

**United Power Generation & Distribution Company Ltd.  
Independent auditor's report &  
consolidated financial statements  
As at and for the year ended 30 June 2024**

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### Independent Auditor's Report to the Shareholders of United Power Generation & Distribution Company Ltd.

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of United Power Generation & Distribution Company Ltd. (the "Company" or "UPGDCL") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 59

##### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of matter

We draw users' attention to the following notes to the consolidated financial statements, and for these matters our opinion is not modified:

Note 1.4: Management has explained the amalgamation process of United Energy Ltd, United Anwara Power Ltd and United Jamalpur Power Ltd. with United Power Generation & Distribution Company Ltd. and the grounds for preparing merged financial statements for these companies as a single entity with effect from the appointed date (01 July 2023) as per the Scheme of Amalgamation.

Note 50.2: Management has explained the status of additional claim by the Company's gas suppliers including legal proceedings, where court judgments did not go in favour of the Company. The Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources has considered the revised gas tariff for the period from February 2023, but dispute remained for the interim period (January 2018 to January 2023). Management has concluded that significant uncertainty exists at present to make any reliable estimation of additional claim, and hence partial provision on best estimate has been made in the accompanying consolidated financial statements.

**Key Audit Matters**

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

<b>Amalgamation of subsidiaries of United Energy Ltd, United Anwara Power Ltd and United Jamalpur Power Ltd.</b>	
<b>Description of key audit matters</b>	<b>How the matters were addressed in our audit</b>
<p>Effective on 01 July 2023, pursuant to the order of the High Court Division of the Supreme Court of Bangladesh, the Company has been amalgamated with three of its subsidiaries namely United Energy Ltd (UEL), United Anwara Power Ltd (UAnPL) and United Jamalpur Power Ltd (UJPL).</p> <p>Since this will be the first set of amalgamated financial statements of the Company incorporating results of UEL, UAnPL and UJPL and also involve acquisition accounting, we have considered this as key audit matter.</p> <p>The audited financial statements of transferor companies (UEL, UAnPL and UJPL) as on 30 June 2023 have been used to account for the assets and liabilities of transferor companies in the books of the transferee company (UPGDCL).</p>	<p>We obtained understanding of the amalgamation process followed by the Company in relation to UEL, UAnPL and UJPL.</p> <p>We reviewed all related documents and agreements as well as the verdicts of the Honourable High Court Division of the Supreme Court of Bangladesh issued vide order giving effect to a Scheme of Amalgamation under the Company Matter No. 275 of 2022.</p> <p>We checked acquisition accounting followed by the Group on acquisition date in accordance with IFRS 3: Business Combination including charging of related expenses to profit or loss.</p> <p>We evaluated all the terms of the Scheme of Amalgamation to assess whether key terms have been followed.</p> <p>Since three subsidiaries of the UPGDCL is amalgamated with the parent entity, this implies that the amalgamating company is ultimately controlled by the same party (i.e. UPGDCL) both before and after the amalgamation. According to IFRS 3: Business Combinations, this is a common control transaction where control is not transitory. IFRS is silent in case of common control transaction. Therefore, in such cases, all assets and liabilities from the amalgamating company are transferred to the books of the Group entity applying book value (carry-over basis) accounting instead of fair value under acquisition accounting approach as described in IFRS 3. Furthermore, as this has been done through a legal scheme and as per the directive of the Court, the effect of Amalgamation has been made from the Appointed Date (01 July 2023).</p>
<p>See note 1.4 to the consolidated financial statements</p>	

<b>Revenue recognition</b>	
<b>Description of key audit matters</b>	<b>How the matters were addressed in our audit</b>
<p>Revenue recognition and provision for customer receivables are key areas of judgment, particularly in relation to energy revenue which is recognised based on the survey of the meter reading as well as considering the terms of Power Purchase Agreement (PPA)/ Power Supply Agreement (PSA).</p> <p>The customer (or government authority) verifies the electrical energy output through physical inspection of meter and/or review of relevant reports generated from the meter. For capacity payment, fuel supply, true-up and other items revenue is recognized on the basis of PPA terms and other supporting documents. Upon agreement by both parties, the electrical energy delivered for the month is evidenced by the approval of the professional engineers representing the Company and the customer. The meter is calibrated and certified by independent professional engineers on a regular basis. Identification of conflicting issues relating to billing and assessing the prospect of recoverability for revenue that has been billed is hence regarded as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• assessing whether revenue recognition policies are applied through comparison with relevant accounting standards and industry practice;</li> <li>• Review of Power Supply/Purchase Agreement terms and recalculate invoice amount as per PSA/PPA;</li> <li>• testing the Company's controls over revenue recognition;</li> <li>• assessing the assumptions used to calculate accrued income by ensuring that inputs used to the calculation have been derived appropriately;</li> <li>• checking of subsequent collection of revenue.</li> <li>• Discussions with management regarding their communications with customers (e.g. BEPZA, BPDB, BREB) regarding settlement of remaining invoices.</li> <li>• Review of management's assessment as to recoverability, including the need for any impairment provision.</li> </ul>
See note 59 (E) and 32 to the consolidated financial statements	

<b>Additional charges claimed by the gas suppliers to the Company</b>	
<b>Description of key audit matters</b>	<b>How the matters were addressed in our audit</b>
<p>Based on a decision of the Ministry of Power, Energy and Mineral Resources with regard to gas rates applicable for gas-based power plants, the gas suppliers of the Company, namely Titas Gas Transmission &amp; Distribution Company Limited and Karnaphuli Gas Distribution Company Limited have claimed additional amounts of BDT 4,683,357,429 and BDT 2,463,500,000 for Dhaka Export Processing Zone (DEPZ) and Chittagong Export Processing Zone (CEPZ) plants, respectively.</p> <p>The Company had filed two separate writ petitions, dated 22 May 2019 and 23 June 2019, with the Honorable High Court Division of the Supreme Court of Bangladesh against the above decision. Judgement was given against the Company and the Company then appealed to the Honorable Supreme Court which was</p>	<p>Our substantive procedures in this area included:</p> <ul style="list-style-type: none"> <li>• discussion of related legal cases with the Company's Legal Department;</li> <li>• review of legal documents pertaining to the case;</li> <li>• inquiry with management and conduct review of management's detailed assessment of the probability of ultimate final claim upon outcome of the ongoing discussion;</li> <li>• Review correspondence with the Ministry of Power, Energy and Mineral Resources and other concerned parties to form an opinion about the ultimate impact of these disputed demand against the Company;</li> <li>• assessment of disclosures in the financial statements of material contingencies, nature and their measurement.</li> </ul>

