	-	-
Total temporary difference for the year	5,059,686,463	5,630,004,498	570,318,035
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 2019-2020			(128,321,558)
Deferred tax assets/(liabilities) for FY 2018-2019 (excluding land-revaluation as per Note # 45.02)			(146,971,038)
Deferred tax income/(expense)			18,649,480

Management has not consider provisions for gratuity, WPPF and warranty for deferred tax as all of these expenses are accepted by DCT on accrual basis.

Deferred tax assets /(liabilities) as on 30 June 2019

	WDV as per Tax	WDV as per Accounts	Taxable/ (Deductible) temporary difference
Property, plant & equipment (excluding land-other than LPG)	583,111,995	588,524,676	5,412,681
Property, plant & equipment (excluding land- for LPG)	3,358,750,976	3,883,320,117	524,569,141
Provision for warranty	-	(1,000,000)	(1,000,000)
Provision for WPPF	-	(64,289,788)	(64,289,788)
Provision for gratuity	-	(44,774,783)	(44,774,783)
Total temporary difference except loss from shares	3,941,862,971	4,361,780,222	419,917,251
Capital loss from shares	-	-	-
Total temporary difference for the year	3,941,862,971	4,361,780,222	419,917,251
Applicable tax rate except for capital loss from shares			35%
Applicable tax rate (only for capital loss from shares)			10%
Deferred tax asset/(liabilities)			146,971,038

32.03 Deferred tax liability

Deferred tax for regular course of business	128,321,558	146,971,038
Deferred tax for revaluation	82,078,814	82,078,814
	210,400,372	229,049,852

32.03A Deferred tax liability

Energypac Power Generation Limited	210,400,372	229,049,852
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
EPV Thakurgaon Ltd.	-	-
Consolidated deferred tax liability	210,400,372	229,049,852

32.04 Deferred tax for regular course of business

Opening deferred tax liability	146,971,038	100,273,314
Add/(less): deferred tax expense/(income) during the year	(18,649,480)	46,697,724
Closing balance of deferred tax liability balance at 30 June	128,321,558	146,971,038

32.05 Deferred tax for revaluation

Opening deferred tax liability for land revaluation	82,078,814	82,078,814
Add/(Less): deferred tax expense/(income) for land revaluation	-	-
Closing deferred tax liability for land revaluation at 30 June	82,078,814	82,078,814



Amount in BDT
30 June 2020 30 June 2019

32A.00 Income tax

Energypac Power Generation Limited	61,031,586	147,084,957
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	707,252	440,533
EPV Thakurgaon Ltd.	-	-
Consolidated income tax expenses	<u>61,738,838</u>	<u>147,525,490</u>

32A.01 Deferred tax liability non-current portion

Energypac Power Generation Limited	210,400,372	229,049,852
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	-	-
	-	-
Consolidated deferred tax liability	<u>210,400,372</u>	<u>229,049,852</u>

33A Other comprehensive income

Energypac Power Generation Limited	-	-
Energypac Power Venture Ltd.	-	-
EPV Chittagong Ltd.	(7,891,945)	(17,088,144)
EPV Thakurgaon Ltd.	-	-
Consolidated other comprehensive income	<u>(7,891,945)</u>	<u>(17,088,144)</u>

33.00 Earnings per share (EPS)

See accounting policies in notes 3.21

Basic earnings per share (EPS)	Separate		Consolidated	
	2019-2020	2018-2019	2019-2020	2018-2019
Earnings attributable to the ordinary shareholders (net profit after tax)	431,507,688	358,352,496	574,041,488	468,942,208
Weighted average number of ordinary shares outstanding during the year (Note 33.01)	149,869,650	149,869,650	149,869,650	149,869,650
	<u>2.88</u>	<u>2.39</u>	<u>3.83</u>	<u>3.13</u>

33.01 Weighted average number of ordinary shares

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	149,869,650	149,869,650
Effect of issue ordinary shares	-	-
Effect of bonus shares issued	-	-
	<u>149,869,650</u>	<u>149,869,650</u>

33.02 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.

34.00 Net asset value per share (NAV per share)

	Separate		Consolidated	
	July 19-June 20	July 18-June 19	July 19-June 20	July 18-June 19
Total equity (Net asset)	6,262,746,444	5,906,173,582	7,768,083,185	6,889,234,133
Total number of shares outstanding	149,869,650	149,869,650	149,869,650	149,869,650
Net asset value per share	<u>41.79</u>	<u>39.41</u>	<u>51.83</u>	<u>45.97</u>



35.00 Net operating cash flows per share (NOCFPS)

	Separate		Consolidated	
	July 19-June 20	July 18-June 19	July 19-June 20	July 18-June 19
Net operating cash flows	490,661,485	613,132,959	1,463,718,504	2,223,686,749
Total number of shares outstanding	149,869,650	149,869,650	149,869,650	149,869,650
Net operating cash flows per share (NOCFPS)	<u>3.27</u>	<u>4.09</u>	<u>9.77</u>	<u>14.84</u>

36.00 Disclosure of cash flows under direct method

Profit before tax	492,539,274	505,437,453
Add/(Less): Non Cash Item & Non-operating activities Item		
Depreciation & amortisation	430,640,471	346,417,914
Loss on investment	1,040,115	4,826,531
Finance cost	658,087,580	612,205,840
Unrealised foreign exchange (gain)/loss	(2,938,161)	1,764,109
Finance income	(19,661,623)	(26,944,203)
(Increase)/decrease in current assets		
Accounts receivable	(648,137,090)	(774,180,388)
Other receivable	(11,581,647)	(184,904,285)
Inventory	840,862,915	(9,194,225)
Advance, deposit & prepayments	(440,758,559)	(7,320,082)
Increase/(decrease) in current liabilities		
Trade payable	(688,499,242)	844,413,083
Other payable	(235,296,896)	(706,862,374)
Advance from customers	152,960,703	216,273,174
Income tax paid	(38,596,357)	(208,799,588)
Net cash from/(used in) operating activities	<u>490,661,485</u>	<u>613,132,959</u>
Net cash from/(used in) operating activities under direct method	<u>490,661,485</u>	<u>613,132,959</u>
Unreconciled difference	-	-



37.00 Operating segment report

Energypac Power Generation Ltd comprises the following main business segments:

Power and Energy Division (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 Motor Vehicles (DMV)

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

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 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.