<p>also discharged by the Court. The Company has also filed two review petitions before the Honorable Appellate Division of the Supreme Court of Bangladesh which again has been discharged subsequently.</p> <p>While the aforesaid legal process was ongoing, the Company also pursued discussion with relevant stakeholders and as a result, the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources in its meeting on 15.10.2023 took the decision to revise the gas tariff structure from February 2023. However, no decision has been made for the interim period (January 2018 to January 2023).</p> <p>Accordingly, management has concluded that a significant uncertainty exists in order to enable any reliable estimation of potential additional obligation, and hence as per best estimate partial provision for these claims has been made in the accompanying financial statements.</p> <p>As the amount is considered material for the consolidated financial statements of the Group, we considered this as a key audit matter.</p>	
<p>See note 59 (G) and 50.2 to the consolidated financial statements</p>	

<b>Accuracy and completeness of disclosure of related party transactions</b>	
<b>Description of key audit matters</b>	<b>How the matters were addressed in our audit</b>
<p>The Company and its subsidiaries have undertaken various related party transactions as part of its operational activities. We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter.</p> <p>Furthermore, the Company being a listed entity such related party transactions are subject to certain regulatory directives. Accordingly, we consider this as a key audit matter as well.</p>	<p>Our procedures in relation to the accuracy and completeness of disclosure of related parties transactions included:</p> <ul style="list-style-type: none"> <li>• obtained an understanding of the Group’s policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been accurately disclosed in the financial statements;</li> <li>• Understand business rational for undertaking related party transactions and in applicable cases pricing basis to assess whether arm’s length basis has been considered.</li> <li>• agreed the amounts disclosed to underlying documentation and reviewing relevant agreements, on a sample basis, as part of our evaluation of the disclosure; and</li> </ul>

	<ul style="list-style-type: none"><li>• evaluated the disclosures through review of statutory information, books and records and other documents obtained during the course of our audit.</li><li>• Checked the compliance with regulatory directives regarding related party transactions.</li></ul>
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**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's 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 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditors' responsibilities for the Audit of the consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Report on Other Legal and Regulatory Requirements**

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group so far as it appeared from our examination of these books;
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Group's Business.



**Sabbir Ahmed FCA, Partner**

ICAB Enrolment no: 770

**Hoda Vasi Chowdhury & Co**

**Chartered Accountants**

Firm Enlistment No: CAF-001-057

Dhaka, 28 October 2024







**United Power Generation & Distribution Company Ltd.**  
**Consolidated statement of financial position**

In Taka	Note	As at	
		30 June 2024	30 June 2023
<b>Assets</b>			
Property, plant and equipment	5	33,326,015,620	36,387,094,718
Capital work in progress	6	2,300,267,337	2,003,363,856
Right of use assets	7	138,387,055	161,088,918
Investment in subsidiaries	8	-	-
<b>Non-current assets</b>		<b>35,764,670,013</b>	<b>38,551,547,493</b>
Inventories	9	5,014,634,148	3,449,474,931
Trade and other receivables	10	12,375,535,424	17,933,527,471
Receivable from related parties	11	17,943,876,460	18,712,224,279
Advances, deposits and prepayments	12	1,058,423,640	891,960,800
Investment in marketable securities	13	137,859,576	137,876,106
Advance income tax	14	4,342,403	9,147,670
Cash and cash equivalents	15	703,893,563	1,501,799,518
<b>Current assets</b>		<b>37,238,565,214</b>	<b>42,636,010,775</b>
<b>Total assets</b>		<b>73,003,235,227</b>	<b>81,187,558,268</b>
<b>Equity</b>			
Share capital	16	5,796,952,700	5,796,952,700
Share premium	17	2,046,000,000	2,046,000,000
Revaluation surplus	18	54,764,527	55,443,307
Retained earnings	19	26,437,586,536	22,951,409,252
<b>Equity attributable to the owners of the Company</b>		<b>34,335,303,762</b>	<b>30,849,805,259</b>
Non-controlling interests	20	482,933,628	503,021,021
<b>Total equity</b>		<b>34,818,237,390</b>	<b>31,352,826,280</b>
<b>Liabilities</b>			
Preference share capital - non-current portion	21	-	1,200,000,000
Long term loan - non-current portion	22	824,826,282	3,020,168,488
Security money received	24	15,700,000	15,700,000
Lease liabilities - non-current portion	25	20,249,899	22,545,443
<b>Non-current liabilities</b>		<b>860,776,181</b>	<b>4,258,413,931</b>
Deferred revenue	26	158,733,653	190,480,383
Trade and other payables	27	7,220,950,348	8,448,367,534
Unclaimed dividend	28	73,160,177	12,944,121
Accrued expenses	29	166,029,513	155,924,417
Long term loan - current portion	22	796,403,178	1,343,970,681
Short term loan	23	4,035,311,039	5,496,172,222
Preference share capital - current portion	21	1,200,000,000	400,000,000
Lease liabilities - current portion	25	2,295,542	2,132,012
Payable to related parties	30	23,662,346,109	29,520,486,041
Current tax liabilities	31	8,992,098	5,840,645
<b>Current liabilities</b>		<b>37,324,221,656</b>	<b>45,576,318,057</b>
<b>Total liabilities</b>		<b>38,184,997,837</b>	<b>49,834,731,988</b>
<b>Total equity and liabilities</b>		<b>73,003,235,227</b>	<b>81,187,558,268</b>
<b>Net asset value per share</b>	41	<b>59.23</b>	<b>53.22</b>

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

  
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Company Secretary

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Managing Director

See the annexed report of even date



**Sabbir Ahmed FCA, Partner**  
ICAB Enrolment No: 0770  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 28 October 2024

**United Power Generation & Distribution Company Ltd.  
Consolidated statement of profit or loss and other comprehensive income**