2019-2020	Business Segments						Amount in BDT
	LPG	MVD	PED	BMD	EPC & CSD	All other	Entity total
Revenue - external customers	4,050,034,550	1,106,040,973	628,713,313	352,941,835	1,832,468,046	155,087,158	8,125,285,874
Revenue - inter segment	-	-	-	-	-	-	-
Total segment revenue	4,050,034,550	1,106,040,973	628,713,313	352,941,835	1,832,468,046	155,087,158	8,125,285,874
Cost of revenues- external customer	(3,039,424,607)	(767,539,137)	(410,051,465)	(267,456,013)	(1,205,147,560)	(134,029,417)	(5,823,648,199)
Cost of revenues- inter segment	-	-	-	-	-	-	-
Total segment cost of revenues	(3,039,424,607)	(767,539,137)	(410,051,465)	(267,456,013)	(1,205,147,560)	(134,029,417)	(5,823,648,199)
Gross profit	1,010,609,943	338,501,837	218,661,848	85,485,821	627,320,485	21,057,740	2,301,637,675
Distribution expenses	(398,563,281)	(88,853,483)	(3,796,452)	(16,092,077)	-	(1,601,964)	(508,907,257)
Administrative expenses	(235,000,578)	(71,068,127)	(39,252,277)	(56,305,612)	(39,252,277)	-	(440,878,871)
Unallocated:							
Administrative expenses	-	-	-	-	-	-	(237,380,942)
Finance income	-	-	-	-	-	-	19,661,623
Finance exp	-	-	-	-	-	-	(658,087,580)
Non-operating income	-	-	-	-	-	-	42,417,747
Provision for WPPF	-	-	-	-	-	-	(25,923,120)
Segment profit before tax	377,046,084	178,580,227	175,613,119	13,088,132	588,068,208	19,455,777	492,539,274
Income tax	-	-	-	-	-	-	(61,031,586)
Profit for the year							431,507,688

2018-2019	Business Segments						Entity total
	PGD	DMV	LPG	BMD	EPC	All other	Entity total
Revenue - external customers	1,240,196,224	1,664,132,546	3,499,951,354	585,108,828	1,094,216,094	1,032,808,824	9,116,413,870
Revenue - inter segment	-	-	-	-	-	-	-
Total segment revenue	1,240,196,224	1,664,132,546	3,499,951,354	585,108,828	1,094,216,094	1,032,808,824	9,116,413,870
Cost of revenues- external customer	(904,052,716)	(1,165,494,461)	(2,694,698,538)	(469,593,048)	(837,740,926)	(565,942,105)	(6,637,521,793)
Cost of revenues- inter segment	-	-	-	-	-	-	-
Total segment cost of revenues	(904,052,716)	(1,165,494,461)	(2,694,698,538)	(469,593,048)	(837,740,926)	(565,942,105)	(6,637,521,793)
Gross profit	336,143,508	498,638,086	805,252,816	115,515,781	256,475,168	466,866,719	2,478,892,077
Distribution expenses	(10,228,427)	(76,475,935)	(465,454,511)	-	-	-	(552,158,873)
Administrative expenses	(163,123,735)	(254,352,061)	(109,873,012)	(82,476,087)	(56,789,800)	(150,985,577)	(817,600,273)
Unallocated:							
Research and development expenses	-	-	-	-	-	-	(4,259,752)
Finance exp	-	-	-	-	-	-	(612,205,840)
Non-operating income	-	-	-	-	-	-	31,123,077
Finance Income	-	-	-	-	-	-	26,944,203
Exchange Gain/(Loss)	-	-	-	-	-	-	(15,198,763)
Gain/(loss) from shares	-	-	-	-	-	-	(4,826,531)
Provision for WPPF	-	-	-	-	-	-	(25,271,873)
Segment profit before tax	162,791,345	167,810,089	229,925,293	33,039,694	199,685,368	315,881,142	505,437,453
Income tax	-	-	-	-	-	-	(147,084,957)
Profit for the year							358,352,495



38.00 Related party transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business. 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.

Name of party	Nature of relationship	Nature of transactions	For the year 2019-20			Amount in thousand (BDT)	
			Opening Balance	Addition	Adjustment	Closing Balance	
Energypac Power Venture Limited	Subsidiary company	Investment	337,502	-	-	337,502	
		Advance for share money	1,472,399	-	-	1,472,399	
		Other payable	-	(49,000)	-	(49,000)	
		Rent receivable (other receivable)	-	4,968	-	4,968	
		Current account	102,561	2,261	-	104,822	
		Accounts receivable	2,018	-	(841)	1,177	
Energypac Batteries Limited	Common directorship	Current account	101	-	-	101	
		Accounts receivable	117	-	-	117	
EPV Chittagong Limited	Subsidiary company	Investment	29,101	-	-	29,101	
		Current account	89,620	33,877	-	123,497	
		Advance for share money	330,820	-	-	330,820	
EPV Thakurgaon Limited	Subsidiary company	Accounts receivable	6,651	71	(52)	6,670	
		Current account	5,000	-	-	5,000	
Energypac Electronics Limited	Common directorship	Current account	4,336	-	-	4,336	
		Advance payment	7,519	-	-	7,519	
		Accounts receivable	4,291	-	-	4,291	
		Advance receive	(3,997)	-	-	(3,997)	
		Accounts payable	(791)	-	-	(791)	
		Current account	(213)	-	-	(213)	
Energypac Agro Limited	Common directorship	Accounts receivable	5	-	-	5	
		Current account	7,237	112,262	-	119,499	
Energypac Fashion Limited	Common directorship	Accounts receivable	8,507	-	-	8,507	
		Advance	1,071	-	-	1,071	
Energypac Infrastructure Development Limited	Common directorship	Payable	12,759	-	-	12,759	
		Current account	37,224	22,823	-	60,047	
		Other Payable (Current A/C)	(40,228)	(19,300)	-	(59,528)	
		Accounts receivable	53,789	-	-	53,789	
		Advance received	(490)	-	-	(490)	
		Accounts payable	(9,561)	-	-	(9,561)	
Tec Advantage Limited	Common directorship	Share capital	(726,598)	-	-	(726,598)	
		Current account	(1,260)	(40,000)	-	(41,260)	
		Other receivable	-	40,000	-	40,000	
		Accounts receivable	2,609	-	-	2,609	
Official Clothing Limited	Common directorship	Current account	28,094	-	-	28,094	
		Accounts receivable	4	-	-	4	
Design Express Limited	Common directorship	Current account	28	-	-	28	
		Accounts receivable	4,274	-	-	4,274	
Chartered Life Insurance Company Limited	Common directorship	Investment	18,000	-	-	18,000	
		Current account	10,546	-	-	10,546	

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 at 30 June 2020 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/C/MRRCD/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 loan and guarantee arrangement.