In Taka	Note	For the year ended	
		30 June 2024	30 June 2023
Revenue	32	34,780,668,669	41,309,112,151
Cost of sales	33	(24,529,338,292)	(30,656,188,645)
<b>Gross profit</b>		<b>10,251,330,377</b>	<b>10,652,923,506</b>
General and administrative expenses	34	(259,790,909)	(443,815,489)
Other income	35	47,856,167	154,692,723
<b>Operating profit</b>		<b>10,039,395,635</b>	<b>10,363,800,740</b>
Finance income	36	788,902,130	555,417,608
Foreign exchange gain/(loss)	37	(823,854,670)	(1,468,391,168)
Finance expense	38	(1,731,012,093)	(1,204,422,000)
<b>Profit before tax</b>		<b>8,273,431,003</b>	<b>8,246,405,181</b>
Income tax expenses	39	(14,715,430)	(4,099,390)
<b>Profit after income tax</b>		<b>8,258,715,574</b>	<b>8,242,305,791</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>8,258,715,574</b>	<b>8,242,305,791</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		8,123,060,664	8,019,109,732
Non-controlling interests	20	135,654,910	223,196,059
<b>Total comprehensive income</b>		<b>8,258,715,574</b>	<b>8,242,305,791</b>
<b>Earnings per share</b>	40	<b>14.01</b>	<b>13.83</b>

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

  
Company Secretary

  
Director

  
Managing Director

See the annexed report of even date



Sabbir Ahmed FCA, Partner  
ICAB Enrolment No: 0770  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 28 October 2024



United Power Generation & Distribution Company Ltd.  
Consolidated statement of changes in equity

In Taka	For the year ended 30 June 2024						
	Attributable to the owners of the Company				Revaluation reserve	Non-controlling interests	Total
	Share capital	Share premium	Retained earnings				
Balance at 1 July 2023	5,796,952,700	2,046,000,000	22,951,409,253	55,443,307	503,021,021	31,352,826,280	
Profit for the year	-	-	8,123,060,664	-	135,654,910	8,258,715,574	
Dividend paid			(4,637,562,160)		(152,040,000)	(4,789,602,160)	
Retained earnings added on Amalgamation			-		(3,702,304)	(3,702,304)	
Depreciation on revalued assets	-	-	678,780	(678,780)	-	-	
<b>Balance at 30 June 2024</b>	<b>5,796,952,700</b>	<b>2,046,000,000</b>	<b>26,437,586,536</b>	<b>54,764,527</b>	<b>482,933,628</b>	<b>34,818,237,390</b>	
Note	16	17	19	18	20		

In Taka	For the year ended 30 June 2023						
	Attributable to the owners of the Company				Revaluation reserve	Non-controlling interests	Total
	Share capital	Share premium	Retained earnings				
Balance at 1 July 2022	5,796,952,700	2,046,000,000	24,786,447,118	56,115,299	512,166,162	33,197,681,279	
Profit for the year	-	-	8,019,109,732	-	223,196,059	8,242,305,791	
Dividend paid			(9,854,819,590)		(232,341,200)	(10,087,160,790)	
Depreciation on revalued assets	-	-	671,992	(671,992)	-	-	
<b>Balance at 30 June 2023</b>	<b>5,796,952,700</b>	<b>2,046,000,000</b>	<b>22,951,409,253</b>	<b>55,443,307</b>	<b>503,021,021</b>	<b>31,352,826,280</b>	
Note	16	17	19	18	20		

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



**United Power Generation & Distribution Company Ltd.**  
**Consolidated statement of cash flows**

In Taka	For the year ended	
	30 June 2024	30 June 2023
<b>Cash flows from operating activities</b>		
Cash received from customers*	23,503,713,520	47,527,707,277
Cash received from other sources	68,493,354	99,050,073
Cash paid to suppliers and others*	(21,714,657,936)	(34,228,706,427)
Tax paid	(7,908,517)	(1,057,153)
Financial charges paid	(1,730,107,559)	(1,204,421,999)
Foreign exchange loss	(632,451,874)	(944,762,106)
<b>Net cash generated from operating activities</b>	<b>(512,919,012)</b>	<b>11,247,809,666</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(588,065,815)	(384,148,812)
Dividend from subsidiary company	1,850,204,505	12,704,409,514
<b>Net cash generated from/(used in) investing activities</b>	<b>1,262,138,690</b>	<b>12,320,260,702</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(6,575,694,047)	(22,791,948,274)
Paid to Capital Market Stabilization Fund	(3,896,562)	-
Redemption of preference share capital	(400,000,000)	(1,400,000,000)
Insurance claim received	19,833,045	89,332,181
Lease payment	(2,132,014)	(1,980,622)
Cash received/(paid) for related party loan*	(2,491,141,549)	2,815,525,376
Security money received	-	15,000,000
Short term loan received/(paid)*	10,833,631,817	(713,827,778)
Long term loan paid	(2,927,726,322)	(1,308,546,419)
<b>Net cash generated from/(used in) financing activities</b>	<b>(1,547,125,634)</b>	<b>(23,296,445,535)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(797,905,956)</b>	<b>271,624,833</b>
Opening cash and cash equivalents	1,501,799,519	1,230,174,686
<b>Cash and cash equivalents as at</b>	<b>703,893,563</b>	<b>1,501,799,519</b>
<b>Net operating cash flow per share</b>	<b>42</b>	<b>(0.88)</b>

\* During the year BPDB has settled Tk. 16,631,968,000 of receivable balance through issuance of Power Bond. Out of the above amount BDT 12,294,493,000 has been used to settle short term loan directly, BDT 2,487,475,000 has been adjusted from cash paid to suppliers and others and BDT 1,850,000,000 has been paid to settle loan from UECL. However, as these proceeds of these Power Bond have been paid directly to respective loan and other accounts to settle short term loans and intercompany loans, this Tk. 16,631,968,000 is not included in the statement of cash flows.

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



**Notes to the consolidated financial statements**

**1 Reporting entity**

**1.1 Company profile**

United Power Generation & Distribution Company Ltd. (UPGDCL) (hereinafter referred to as "the Company"), a public limited company, was incorporated in Bangladesh on 15 January 2007 under the Companies Act (#18) 1994 under registration no. C-65291(2783)/07 with its corporate office at United House, Madani Avenue, United City, Dhaka-1212. The Company was initially registered as a private limited company, formerly known as Malancha Holdings Ltd. (MHL) and subsequently converted into a public limited company on 22 December 2010. The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chattogram Stock Exchange Limited (CSE). The authorised capital of the Company is Tk. 22,600,000,000 divided into 2,260,000,000 ordinary shares of Tk. 10 each and 3,500,000,000 preference shares divided into 350,000,000 ordinary shares of Tk. 10 each. On 13 November 2018 the Company took 99% of ordinary shares of United Energy Limited (UEL) at face value. On 15 September 2020 the Company took 99% of ordinary shares of United Anwara Power Ltd. (UAnPL) and United Jamalpur Power Ltd.(UJPL) at Net Asset Value per share with effect from 1 July 2020. Pursuant to a Scheme of Amalgamation approved by the High Court Division of the Supreme Court of Bangladesh, these three subsidiary companies have been amalgamated with its parent company United Power Generation and Distribution Company Ltd. (UPGDCL) with effect from 1 July 2023. Profile of these subsidiaries were as follows:

**United Energy Ltd.**

United Energy Ltd. (UEL) the former name of Shajahanullah Power Generation Company Limited (SPGCL) was a Public Limited Company in Bangladesh was incorporated vide registration no.-C-75168/09 on 04 March 2009 under the Companies Act (#18) 1994 having its present corporate office at United House, Madani Avenue, United City, Dhaka 1212. The authorized capital of the company is Tk. 100,000,000 divided into 10,000,000 ordinary shares of Tk. 10 each. The company has developed a power plant of 28 MW capacity in Sylhet in order to produce and supply electricity through BPDB and BREB. The Sylhet power plant came into commercial operational on 21 October 2013. In 2017-18 UEL acquired 53 MW power plant through Amalgamation of United Ashuganj Power Limited (UAPL) in B. Baria Ashuganj in order to produce and supply electricity through BPDB. UEL also holds 92.41% ordinary shares of United Ashuganj Energy Ltd (UAEL), a 195 MW gas fired power generation company established under Public Private Partnership (PPP) located at Ashuganj, Brahmanbaria.

On 22 June 2019, the Contract for Supply of Electricity on Rental Basis between Bangladesh Power Development Board (BPDB) and United Energy Ltd relating to its 53 MW plant expired. Prior to the expiry, on 4 August 2018 the Company filed an application with BPDB for a 5 year extension of the contract. The plant further extended its contract for another five years vide contract No. 10640, executed on 31 March 2022.

**United Anwara Power Limited**

United Anwara Power Limited incorporated in Bangladesh as private limited company under the companies Act (#18) 1994 vide registration no.-C-130232/2016 on 12 April 2016 having its corporate office at United House, Madani Avenue, United City, Dhaka-1212. The company has developed a power plant of capacity of 300 MW HFO based power plant at Anwara, Chittagong in order to produce and supply electricity under an agreement with Bangladesh Power Development Board (BPDB). The authorised share capital of the Company is Tk. 10,000,000,000 (Taka One thousand crore ) only divided into 1,000,000,000 ( One hundred crore) only ordinary shares of Tk. 10 (Ten) each.



**Notes to the consolidated financial statements**

The power plant consist of Wartsila engine generators, Exhaust Gas Boilers from Al-borg and steam Turbines from GE Triveni with 15 years minimum useful life, which form the major equipment for power generation. The power plant came into commercial operation on 22 June 2019 with capacity of 300 MW (net). This HFO based generating set has its own auxiliaries, exhaust Gas silencers and electrical, mechanical & civil construction and erection. The power plant has Fourteen (14) integrated systems named fuel, lubrication oil, compressed air, cooling, charge air, exhaust, water treatment, fire protection, emission control, automation, electrical, station service, DC and high voltage systems. There are seventeen (17) engine generator sets with capacity of 17.06 MW each i.e. total 300 MW capacity (net) including the capacity of Turbines. The plant is a 300 MW IPP HFO fired power plant, located at Anwara, Chattogram for a period of 15 years which came into Commercial Operation on 22 June 2019. The principal activity of the company is to generate electricity to sell such generated electricity to Bangladesh Power Development board (BPDB) under a Power Purchase Agreement (PPA).

**United Jamalpur Power Limited**

United Jamalpur Power Ltd. (UJPL) was a private limited company, that was incorporated in Bangladesh on 02 August 2017 under the Companies Act (#18) 1994 under registration no. C-139126/2017 with its corporate office at United House, Madani Avenue, United City, Dhaka-1212, Bangladesh. The authorized share capital of the Company is Tk. 2,500,000,000 (Two Hundred Fifty crore) only divided into 250,000,000 ( Twenty Five Crore) ordinary shares of Tk. 10 (Tk. ten) each.

The power plant consists of Wartsila engine generators with 20 years expected useful life, which form the major part of the power generation. The power plant came into commercial operation on 21 February 2019 with capacity of 115 MW. This HFO-based generating sets consists of auxiliaries, exhaust silencer and electrical, mechanical & civil construction and erection. The power plant has Fourteen (14) integrated systems named fuel, lubrication oil, compressed air, cooling, charge air, exhaust, water treatment, fire protection, emission control, automation, electrical, station service, DC and high voltage systems. The company installed 12 Nos Wartsila engine @ 9.78MW each, 12 Nos Heat Recovery Steam Generators and 1 Steam Turbine of Capacity 6.5 MW. UJPL is a 115 MW IPP HFO fired power plant, located at Jamalpur for a period of 15 years which came into commercial operation on 21 February 2019. The principal activity of the company is to generate electricity to sell such generated electricity to Bangladesh Power Development board (BPDB) under a Power Purchase Agreement (PPA).

**1.2 Nature of the business**

The principal activity of DEPZ power plant and CEPZ power plant is to generate electricity by gas fired power plants, at Dhaka Export Processing Zone (DEPZ) with 82 MW capacity and Chattogram Export Processing Zone (CEPZ) with 72 MW capacity and to sell electricity to the export processing industries located inside DEPZ and CEPZ with the provision of selling surplus power outside the Export Processing Zones (EPZs) after fulfilling their requirement. The Company is also supplying electricity to Dhaka PBS-1 of Bangladesh Rural Electrification Board (BREB), Bangladesh Power Development Board (BPDB), Karnaphuli Export Processing Zone (KEPZ) and other private sector companies.

The principal activity of Sylhet 28 MW power plant, Jamalpur 115 MW power plant and Anwara 300MW plant is to generate electricity, to sell such generated electricity to Bangladesh Power Development Board (BPDB) and has been supplying electricity to the national grid of Bangladesh through selling the same to BPDB under Power Purchase Agreement (PPA) between the Company and BPDB.



**Notes to the consolidated financial statements**

**1.3 Investment in subsidiaries**

Consolidated financial statements of the Group as at and for the year ended 30 June 2024 comprise the financial statements of the Company and those of its subsidiaries (together referred to as "the Group").

**Subsidiaries**

Subsidiaries are the entities controlled by the Company. The Company controls an entity when it has power over the entity and is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary companies are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The following are the subsidiaries controlled by the Company:

**United Ashuganj Energy Ltd**

Being UEL amalgamated with UPGDCL, United Ashuganj Energy Ltd. (UAEL) become a direct subsidiary of UPGDCL. UAEL was incorporated in Bangladesh as a private company limited by shares under the Companies Act (Act XVIII) 1994 on 30 January 2013. The authorised share capital of UAEL is BDT 7,000,000,000 only divided into 500,000,000 ordinary shares of BDT 10 each and 200,000,000 redeemable preference shares of BDT 10 each.