For the year 2018-19						
Name of party	Nature of relationship	Nature of transactions	Amount in thousand (BDT)			
			Opening Balance	Addition	Adjustment	Closing Balance
Energypac Power Venture Limited	Subsidiary company	Investment	337,502	-	-	337,502
		Advance for share money	1,472,399	-	-	1,472,399
		Advance against investment	-	49,000	-	49,000
		Current account	20,100	34,140	679	53,561
		Accounts receivable	500	1,518	-	2,018
Energypac Batteries Limited	Common directorship	Current account	101	-	-	101
		Accounts receivable	117	-	-	117
		Investment	29,101	-	-	29,101
EPV Chittagong Limited	Subsidiary company	Current account	-	97,240	7,620	89,620
		Advance for share money	330,820	-	-	330,820
		Accounts receivable	1,782	3,992	1,293	4,481
		Current account	-	5,000	-	5,000
Energypac Electronics Limited	Common directorship	Current account	4,476	5,072	5,212	4,336
		Advance payment	7,326	3,698	3,505	7,519
		Accounts receivable	4,020	716	445	4,291
		Advance receivable	(4,458)	(1,156)	(695)	(3,997)
		Accounts payable	(768)	(16)	(39)	(791)
		Current account	(213)	-	-	(213)
		Accounts receivable	5	-	-	5
		Current account	5,939	35,772	34,474	7,237
		Accounts receivable	8,545	3,632	3,670	8,507
		Advance	-	63,982	62,911	1,071
Energypac Infrastructure Development Limited	Common directorship	Payable	-	(161,945)	149,039	(12,906)
		Current account	37,224	-	-	37,224
		Current account	(35,472)	10,123	(13,406)	(1,943)
		Advance payment	4,510	-	-	4,510
		Accounts receivable	42,411	104,097	92,719	53,789
Energypac Engineering Limited	Parent company	Advance received	(5,000)	-	-	(5,000)
		Accounts payable	(9,530)	50	81	(9,561)
		Share capital	(726,598)	-	-	(726,598)
		Current account	(1,260)	-	-	(1,260)
		Accounts receivable	2,609	-	-	2,609
Tec Advantage Limited	Common directorship	Accounts payable	-	-	-	-
		Current account	-	-	-	-
Official Clothing Limited	Common directorship	Current account	-	28,094	-	28,094
		Accounts receivable	-	4	-	4
Design Express Limited	Common directorship	Current account	-	28	-	28
		Accounts receivable	-	4,274	-	4,274
Chartered Life Insurance Company Limited	Common directorship	Investment	18,000	-	-	18,000
		Current account	10,546	-	-	10,546

39.00 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.

- Credit risk
- Liquidity risk
- Market risk

39.01 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	
	June - 2020	June - 2019
Trade receivables	4,247,012,588	3,598,875,498
Other receivables	583,732,120	309,888,734
Advance, Deposit and Pre-payment	2,199,283,599	1,627,233,182
Cash and cash equivalents	1,557,386,703	873,610,700
	8,587,415,010	6,409,608,114

b) Ageing of receivables

i. The ageing of local accounts receivables as at 30 June was:

Not past due	119,872,644	68,686,668
0-90 days past due	1,905,633,997	800,173,509
91-180 days past due	1,136,789,833	1,382,442,927
181-365 days past due	985,678,760	1,279,614,503
over 365 days past due	99,037,354	67,957,891
	4,247,012,588	3,598,875,498

Total Accounts Receivable includes Tk. BDT 99,037,354/- age of which is more than 365 days, out of which, Tk. 62,377,555/- 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	4,254,949,248	3,603,685,869
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	-	3,126,289
Maximum debt due by director or officers at any time	-	-
	4,247,012,588	3,598,875,498

c) Impairment losses

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



39.02 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:

	As at 30 June 2020					
	Carrying amount	Maturity period	Nominal Interest rate	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka	Taka	Taka
Bank overdraft	1,768,181,127	June 2021	9%-13%	1,768,181,127	1,768,181,127	-
Trade payables	1,833,872,017	June 2021	N/A	1,833,872,017	1,833,872,017	-
Other payables	2,245,875,256	June 2021	N/A	2,245,875,256	2,245,875,256	-
Short term bank loan	3,971,210,805	June 2021	9%-13%	3,971,210,805	3,971,210,805	-
Term loan	5,195,101,772	May 2023	9%-13%	5,195,101,772	-	5,195,101,772
	15,014,240,977			15,014,240,977	9,819,139,205	5,195,101,772

	As at 30 June 2019					
	Carrying amount	Maturity period	Nominal Interest rate	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka	Taka	Taka
Bank overdraft	942,113,608	June 2020	12%-12.5%	942,113,608	942,113,608	-
Trade payables	2,522,371,258	June 2020	N/A	2,522,371,258	2,522,371,258	-
Other payables	1,718,361,437	June 2020	N/A	1,718,361,437	1,718,361,437	-
Short term bank loan	3,258,174,595	June 2020	12%-12.5%	3,258,174,595	3,258,174,595	-
Inter-company payables	40,228,108	June 2020	N/A	40,228,108	40,228,108	-
Term loan	4,033,546,261	May 2021	12%-12.5%	4,033,546,261	1,104,016,241	2,929,530,020
	12,514,795,267			12,514,795,267	9,585,265,247	2,929,530,020

39.03 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):

	As at 30 June 2020		As at 30 June 2019	
	USD	EUR	USD	EUR
Foreign currency denominated assets				
Bills receivable	299,416,832	-	171,925,965	-
Commission receivable	-	-	107,812,968	-
Cash at bank	300,792	109,191	1,681,808	136,491
	299,717,624	109,191	281,420,741	136,491
Foreign currency denominated liabilities				
Trade payables	855,718,219	-	-	-
Other payables	531,695,583	-	-	-
	1,387,413,802	-	-	-
Net exposure	(1,087,696,178)	109,191	281,420,741	136,491

The Company has foreign exchange loss of TK 20,239,322/- for the year of 2019-20 which Tk 15,198,763/- in the year of 2018-19.

The following significant exchange rates have been applied:

	Exchange rate as at	
	June - 2020	June - 2019
	Taka	Taka
US Dollar	84.85-84.85	84.50-84.50
EURO (EUR)	95.37-95.40	96.0569-97.0934



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
2019-20				
Expenditures denominated in USD	299,718	(299,718)	299,718	(299,718)
Expenditures denominated in EUR	109	(109)	109	(109)
	<u>299,827</u>	<u>(299,827)</u>	<u>299,827</u>	<u>(299,827)</u>
2018-19				
Expenditures denominated in USD	281,421	(281,421)	281,421	(281,421)
Expenditures denominated in EUR	136	(136)	136	(136)
	<u>281,557</u>	<u>(281,557)</u>	<u>281,557</u>	<u>(281,557)</u>

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	
	June - 2020	June - 2019
Fixed rate instruments		
Financial assets		
Investment in FDR	210,585,608	625,981,584
Cash at banks	1,300,706,244	217,612,902
Financial liabilities		
Term loan	5,195,101,772	4,033,546,261
Bank overdraft	1,768,181,127	942,113,608
Short term bank loan	3,971,210,805	3,258,174,595