The principal activity of UAEL is power generation and sale of such power to Bangladesh Power Development Board (BPDB). UAEL is a gas fired power plant with a capacity of 195 MW (net) located at Ashuganj, Brahmanbaria which started its commercial operation on 8 May 2015.

**Leviathan Global BD Ltd.**

Leviathan Global BD Ltd. (LGBDL), a private limited company, was incorporated in Bangladesh on 23 May 2018 under the Companies Act (#18) 1994 under registration no. C-145026/2018 with its corporate office at United House, Madani Avenue, United City, Dhaka-1212, Bangladesh.

Leviathan Global BD Ltd. is constructing a 40/50 MW IPP gas-fired power plant having a contract period of 30 years (extendable for further 30 years), built under joint venture with Leviathan Global Corporation, USA and United Power Generation & Distribution Company Ltd (UPGDCL) respectively.

On 22 June 2019, the Board of Directors of the Company resolved to acquire 75% shares (300,000 shares at face value of Tk. 10 each) of Leviathan Global BD Ltd. (LGBDL) from United Enterprises & Co. Ltd. (UECL). A share transfer agreement was also signed on the same date stating the acquisition to be effective from 1 July 2019. LGBDL is a 40/50 MW IPP gas fired power plant built under joint venture between Leviathan Global Corporation, USA and UECL. The plant is located at KEPZ in Chattogram and will be operated under an agreement with BEPZA with a contract period of 30 years (extendable for a further 30 years) which is under construction.

Although LGBDL has procured most of the required equipment for starting the power plant but due to the dispute regarding gas tariff structure with its gas supplier Karnaphuli Gas Distribution Company Limited and resultant unavailability of gas, the commercial production has not yet started.

Details of holding structure in subsidiaries are described in Note 59A and note 8.

Plant details of the Group are as follows:

Name of entity	Location	Plant capacity (MW)	Fuel Component	Commercial Operation Date (COD)	End of Contract year
United Power Generation & Distribution Company Ltd.	DEPZ	35	Gas	26 December 2008	2038
		47	Gas	17 February 2023	2028
	CEPZ	44	Gas	12 August 2009	2039
		28	Gas	13 February 2023	2028
	Ashuganj	53	Gas	22 June 2011	2027
	Sylhet	28	Gas	21 October 2013	2043
	Anwara	300	HFO	22-Jun-19	2034
	Jamalpur	115	HFO	21-Feb-19	2034
United Ashuganj Energy Ltd	Ashuganj	195	Gas	8 May 2015	2030
Leviathan Global BD Ltd.	KEPZ	40/50	Gas	-	2048



**Notes to the consolidated financial statements**

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**1.4 Amalgamation/Merger**

On 5th June 2023, the Honourable High Court Division of the Supreme Court of Bangladesh issued an order giving effect to a Scheme of Amalgamation under Company Matter No. 275 of 2022. The High Court ordered that under the amalgamation scheme, the entire undertaking of United Energy Ltd, United Anwara Power Ltd and United Jamalpur Power Ltd. (the transferor companies) as going concerns will be transferred to and vested in the United Power Generation and Distribution Company (the transferee company).

The High Court Order also includes the following:

It is ordered that that the Scheme of Amalgamation as approved by the respective EGMs of the Transferee Company and the Transferor Companies is sanctioned by this Court. Hence, it is ordered that:

(1). The Transferor Company and the Transferee Companies be amalgamated in terms of the Scheme of Amalgamation. The Scheme of Amalgamation shall form part of this Judgment and Order.

(2). The whole undertaking, properties and liabilities of the Transferor Company be vested in and transferred to the Transferee Company subject to compliance with the terms and conditions of the Scheme of Amalgamation.

(3) All shares, debenture, policies, license, and other like interest in the Transferor Companies be transferred to and vested in, appropriated and allotted to the Transferee Company in terms of the Scheme of Amalgamation.

(4) All mortgages, charges, undertakings, assurances, obligations, liabilities, if any, of the said Transferor Companies shall be transferred to and vested in, be taken by and be enforceable by or against the Transferee Company in the same manner and to the same extent as if all of these acts, deeds and things have been done by the Transferee Company.

(5) Since, by virtue of this Judgment and Order, all the assets and liabilities of the Transferor Companies have been transferred to and vested in the Transferee Company, so all liabilities of the Transferor Companies (if any) shall become the liabilities of the Transferee Company and if the properties of the Transferor Companies are encumbered, in any manner, the same shall continue and the properties of the Transferor Company shall be transferred to and be vested in the Transferee Company subject to the same encumbrance and charges, if any.

(6) Upon amalgamation, the experiences and qualifications of the Transferor Companies shall be treated as the experiences and qualifications of the amalgamated entity.

(7) Upon amalgamation, the accounts of the companies be finalized and circulated amongst the members of the Transferor Companies and the Transferee Company.

(8) It is further directed that all regulatory bodies and Government Authorities including but not limited to, Registrar of Joint Stock Companies and Firms, the National Board of Revenue, the Bangladesh Securities and Exchange Commission, the Bangladesh Power Development Board, the Bangladesh Export Processing Zones Authority, relevant Sub-Registrars as well as lending institutions, including banks, non-banking financial institutions and leasing companies shall give effect to this Scheme of Amalgamation without any further act, petition or order whatsoever. Registrations, Certificates, Agreements and/or Deeds including Property Deeds shall be deemed to have been transferred from the Transferor Companies to the Transferee Company from the Effective Date.

(9) This Judgment and Order shall not affect personal guarantee or similar other obligations, if any, of the directors, shareholders and third-party guarantors of the Transferor Companies.





**Notes to the consolidated financial statements**

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(10) The Transferee Company shall cause certified copy of this Judgment, and Order to be delivered to the Registrar of Joint Stock Companies and Firms, Dhaka for registration within 14 days as required by sub-Section (3) of Section 229 of the Companies Act 1994, from the date of receiving certified copy. of this Judgment and Order.

(11) The entire costs in respect of the Scheme of the Amalgamation shall be born by the Company.

Although initially the Appointed Date (i.e. the date based on which the financial position is reflected) has been set on 1 July 2022 but subsequently upon submission by the Company the court has changed this to 1 July 2023. Accordingly, the audited financial statements of transferor companies as on 30 June 2023 have been used to account for the assets and liabilities of transferor companies in the books of the transferee company. Any difference between the consideration paid and interest acquired is recognized directly in equity.

As a result of the amalgamation, United Energy Ltd. (UEL), United Anwara Power Ltd (UANPL) and United Jamalpur Power Ltd. (UJPL) will not continue as a separate entity, rather the entire undertaking will be transferred to the amalgamated entity at its continuing value. The consideration to be paid to the minority shareholders of these entities have already been fixed based on the net asset value per share as per audited financial statements of the transferor Companies as at 30 June 2023.

Given that the amalgamation is completed under a Scheme approved by the Court and pursuant to the Court Order the Appointed Date has been fixed as 1 July 2023 to give effect of this amalgamation, despite the feature of common control, prior year's comparatives are not restated.

**2 Basis of accounting**

**2.1 Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Details of the Group's accounting policies are included in Note 59.

**2.2 Date of authorisation**

The consolidated financial statements were authorized for issue by the Board of Directors on 28 October 2024.

**2.3 Reporting period**

The current financial period of the Group covers twelve months from 1 July 2023 to 30 June 2024 and consistently followed.

**3 Functional and presentation currency**

These consolidated financial statements have been presented in Bangladeshi Taka (Taka/Tk/BDT), which is both the functional and presentation currency of the Company. All financial information presented in Taka have been rounded off to the nearest integer, unless otherwise indicated.



**Notes to the consolidated financial statements**

**4 Use of estimates and judgments**

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

**4.1 Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at 30 June that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 1.4	Amalgamation
Note 5 and 59B	Property, plant and equipment
Note 9 and 59C	Inventories
Note 10 and 59D	Trade and other receivables
Note 31 and 59J	Current tax liabilities
Note 48, 50, and 59H	Contingent assets and Contingent liabilities
Note 10 and 25	Related party receivables and payables

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised 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 assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liabilities that are not based on observable market data

The Group, on regular basis, reviews the inputs and valuation judgements used in measurement of fair value and recognises transfers between level of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

**Prospective change in accounting estimate**

Various units of the Group operates its power plant under a 15 years Power Purchase Agreement (PPA) with BPDB starting from its Commercial Operation Date (COD). Previously there was an expectation that the duration of PPA could be extended and hence depreciation on plant and machineries have been charged @ 5% per annum considering estimated useful life of 20 years.

However, considering the current Government policy, overall energy situation, gas/fuel supply and other variables management has decided to change its estimated useful life and adopted a depreciation policy which will be calculated on the basis of useful life up to the expiry of PPA. This change has been applied prospectively from the current reporting period and depreciation at revised rate has been calculated from the current period.



## 5 Property, plant and equipment

See accounting policy in Note 59B

### Reconciliation of carrying amount

	Plant and machinery	Gas line	Building and civil construction	Land and development	Office equipment	Furniture and fixture	Motor vehicle	Total
<b>In Taka</b>								
<b>Cost</b>								
Balance at 1 July 2023	50,689,951,106	531,802,865	2,712,499,400	321,929,079	33,782,661	16,811,155	204,249,898	54,511,026,163
Additions	290,772,471	2,698,587	29,025	-	1,373,812	40,800	7,384,000	302,298,695
Disposals/transfers	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>50,980,723,577</b>	<b>534,501,452</b>	<b>2,712,528,425</b>	<b>321,929,079</b>	<b>35,156,473</b>	<b>16,851,955</b>	<b>211,633,898</b>	<b>54,813,324,858</b>
Balance at 1 July 2022	50,554,485,445	484,468,180	2,708,580,809	321,929,079	29,466,632	16,455,464	204,135,898	54,319,521,507
Additions	135,465,661	47,334,685	3,918,590	-	4,316,029	355,691	114,000	191,504,656
Disposals/transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2023	50,689,951,106	531,802,865	2,712,499,400	321,929,079	33,782,661	16,811,155	204,249,898	54,511,026,163
<b>Accumulated depreciation</b>								
Balance at 1 July 2023	16,898,759,024	168,654,107	764,900,668	155,177,990	21,038,050	11,837,030	103,564,575	18,123,931,445
Depreciation for the year	3,124,952,541	10,112,053	194,780,298	9,387,678	2,269,936	1,408,834	20,466,455	3,363,377,794
Adjustment for disposal/transfers	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>20,023,711,565</b>	<b>178,766,160</b>	<b>959,680,965</b>	<b>164,565,668</b>	<b>23,307,986</b>	<b>13,245,864</b>	<b>124,031,030</b>	<b>21,487,309,239</b>
Balance at 1 July 2022	14,712,586,382	159,054,973	635,382,222	145,790,312	19,049,203	10,412,791	83,670,768	15,765,946,650
Depreciation for the year	2,186,172,642	9,599,134	129,518,446	9,387,678	1,988,847	1,424,240	19,893,806	2,357,984,794
Adjustment for disposal/transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2023	16,898,759,024	168,654,107	764,900,668	155,177,990	21,038,050	11,837,031	103,564,575	18,123,931,445
<b>Carrying amounts</b>								
<b>Balance at 30 June 2024</b>	<b>30,957,012,012</b>	<b>355,735,292</b>	<b>1,752,847,459</b>	<b>157,363,410</b>	<b>11,848,487</b>	<b>3,606,091</b>	<b>87,602,868</b>	<b>33,326,015,620</b>
Balance at 30 June 2023	33,791,192,082	363,148,759	1,947,598,732	166,751,088	12,744,611	4,974,124	100,685,323	36,387,094,718

### Allocation of depreciation

In Taka	Note	30 June 2024	30 June 2023
Cost of sales	33	3,338,863,086	2,339,612,291
General and administrative expenses	34	24,514,709	18,372,503
		<b>3,363,377,794</b>	<b>2,357,984,794</b>



**6 Capital work in progress**

In Taka	30 June 2024	30 June 2023
	Consolidated	Consolidated
Capital Machinery	2,208,431,482	1,395,108,058
Building and civil Construction	84,941,211	84,941,211
Office Furniture	1,324,462	1,324,462
Office and Electrical equipment	570,181	567,411
Gas Line	5,000,000	5,000,000
Interest during construction year	-	516,422,713
	<b>2,300,267,337</b>	<b>2,003,363,856</b>

The Capital work in progress (CWIP) balance mainly represents ongoing project undertaken by LGBDL. As stated in note 1.3 due to dispute on gas tariff rate gas supply is not yet completed and hence COD is delayed.