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

	As at 30 June 2020		As at 30 June 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	Taka	Taka	Taka	Taka
Financial assets				
Assets carried at fair value through profit or loss	-	-	-	-
Held to maturity assets				
Investment in FDR	210,585,608	210,585,608	625,981,584	625,981,584
Loans and receivables				
Investment in non-listed companies	2,236,821,587	2,236,821,587	2,187,821,587	2,187,821,587
Trade receivables	4,247,012,588	4,247,012,588	3,598,875,498	3,598,875,498
Other receivables	583,732,120	583,732,120	309,888,734	309,888,734
Cash and cash equivalents	1,557,386,703	1,557,386,703	873,610,700	873,610,700
Available for sale financial assets				
Investment in shares of listed companies	444,415	444,415	1,484,530	1,484,530
Financial liabilities				
Liabilities carried at fair value through profit or loss	-	-	-	-
Liabilities carried at amortized costs				
Term loan	5,195,101,772	5,195,101,772	4,033,546,261	4,033,546,261
Bank overdraft	1,768,181,127	1,768,181,127	942,113,608	942,113,608
Trade payables	1,833,872,017	1,833,872,017	2,522,371,258	2,522,371,258
Other payables	2,245,875,256	2,245,875,256	2,944,690,706	2,944,690,706
Short term bank loan	3,971,210,805	3,971,210,805	3,258,174,595	3,258,174,595

Interest rates used for determining amortized cost

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

	June - 2020	June - 2019
Investment in FDR	N/A	N/A
Term loan	9%-13%	12%-12.5%
Bank overdraft	9%-13%	12%-12.5%
Short term bank loan	9%-13%	12%-12.5%

40.00 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	
	2019-2020	2018-2019
41.0 Key management personnel compensation		
Managing director's remuneration and benefits (Note 41.01)	8,827,543	10,178,334
Directors' remuneration and benefits (Note 41.02)	29,929,968	40,713,336
Other key management personnel's salaries and benefits (Note 41.03)	28,244,168	26,716,495
	67,001,679	77,608,165
41.01 Managing director's remuneration and benefits		
Basic salary	8,525,026	9,573,300
Bonus	302,517	605,034
	8,827,543	10,178,334
41.02 Directors' remuneration and benefits		
Basic salary	28,719,900	38,293,200
Bonus	1,210,068	2,420,136
	29,929,968	40,713,336
41.03 Other key management personnel's salaries and benefits		
Basic salary	15,446,184	15,211,842
Allowance	10,646,184	14,402,034
Provident Fund	1,064,618	1,278,239
Bonus	1,087,182	2,535,307
	28,244,168	33,427,422

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



42.0 Contingent liability and commitment

42.01 Contingent liability

Contingent liability existed for the Company of Tk 1,374,869,423/- as at 30 June 2020 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
Prime Bank Ltd.	Titas Gas	31-Aug-23	3,224,913
Prime Bank Ltd.	Titas Gas	31-Aug-23	4,097,235
Prime Bank Ltd.	Titas Gas Transmission & Distribution Co. Ltd.	19-Dec-23	5,251,535
Bank Asia Ltd.	Sylhet Gas Fields	30-Jun-21	441,208,722
Bank Asia Ltd.	Sylhet Gas Field	30-Jun-20	541,479,633
Bank Asia Ltd.	Sylhet Gas Field	29-Nov-20	9,350,000
Bank Asia Ltd.	Sylhet Gas Field	30-Sep-20	2,816,550
Bank Asia Ltd.	Sylhet Gas Field	31-Dec-20	5,353,234
United Commercial Bank Ltd.	Titas Gas	31-Aug-23	9,948,469
Dhaka Bank Ltd.	Bangladesh Power Development Board (BPDB)	28-Jun-21	5,468,160
Dhaka Bank Ltd.	Director, Directorate of Purchase, BPDB	10-Sep-21	3,970,278
Dhaka Bank Ltd.	Bangladesh-India Friendship Power Company (Pvt.)Ltd.	26-Oct-20	362,600
Dhaka Bank Ltd.	Standard Insurance Ltd.	9-Oct-20	3,000,000
Dhaka Bank Ltd.	Square Toiletries Ltd	9-Jan-21	53,36,000
Dhaka Bank Ltd.	Project Director, EMCRP, LGED	11-Feb-21	11,800,000
Dhaka Bank Ltd.	Linde Bangladesh Ltd	31-Jul-21	1,000,000
Dhaka Bank Ltd.	Karnafuli Gas Distribution Company Ltd.	12-Jan-21	75,000
Dhaka Bank Ltd.	The Director,directorate of purchase BPDB	10-Sep-21	48,789,341
Dhaka Bank Ltd.	The Director,directorate of purchase BPDB	6-Dec-20	28,749,744
Dhaka Bank Ltd.	The Director,directorate of purchase BPDB	6-Dec-20	2,877,510
Dhaka Bank Ltd.	Islami Bank Foundation	2-Jan-21	123,000
Dhaka Bank Ltd.	Islami Bank Foundation	2-Jan-21	110,000
Dhaka Bank Ltd.	M/S Siemens Limited	5-Jan-21	386,609
Dhaka Bank Ltd.	Chattagram MAA O Shishu Hospital Medical College	5-Apr-21	18,05,000
Dhaka Bank Ltd.	STS Hospital Chittagong Limited	07-Jun-20	3,472,935
Dhaka Bank Ltd.	Omera Tank Terminal Limited (OTTL)	28-Apr-20	1,040,000
Dhaka Bank Ltd.	GM, Shun Shing Edible Oil Ltd.	25-Sep-20	5,637,832
Dhaka Bank Ltd.	The Managing Director, LankaBangla Finance Limited	15-Feb-20	350,000
Dhaka Bank Ltd.	Bangladesh National Insurance Co. Ltd	17-Dec-20	1,000,000
Dhaka Bank Ltd.	Anlima Energy Ltd.	20-Jan-21	7,078,980
Dhaka Bank Ltd.	Anlima Energy Ltd.	20-Jan-21	1,050,000
Dhaka Bank Ltd.	Bangladesh Power Development Board	15-Jan-21	397,500
Dhaka Bank Ltd.	Continental Insurance Limited	12-Jul-20	500,000
Dhaka Bank Ltd.	BPDB	24-Feb-21	3,196,960
Dhaka Bank Ltd.	Bangladesh Power Development Board	15-Jan-21	107,984,744
Dhaka Bank Ltd.	Bangladesh Power Development Board (BPDB)	28-Jun-21	5,468,160
Dhaka Bank Ltd.	Bangladesh Power Development Board	10-Sep-20	48,789,341
Dhaka Bank Ltd.	Director, Directorate of purchase, BPDB	10-Sep-21	3,970,278
Dhaka Bank Ltd.	Standard Insurance Ltd.	17-Mar-21	3,000,000
Dhaka Bank Ltd.	Bagladesh Power Development Board	24-Feb-21	5,000
Jamuna Bank Ltd.	BPDB	3-Jul-20	6,700,000
Jamuna Bank Ltd.	Omera Tank Terminal Limited	23-Apr-20	500,000
Jamuna Bank Ltd.	The Chief Controller of Imports and Exports,Government of the peoples republic of Bangladesh	31-Jul-20	8,585,000
Jamuna Bank Ltd.	Bangabandhu Sheikh Mujibur Rahman Digital University Kaliakair,Gazipur	31-Aug-20	430,000
Jamuna Bank Ltd.	Bangladesh Computer Council (BCC)	13-Jun-22	3,864,881
Jamuna Bank Ltd.	Shun Shing Edible Oil Limited	12-Aug-18	28,491,942
Jamuna Bank Ltd.	Monem Business District	08-Jun-19	12,60,000
Jamuna Bank Ltd.	BPDB	15-Mar-20	88,00,000
Jamuna Bank Ltd.	BPDB	08-Nov-19	14,00,000
Jamuna Bank Ltd.	Register of BDU	18-Jun-20	90,000
Trust Bank Ltd.	Comissioner of Customs, Custome House	Perpetual	226,590
Trust Bank Ltd.	Comissioner of Customs, Custome House	Perpetual	1,118,748
Trust Bank Ltd.	Project Director, Cnstruction of central Jail, Keraniganj	11-Oct-20	1,878,000
HSBC	Linde Bangladesh Ltd	31-Dec-20	600,000
	Total		1,374,869,423

42.02 Commitment

The following letter of credits were outstanding of Tk 708,759,678/- as at 30 June 2020 against which the Company is committed to purchase generator and spare parts from different companies.

L/C number	Amount in BDT
18010466	4,641,000
20990003	3,100,000
20990004	16,650,000
20020027	125,301,000
20010441	3,883,000
225LC01201610502	612,115
225LC02192960002	2,637
225LC02193570001	418,097
225LC02200920001	288,223,200
DC DAK052530	167
DC DAK052532	262,613
DC DAK053424	799,121
DC DAK053425	2,077,482
DC DAK053439	24,273,607
303520010068	291
303520010074	569
303520010353	1,115,432
303520010354	5,392,622
303520010355	4,571,548
308520010368	308,235
308520020798	26,782,712
308520020839	2,999,169
308520020854	27,224,237
308520011018	833,943
104LC02200480958	589,590
208420010109	1,101,753
208420020194	96,843,000
208419990020	70,000,000
208419010329	752,536
Total	708,759,678

42.03 Contingencies

As per the Power Purchase Agreement (PPA) between BPDB and one of the subsidiaries of the Group EPV Thakurgaon Ltd, the Commercial Operation Date (COD) was defined as 15 November 2019. However, due to heavy flood, dengue fever during the second half of 2019 and severe impact of COVID 19 in subsequent period starting from early 2020 along with other factors has delayed the commercial production and now the expected date of COD is on April 2021. Management is in continuous discussion with BPDB and believes that the matter will be resolved amicably.

43.0 Pending litigation

There are no significant pending litigation of the company as at 30 June 2019 except the following tax related litigations.

- i) For assessment year 2019-20 (income year 2018-19)
Return has been submitted and assessment is under process
- ii) For assessment year 2018-19 (income year 2017-18)
Return has been submitted and 1st Appeal completed. 2nd Appeal (Tribunal) is under process
- iii) For assessment year 2017-18 (income year 2016-17)
Return has been submitted and Tribunal completed
- iv) For assessment year 2016-17 (income year 2015-16)
The company referred the case to the High Court division of the Supreme Court.
- v) For assessment year 2015-16 (income year 2014-15)
The company referred the case to the High Court division of the Supreme Court.
- vi) For assessment year 2014-15 (income year 2013-14)
The company referred the case to the High Court division of the Supreme Court.
- vii) For assessment year 2013-14 (income year 2012-13)
The company referred the case to the High Court division of the Supreme Court.
- viii) For assessment year 2012-13 (income year 2011-12)
The company referred the case to the High Court division of the Supreme Court.
- ix) For assessment year 2011-12 (income year 2010-11)
The company referred the case to the High Court division of the Supreme Court.
- x) 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.
- xi) 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.



44.0 Other disclosures

44.1 Assembling & manufacturing capacity

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

Capacity utilization for generator assembling during 2019-20 is 56% (167 unit) against 64% (191 unit) in 2018-19.

Capacity utilization for pick-up van assembling during 2019-20 is 74% (888 unit) whereas it was 78% (936 unit) in 2018-19 as the assembly started in that period.

44.2 CFR value & foreign earnings

CFR (Cost & Freight) value of import

Foreign earnings

2019-20

2018-19

4,243,258,534

10,764,101,419

-

26,357,544

44.3 Inventory movement

Major inventory in 2020	Opening	Purchase	Sales/Issue	Closing
Generator	60	286	320	26
Pick up van	185	1,081	1,174	92
Bus	7	-	3	4
Back hoe Loader & Fork Lift	71	83	79	75
Liqified petroleum gas (kg)	1,427,050	126,131,607	126,035,452	1,523,205
Building materials (raw material)	6,009,246	6,866,145	7,528,928	5,346,463
Building materials (finished goods)	-	13,668,582	13,030,088	638,494

Major inventory in 2019	Opening	Purchase	Sales/Issue	Closing
Generator	140	191	269	62
Pick up van	282	936	1,115	103
Bus	6	-	2	4
Back hoe Loader	11	28	34	5
Fork Lift	50	34	60	24
Liqified petroleum gas (kg)	2,030,697	183,644,786	183,028,555	2,646,928
Building materials (raw material)	4,617,728	8,981,434	7,499,578	6,099,584
Building materials (finished goods)	373,576	6,168,864	6,470,838	71,602

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.

44.4 Number of employees

The number of employees engaged by the Company for the whole year or part thereof who received a total salary of Tk 36,000 or above was 426 (June 2019: 593).

44.5 Events after the reporting period

Bangladesh Securities and Exchange Commission (BSEC) on 21 October 2020 has approved the Company's proposal to raise Tk 150 crore by issuing 40,293,566 shares through IPO under book building method. Out of these shares 50% or 20,146,766 shares shall be issued to eligible investors at their respective bidding price where cut-off price was Tk 35 per share. Remaining 50% or 20,146,800 shares shall be issued to general investors at Tk 31 per shares (at 10% discount to the cut-off price of Tk 35).

The Board of Directors at the 81st Board Meeting held on 28 October 2020, has recommended to the shareholders zero dividend. This will be considered for approval by the shareholders at the 25th Annual General Meeting (AGM) to be held on 30 December 2020.

44.6 Attendance Status of Board Meeting of Directors

During the period from 01.07.2019 to 30.06.2020 there were 4 (four) Board Meeting were held. The attendance status of all the meetings are as follows:

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

For Board Meeting, attendance fees were paid to the Directors of the Company @ BDT 15,000/- per meeting per director.

44.7 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.

Pensions, etc.-

- 1) Pensions-Nil.
- 2) Gratuities-Nil.
- 3) Payment from Provident Fund-Nil
- 4) Companion for loss of office- Nil.
- 5) Consideration in connection with retirement from office - Nil.

44.8 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 Company, which	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	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
(i) Consumption of stores and spare parts	

44.9 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 2020

IV. Debt due by Common Management

Disclosed under related party transaction (note - 38)

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

There are no such debt in this respect as on 30 June 2020.