**7 Right of use assets**

See accounting policy in Note 59S

In Taka	Note	30 June 2024	30 June 2023
Land lease rent	7.1	137,374,902	159,064,609
Office rent	7.2	1,012,153	2,024,309
<b>Closing balance</b>		<b>138,387,055</b>	<b>161,088,918</b>

**7.1 Land lease rent**

In Taka	30 June 2024	30 June 2023
<b>Cost</b>		
Balance as at 01 July 2023	245,823,435	245,823,435
Addition	-	-
Disposals	-	-
<b>Closing balance</b>	<b>245,823,435</b>	<b>245,823,435</b>
<b>Accumulated depreciation</b>		
Balance as at 01 July 2023	86,758,826	65,069,119
Amortisation for the year	21,689,707	21,689,707
Adjustment for disposal/transfers	-	-
	<b>108,448,533</b>	<b>86,758,826</b>
<b>Carrying amount</b>	<b>137,374,902</b>	<b>159,064,609</b>

**7.2 Office rent**

In Taka	30 June 2024	30 June 2023
<b>Cost</b>		
Balance as at 01 July 2023	4,048,617	-
Addition	-	4,048,617
Disposals	-	-
<b>Closing balance</b>	<b>4,048,617</b>	<b>4,048,617</b>
<b>Accumulated depreciation</b>		
Balance as at 01 July 2023	2,024,308	1,012,154
Amortisation for the year	1,012,156	1,012,154
Adjustment for disposal/transfers	-	-
	<b>3,036,464</b>	<b>2,024,308</b>
<b>Carrying amount</b>	<b>1,012,153</b>	<b>2,024,309</b>

Amortisation on right of use asset (land) has been charged to cost of sales and amortisation on right of use asset (office rent) has been charged to general and administrative expenses.



**8 Investment in subsidiaries**

See Note 1.3

In Taka	30 June 2024	30 June 2023
United Energy Ltd (UEL)	-	-
United Anwara power Limited (UAnPL)	-	-
United Jamalpur power Limited (UJPL)	-	-
Leviathon Global BD Ltd.	-	-
United Ashuganj Energy Ltd.	-	-

As stated in note 1.4, pursuant to the approval of Amalgamation Scheme UEL, UAnPL and UJPL have been amalgamated with UPGDCL.

**9 Inventories**

See accounting policy in Note 59C

In Taka	Note	30 June 2024	30 June 2023
Spare parts	9.1	2,140,131,499	2,115,873,065
Lube oil and chemicals	9.2	94,586,917	120,101,359
Heavy fuel oil	9.3	2,529,194,145	1,002,830,393
Light fuel oil	9.4	5,787,062	5,959,568
Materials in transit		244,934,526	204,710,546
		5,014,634,148	3,449,474,931

**9.1 Spare parts**

In Taka	30 June 2024	30 June 2023
Opening balance	2,115,873,064	1,856,457,857
Purchase during the year	1,043,291,175	1,039,253,045
Transfer during the year	(159,751,325)	(15,218,772)
Safety materials consumption	(2,348,641)	-
Consumption during the year	(856,932,774)	(764,619,065)
	2,140,131,499	2,115,873,065

**9.2 Lube oil and chemicals**

In Taka	30 June 2024	30 June 2023
Opening balance	120,101,359	73,240,159
Purchase during the year	387,340,528	511,707,608
Transfer during the year	(90,189,220)	(12,483,237)
Consumption during the year	(322,665,750)	(452,363,171)
	94,586,917	120,101,359

**9.3 Heavy fuel oil**

In Taka	30 June 2024	30 June 2023
Opening balance	1,002,830,393	2,055,813,660
Purchase during the year	14,659,067,212	21,421,384,488
Consumption during the year	(13,132,703,459)	(22,474,367,756)
	2,529,194,145	1,002,830,393

**9.4 Light fuel oil**

In Taka	30 June 2024	30 June 2023
Opening balance	5,959,567	6,656,091
Purchase during the year	-	-
Transfer during the year	499,806	-
Consumption during the year	(672,311)	(696,524)
	5,787,062	5,959,568



**10 Trade and other receivables**  
See accounting policy in Note 59D

In Taka	Note	30 June 2024	30 June 2023
Trade receivables	10.1	12,582,684,819	18,229,305,119
Other receivables	10.2	8,527,314	10,294,420
Provision for impaired receivables		(215,676,709)	(306,072,068)
		<b>12,375,535,424</b>	<b>17,933,527,471</b>

**10.1 Trade receivables**

In Taka	30 June 2024	30 June 2023
BREB	118,995,248	254,776,648
BPDB	11,461,736,978	17,227,587,887
BEPZA	603,903,507	385,683,340
Private customers	398,049,087	361,257,244
	<b>12,582,684,819</b>	<b>18,229,305,119</b>

Trade Receivables have been stated at their nominal value. Trade Receivables are accrued in the ordinary course of business. Major portion of the receivables from BPDB which is a government entity and the management is continuously corresponding to the paying authority of BPDB to recover the due amount and is confident to recover the amount subsequently.

During the year, the Company received BDT 40,135,681,521 of which BDT 16,631,968,000 from special bond issued by BPDB against receivables.

The Group has adopted a simplified approach as mentioned in IFRS 9 to calculate its impairment allowances on the basis lifetime expected credit loss on trade receivables and believes that all trade receivable mentioned above are collectible. However, due to reasonable uncertainty relating to the recoverability of outstanding receivable over 365 days, the Group as decided to keep provision against such receivable as on 30 June 2024.

**10.2 Other receivables**

In Taka	30 June 2024	30 June 2023
Wartsila Bangladesh Ltd	4,906,976	7,861,216
Bergen Engine BD (Pvt.) Ltd	2,240,925	1,053,791
ABB Ltd.	936,609	936,609
Weber Power Solution Ltd.	109,641	109,641
EVP Chittagong Ltd.	333,162	333,162
	<b>8,527,314</b>	<b>10,294,420</b>

**11 Receivable from related parties**  
See accounting policy in Note 59D

In Taka	30 June 2024	30 June 2023
United Mymensingh Power Ltd (UMPL)	17,937,061,612	18,705,073,339
United Payra Power Ltd.	2,280,597	2,891,219
United Engineering and Power Services Ltd	3,051,595	3,051,595
United Lube Oil Ltd	377,392	377,392
United Hospital Ltd.	556,964	556,964
United Sulpho-Chemicals Limited	-	273,767
Precision Energy Ltd	284,290	
Khulna Power Ltd.	264,009	
	<b>17,943,876,460</b>	<b>18,712,224,279</b>

Receivables from UMPL represents excess fund invested by UPGDCL which is interest bearing and payable on demand.