Energypac Power Generation Limited

As at 30 June 2020

Investment in Shares of Listed Companies

ANNEX A

The details are stated below:

Particulars	No. of Shares	Face Value Per Share	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)
As at 30 June 2020							
Central Pharmaceuticals Ltd.	3,000.00	10.00	14.04	42,126.00	13.10	39,300.00	(2,826.00)
Sonali Aansh Industries Ltd.	450.00	10.00	444.73	200,128.59	354.10	159,345.00	(40,783.59)
Total				242,254.59		198,645.00	(43,609.59)
Add :Available Balance	-	-	-	-	-	245,770.00	-
Fair Value of investment in shares	-	-	-	-	-	444,415.00	-

As at 30 June 2019

Sonali Aansh Industries Ltd.	2,790.00	10.00	538.25	1,501,721.69	524.10	1,462,239.00	(39,482.69)
Total				1,501,721.69		1,462,239.00	(39,482.69)
Add :Available balance	-	-	-	-	-	22,291.00	
Fair Value of investment in shares	-	-	-	-	-	1,484,530.00	

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 30 June 2020

Disclosure on bank wise credit facility

BRAC Bank Limited

ANNEX B

Facilities as at 30 June 2020

	Credit limit	Facilities availed	Purpose
1. Letter of Credit (Sight/Usance/UPAS)	400,000,000	58,148,297	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. LATR (Inner of L/C)	400,000,000	4,896,906	To retire import documents against sight L/C to be issued under facility no. 1 above.
3. Acceptance/PAD (Inner of L/C)	400,000,000	336,551,513	To retire import documents against Usance/UPAS/LC, issued under facility no.1
4. Letter of Guarantee (Inner of L/C)	100,000,000	-	To issue guarantee to different authorities.
5. Revolving Loan	200,000,000	190,214,016	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	10,787,315	To meet day to day operational expenses.
	620,000,000	600,598,047	

Total

Security against credit facilities

- Trust receipt to be executed for Tk. 400 million i.e. covering the LATR limit(s) in support of board resolution of the borrower
- 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
- 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.
- Personal Guarantee of all the director of EPGL for BDT 620 million namely;
 - Mr. Rabul Alam (Director), S/O: Late A. K. Abdul Latif
 - Mr. Enamul Haque Chowdhury (Director), S/O: Late Mozammel Haque Chowdhury
 - Mr. Humayun Rashid (Managing Director & CEO), S/O: Late Abdus Hannan
 - Mr. Nurul Akter (Director), S/O: Late Nurul Huda
 - Mr. Rezwatul Kabir (Director), S/O: Rezaul Haque
- Corporate guarantee from Energypac Engineering Ltd for BDT 620 million in conformity with relevant object clause or their Memorandum of Association to be provided in favor of Energypac Power Generation Limited.
- Insurance coverage on fire and RSD risks covering 110% on the funded facilities, securing stockinventory, machinery & building of the borrower company, from any insurance company acceptable to BBL, keeping BBL as beneficiary.
- MICR cheque of Tk. 620 million along with irrevocable letter of authority to complete the cheque

Energypac Power Generation Limited

As at 30 June 2020

Disclosure on bank wise credit facility

HSBC

Facilities as at 30 June 2020

	Credit limit	Facilities availed	Purpose
1. Combined Limit	963,400,000	-	To Control and avail the facilities under 2, 3, 4, 5, 6, 7 & 8
2. Import Line	800,000,000	27,412,991	To import vehicles, steel, LPG, agro machinery, material & JAC brand delivery van on sight & deferred.
2. (A) Import Cash Limit (IMC)	800,000,000	476,294,941	To retire sight import documents by creating Clean Import Loan (CIL), to release deferred import documents, related to vehicles against Borrower's acceptance and to issue Shipping Guarantee (SGT) under line-2
3. Import line	300,000,000		To imports (generator/electrical equipment) on sight and/or deferred basis
3. (A) Import Cash Limit (IMC)	300,000,000	105,382,854	To retire sight import documents by creating clean import loan (CIL) to release deferred import documents
4. Loan line	200,000,000	200,000,000	To support working capital requirement of the borrower
5. Loan line	250,000,000	89,365,346	To pay duty to customs authority.
6. Bank Guarantee (BG)	50,000,000	754,202	To issue Bid Bond/performance bond/Advance Payment Guarantee etc. favoring government authorities, large private buyers, etc.
7. Export cash limit	50,000,000	-	To discount export bill.
8. Overdraft	50,000,000	52,641,508	To meet operating expenses.
		1,013,400,000	951,851,841

Total

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 30 June 2020

Disclosure on bank wise credit facility

Prime Bank Limited

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
1. LC (Sight/DP/UPAS)	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. BG (Inner of LC)	12,570,000	12,573,684	To participate in tenders & execute the awarded works.
6. OD	50,000,000	52,689,436	To meet factory overhead expenses
7. Forced Loan (Inner limit)	4,818,000	37,234,473	
Total	436,060,000	102,497,592	

Security against credit facilities

- Board Resolution from Energypac Power Generation Ltd. to avail the credit facility from Prime Bank Limited
- Demand Promissory Note and Letter of Continuity for BDT 436.06 million from Energypac Power Generation Ltd.
- Existing 1st ranking PPSSA charge by way of hypothecation with other lenders on all fixed and floating assets of the company with RJSC & firms
- Notarized IGPA favoring the bank authorizing to sell the hypothecated assets of the company without reference to the court in case of default.
- Personal guarantee of the directors of the company
- Letter of Agreement/Arrangement for BDT 436.06 million from Energypac Power Generation Limited
- Letter of Disbursement for BDT 436.06 lac from Energypac Power Generation Limited
- Letter of Revival for BDT 436.06 lac from Energypac Power Generation Limited
- Letter of Authority from Energypac Power Generation Limited

Trust Bank Limited

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
1. LC	500,000,000	37,913,455	To import/local procurement of generator, JAC Automobiles, instrument/equipment and other related materials
2. LTR (Inner of LC)	500,000,000	389,543,016	For retirement of documents against sight L/C
3. Revolving time loan (Inner of LAIR)	100,000,000	20,367,310	To make payment of import duty, AIT & port charges
4. BG (Inner of LC)	500,000,000	3,414,025	To participate in tenders or against execution of work orders awarded by issuing authorities.
5. Overdraft	100,000,000	100,757,839	To meet working capital requirement
Total	600,000,000	551,995,644	

Security against credit facilities:

- Hypothecation of stocks stored at our business premises/godown with notarized IGPA to sell the hypothecated items.
- Assignment of bills receivables with notarized IGPA to collect the bills against awarded work order (Applicable for Work Order Finance, if any)
- Registered Mortgage (RM) with IGPA to sell 188.50 decimal land at gazipur Purbapara, mouza: Gazipur, Post Office: See pur, Dist.: Gazipur.
- Registered Mortgage (RM) with IGPA to sell 851.4375 decimal land at gazipur Purbapara, mouza: Gazipur, Post Office: See pur, Dist.: Gazipur.
- Personal Guarantee of all the directors of the Energypac Power Generation Ltd.
- Standard set of charge of documents.
- Post dated cheque covering total facility

Energypac Power Generation Limited

As at 30 June 2020

Disclosure on bank wise credit facility

Meghna Bank Limited**Facilities as at 30 June 2020**

1. Secured Over Draft
2. Short Term Loan

	Credit Limit	Facilities availed	Purpose
	1,737,500,000	1,808,134,993	To meet working capital requirement
	142,849,996	16,711,788	To make payment to suppliers.
Total	1,880,349,996	1,824,846,782	

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**LPG
Facilities as at 30 June 2020**

Revolving LC

Acceptance

One time L/C acceptance - 1

One time L/C acceptance - 1

Term Loan - 1

Term Loan - 2

Term Loan - 3

Term Loan - 4

Term Loan - 5

Term Loan - 6

Term Loan - 7 (inner limit of LC)

Overdraft

	Credit limit	Facilities availed	Purpose
	500,000,000.00	96,840,000.00	To import raw materials from foreign sources
		152,910,000.00	To Retire shipping documents/ payment of acceptance liability against LC facility-1 above
		101,160,000.00	
		105,580,000.00	
		315,110,000.00	
		468,830,000.00	To import capital machinery and equipments for establishment of LPG Plant
		341,550,000.00	
		430,110,000.00	For settlement of LC
		205,120,000.00	For settlement of forced demand loan liability.
		133,340,000.00	
		224,570,000.00	
		18,240,000.00	
Total	2,666,570,000.00	2,593,360,000.00	

SGFL 2nd Phase**Facilities as at 30 June 2020**

PG (specific)

LC (sight/DP/UPAS)-Sp.

DL-Sub (Sub limit)

ILC (Sight/DP)-Sp.

DL (WO)-1 (Sub-limit)-Sp.

	Credit limit	Facilities availed	Purpose
	443,710,000	441,210,000	To import machinery, equipments & various materials from overseas sources to execute the work order
	414,400,000	750,000	To retire import documents against LC opened under facility-i
	414,400,000	37,970,000	To retire import documents against LC opened under facility-i
	342,500,000	70,000,000	To procure materials/services from overseas/local sources for sited preparation, civil construction, erection, testing etc.
	342,500,000	142,750,000	To retire import documents against LC opened under facility-iii for payment of materials & services against invoices, duty, taxes of imported goods/materials /services.
Total	1,200,610,000	692,680,000	

Energypac Power Generation Limited

As at 30 June 2020

Disclosure on bank wise credit facility

Security against credit facilities

LPG Project

1. 1st ranking Pari-Passu charge with RSC&F on fixed and floating assets of the LPG project. (Pari-Passu charge is yet to be completed due to non-submission of NOC from co-lenders)
2. Existing registered mortgage of project land of 18.145 acres & building at Chumkuri, Dakop, Khulna on pari-passu basis with Eastern Bank Ltd.
3. Existing registered mortgage of 84 decimal land located Mouza: Vogra, Thana: Gazipur Sodar, District: Gazipur.
4. Corporate Guarantee of "Energypac Engineering Ltd."
5. Personal Guarantee of Mr. Rabiul Alam, Mr. Enamul Haque Chowdhury, Mr. Humayun Rashid, Mr. Nurul Akter & Mr. Rezwanul Kabir (Directors of Energypac Power Generation Ltd.)

SGFL CRU Project

1. Lien on LC 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 (S)het Gas Field Ltd.) and transferred in favor of Energypac Power Generation Ltd.
2. Assignment of bills valuing Tk. 784.79 million [covering local currency portion of EPGL in the WO]
3. Corporate Guarantee of Energypac Engineering Ltd.

Dhaka Bank Limited

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
Revolving LC (Local/Sight/Import/180 days deferred/UPA)	750,000,000	214,062,038	To import various permissible items related with business of Energypac Power Generation Limited
LTR(inner of LC)	750,000,000	242,901,515	For retirement of documents against above LC
Time loan (inner of LC)	750,000,000		
180-days Time Loan	200,000,000	79,108,038	To make duty payment/port duties/ related all other expenses to port authorities for releasing of consignment of goods
Revolving 180 days Short Term Loan (STL) Limit	50,000,000	-	For local procurement and misc. purpose for the company
Revolving Bank Guarantee (Inter-exchangeable with Revolving LC Tk. 150 million)	150,000,000	128,793,335	To participate in tenders or against execution of work/supply order
OD (Operational Exp)	100,000,000	110,393,958	As working capital for operational expenses for the company
OD (GOV Work & Autonomous Body)	50,000,000	-	For execution of work orders awarded/to be awarded by different authorities & organizations.
New Term Loan (Own Manufacturing Plant)	64,000,000		For the establishment of a new factory shed as extension of its existing manufacturing plant
New Term Loan (Own Manufacturing Plant Civil Work)	24,000,000		To construct civil and other mechanical works for expansion of existing steel structure fabrication & manufacturing plant.
Conversion of 31 Term Loan	80,210,000	398,652,556	Convenient of account maintaining
Term Loan (Corporate)	100,000,000		For BMD project
Term Loan (Rescheduled & Restructured - inner of LTR & Time loan)	168,980,000		For adjustment purpose
Total	1,468,210,000	1,173,911,439	

Security against credit facilities:

1. Available RSC charge with RSC 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 Ltd.
4. Standard Charges Documents
5. Post dated cheques
6. Counter guarantee in case of Bank Guarantee
7. Letter of trust receipts

Energypac Power Generation Limited

As at 30 June 2020

Disclosure on bank wise credit facility

Dhaka Bank Limited.: Gopalganj Project

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
One off LC (Import/Local-Sight/UPAS/DP)	350,000,000	288,223,200	To import/procure spare parts, tools, lube oil, fuel and various materials for the Gopalganj project.
LTR (Inner of LC)	350,000,000	-	To retire import documents
180 days Time Loan facility	20,000,000	-	For payment of duty
One off Bank Guarantee	107,707,500	108,573,255	To submit PG for procurement of schedule maintenance spare parts with related works for Gopalganj 100MW peaking power station at Gopalganj.
Total	477,707,500	396,796,454	

Security against credit facilities:

1. Lien of original L/C received through BPPDB's bank
2. Assignment of bills receivables
3. Post dated Cheque covering the facility
4. Standard Charges Documents
5. Letter of trust receipt
6. Counter Guarantee in case of bank guarantee

United Finance Limited

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
Term Loan (Exp Date - 2023)	100,000,000	238,298,915	For recover the fund invested from short term loan by long term loan
Term Loan	200,000,000		
Total	300,000,000	238,298,915	

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 Ltd.

Jamuna Bank Limited

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
1. Letter of Credit (Sight/DP/UPAS - Foreign/Local)	800,000,000	259,892,487	To import/procure raw materials/goods/spare parts
2. LTR/Time Loan (Inner limit of LC)	400,000,000	44,917,856	For retirement of shipping documents
3. Time Loan (Revolving)	100,000,000	15,087,369	To pay duty, tax, VAT & procure goods from local market
4. SOD (General)	100,000,000	102,553,911	To meet up emergency fund requirement
5. Bank Guarantee (Inner of LC)	500,000,000	63,918,623	To issue guarantees favoring customs, government, semi-government, autonomous and reputed private organization for business purpose
6. Term Loan (Rescheduled)	568,428,000	557,249,712	For adjustment of overdue liabilities in the form of LTR, time loan, time loan, and demand loan (ABP)
Total	2,068,428,000	1,043,619,908	

Energypac Power Generation Limited

As at 30 June 2020

Disclosure on bank wise credit facility

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 Limited

Facilities as at 30 June 2020

	Credit limit	Facilities availed	Purpose
1. Sight Letter of Credit	230,000,000	-	To procure raw materials (LPG, Steel Sheet & coil & other related materials) of LPG plant from foreign source.
2. Import Loan (Raw Materials- inner of LC)	230,000,000	-	To retire shipping documents under SLC line-1 above.
3. Usance Letter of Credit (Raw materials - inner of LC)	230,000,000	589,590	To procure raw materials (LPG, Steel Sheet & coil & other related materials) of LPG plant from foreign source.
4. Acceptance (Raw materials - inner of LC)	230,000,000	224,115,163	To finance ULCs.
5. Demand loan (inner of LC)	30,000,000	-	For payment of duty, VAT, Tax, selling & marketing expenses & other related payment.
6. Overdraft	20,000,000	32,663,846	To meet working capital/operational expense purpose.
7. Term Loan - I	605,000,000	-	To retire capital machinery LC opened.
8. Term Loan - II	147,000,000	643,934,600	To finance civil construction & local and auxiliary machinery related to construction of the LPG project.
Total	1,002,000,000	901,303,199	

Security against credit facilities:

1. Registered Mortgage on the project land & building on Pari Passu basis with other lenders supported by R/GPA over 1827.78 decimal land, located at Chankuri, 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:
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

Energypac Power Generation Limited

As at 30 June 2020

Disclosure on bank wise credit facility

United Commercial Bank Limited

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
ULC/SLC/Acceptance (Foreign)	70,100,000	-	To Import machinery, equipment and various materials from foreign source for execution of work order awarded by EDCL
ULC/SLC/Acceptance (Local)	74,600,000	-	To Import machinery, equipment and various materials from local source for execution of work order awarded by EDCL
Specific Work Order (Foreign)	70,100,000	63,221,297	To retire SLC/ULC/JPAS (foreign) related documents
Specific Work Order (Local)	206,100,000	87,213,622	To retire SLC (Local) related documents
Specific WOF	20,000,000	22,479,107	To meet working capital requirement for execution of work order.
Term Loan (3 years from November-2017)	770,200,000	382,306,004	
Total	1,066,400,000	555,220,029	

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 RJC
3. Hypothecation on bills receivable against the sale
4. Post-dated MICR cheque covering the amount through an undertaking to the effect that these has been provided by you for repayment purpose
5. Usual Charges Documents duly stamped and filled in.

Mercantile Bank Limited

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
LC (JPAS/DP/SIGHT)	1,350,000,000	153,575,000	To import /procure of electrical equipment, vehicles, lift, raw steel, materials of diesel & gas generators, air compressor, steelpac, construction & agro machineries, Gas Cylinder etc.
Acceptance		658,413,000	To procure materials/equipment related to the products of existing business from local sources.
LTR (Inner limit of L/C)	750,000,000	5,763,670	To retire of LC documents
Bank Guarantee (Inner of LC)	150,000,000	4,600,000	To participate in tenders and execute work orders of different Govt. and Semi-Govt, Non-Govt. organizations.
Short Term Loan (Revolving)	150,000,000	1,48,780,538	To Make payment of Duty, VAT, AIT & Other Expenses
SOD (Gen)	100,000,000	100,636,640	To meet working capital requirement.
Term Loan - I (Inner limit of existing LC limit)	306,500,000	290,881,060	For adjustment of above overdue facilities
Term Loan - II (Inner of LTR limit)	210,600,000	161,266,848	For smooth repayment of liability
Total	1,600,000,000	1,523,916,756	

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

EnergyPac Power Generation Limited

As at 30 June 2020

Disclosure on bank wise credit facility

NRBC Bank Limited	Credit Limit	Facilities availed	Purpose
Facilities as at 30 June 2020			
Letter of Credit (Foreign)-Specific	450,000,000	292,989,000	To import/purchase goods/materials/from foreign/local sources/delivery expenses/Fixed Assets Civil construction contract related with the business.
LTR (Inner of LC)	450,000,000	70,577,000	To retire foreign L/C
Time Loan (Inner of LC)	450,000,000	84,330,000	To retire foreign L/C
Time Loan (Revolving)	150,000,000	21,103,000	To make payment of customs duty, tax, VAT & others for releasing goods from customs authority against L/C
Bank Guarantee (Inner of LC)	50,000,000	-	To participate in tender invited by different authorities
Cash Credit (Hypo)	50,000,000	49,336,000	To meet up working capital requirement
	Total	518,335,000	

Security against credit facilities:

1. Shipping documents
2. Hypothecation of imported items
3. Corporate guarantee of EnergyPac Engineering Ltd.
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 Limited	Credit Limit	Facilities availed	Purpose
Facilities as at 30 June 2020			
Short Term Loan	250,000,000	263,138,217	To meet additional working capital requirement and for local procurement of raw materials and to adjust other banks "import payment obligations"
	Total	263,138,217	

Energypac Power Generation Limited

As at 30 June 2020

Disclosure on bank wise credit facility

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 Limited

Facilities as at 30 June 2020

	Credit Limit	Facilities availed	Purpose
Sale & Lease Back Facility	400,000,000	403,882,077	To make payment against imported machinery and installation thereof
Total	400,000,000	403,882,077	

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, Rugganj, 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 Ltd.

Acronyms/Elaboration

AGM	Annual General Meeting
BAS	Bangladesh Accounting Standards
BPDB	Bangladesh Power Development Board
BDT	Bangladeshi Taka
BSEC	Bangladesh Securities and Exchange Commission
BMD	Building Materials Division
CAGR	Compounded Annual Growth Rate
CCPP	Combined Cycle Power Plant
CNG	Compressed Natural Gas (CNG)
EPC	Engineering, Procurement and Construction
EPS	Earnings per Share
FY	Financial Year
GOB	Government of Bangladesh
GP Margin	Gross profit margin
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
MVD	Motor Vehicle Division
mmcfd	Million Cubic Feet per Day
NAV	Net Asset Value
NG	Natural Gas
NBFI	Non-Banking Financial Institution
NP Margin	Net Profit Margin
NRB	Non Resident Bangladeshi
PED	Power & Energy Davison
Sponsors	The sponsor shareholders of Energypac Power Generation Limited
SIPP	Small Independent Power Producers
USD	United States Dollar
VAT	Value Added Tax



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