**12 Advances, deposits and prepayments**  
See accounting policy in Note 59D

In Taka	Note	30 June 2024	30 June 2023
Advances	12.1	97,706,312	93,882,278
Deposits	12.2	55,556,467	55,556,467
Prepayments	12.3	905,160,861	742,522,055
		<b>1,058,423,640</b>	<b>891,960,800</b>

**12.1 Advances**

In Taka	30 June 2024	30 June 2023
Advance against LC charges	10,245,671	2,660,547
Advance against HFO	15,421,198	15,421,198
Advance against expenses	72,039,444	75,800,532
	<b>97,706,312</b>	<b>93,882,278</b>

**12.2 Deposits**

In Taka	30 June 2024	30 June 2023
Karnaphuli Gas Distribution Company Ltd.	44,293,183	44,293,183
Bank guarantee margin	5,850,000	5,850,000
BEPZA	2,794,286	2,794,286
Central Depository Bangladesh Ltd.	500,000	500,000
Chattagram Palli Biddut Shamity-1	1,913,998	1,913,998
BPDB	205,000	205,000
	<b>55,556,467</b>	<b>55,556,467</b>

**12.3 Prepayments**

In Taka	30 June 2024	30 June 2023
Insurance premium	9,049,167	8,367,382
BERC license fees	876,966	540,723
Prepayment against LC Margin	889,977,925	15,851,126
LC Margin	2,773,186	-
Bank guarantee commission	2,483,617	717,762,822
	<b>905,160,861</b>	<b>742,522,055</b>



**13 Investment in marketable securities**  
See accounting policy in Note 59D

<i>In Taka</i>	<b>30 June 2024</b>	<b>30 June 2023</b>
Cash available for share purchase	30,896	31,346
Financial assets classified as fair value through profit and loss	137,828,680	137,844,760
	<b>137,859,576</b>	<b>137,876,106</b>

**13.1 Financial assets classified as fair value through profit and loss**

Name of the Company	No. of shares	Rate per share	Market value at 30 June 2024	Cost price	Changes in fair value	Market value at 30 June 2023
BEXIMCO	511,000	115.60	59,071,600	82,238,736	-	59,071,600
SHAHJABANK	865,200	17.90	15,487,080	18,117,047	(346,080)	15,833,160
Square Pharmaceuticals Ltd	300,000	210.90	63,270,000	71,664,681	330,000	62,940,000
			<b>137,828,680</b>	<b>172,020,464</b>	<b>(16,080)</b>	<b>137,844,760</b>





**14 Advance income tax**

In Taka	30 June 2024	30 June 2023
Opening balance	1,399,056	6,664,589
Paid during the year	4,342,403	2,483,081
Adjustment for completion of assessment	(1,399,056)	-
	<b>4,342,403</b>	<b>9,147,670</b>

**15 Cash and cash equivalents**

See accounting policy in Note 59D

In Taka	Note	30 June 2024	30 June 2023
Cash in hand	15.1	1,012,999	1,062,999
Cash at bank	15.2	702,880,564	1,500,736,519
		<b>703,893,563</b>	<b>1,501,799,518</b>

**15.1 Cash in hand**

In Taka	30 June 2024	30 June 2023
Cash in hand	1,012,999	1,062,999
	<b>1,012,999</b>	<b>1,062,999</b>

**15.2 Cash at bank**

In Taka	30 June 2024	30 June 2023
Dhaka Bank PLC	489,989,694	878,838,418
Dutch Bangla Bank PLC	18,967,637	69,883,522
Shahjalal Islami Bank PLC	8,200	8,200
Eastern Bank PLC	33,944,783	27,669,023
Jamuna Bank PLC	13,760,121	24,992,411
Brac Bank PLC	17,135,994	11,202,404
City Bank PLC-Dividend distribution A/C	10,398,347	14,838,147
The Hongkong and Shanghai Banking Corp. Ltd	45,410,792	326,167,958
Standard Chartered Bank	5,248,763	62,905,950
City Bank PLC	26,077,950	25,417,393
Bank Asia PLC	10,615,029	24,234,742
Citibank N.A	14,276,284	14,348,488
United Commercial Bank PLC	3,872	4,964
Mutual Trust Bank PLC	7,087,425	655,733
Prime Bank PLC	7,828,883	17,120,947
One Bank PLC	5,657	6,899
Pubali Bank PLC	2,121,133	2,441,320
	<b>702,880,564</b>	<b>1,500,736,519</b>



**16 Share capital**  
See accounting policy in Note 590

In Taka	30 June 2024	30 June 2023
<b>Authorised</b>		
1910,000,000 ordinary shares of Tk. 10 each	19,100,000,000	8,000,000,000
350,000,000 redeemable preference shares of Tk. 10 each	3,500,000,000	2,000,000,000
	<b>22,600,000,000</b>	<b>10,000,000,000</b>
<b>Ordinary shares issued, subscribed and paid up</b>		
Opening balance	5,796,952,700	5,796,952,700
Bonus shares issued	-	-
<b>Closing balance</b>	<b>5,796,952,700</b>	<b>5,796,952,700</b>

During the year the Company has increased its Authorised Capital from 8 billion to 19.1 billion pursuant to the Scheme of Amalgamation of UJPL, UAnPL and UEL with UPGDCL as decided in EGM held on date 09 November 2022 and as approved by the Honorable High Court Division of the Supreme Court of Bangladesh which was effective on 01 July 2023.

**16.1 Particulars of shareholding:**

In Taka	30 June 2024		30 June 2023
	No. of shares	Value (Tk)	Value (Tk)
United Mymensingh Power Ltd	521,716,902	5,217,169,020	5,217,169,020
Investment Corporation of BD	16,178,079	161,780,790	163,564,470
General investors	41,800,289	418,002,890	416,219,210
	<b>579,695,270</b>	<b>5,796,952,700</b>	<b>5,796,952,700</b>

**16.2 Percentage of shareholdings**

Name of shareholders	30 June 2024	30 June 2023
United Mymensingh Power Ltd	90.00%	90.00%
Investment Corporation of Bangladesh	2.79%	2.82%
General investors	7.21%	7.18%
	<b>100%</b>	<b>100%</b>

**16.3 Classification of shareholders by holding**

Range of holding in number of shares	30 June 2024		30 June 2023
	No. of shareholders	No. of shareholders	No. of shareholders
01 to 5000 shares	11,327		12,589
5,001 to 20,000 shares	367		385
20,001 to 50,000 shares	114		112
50,001 to 1,000,000 shares	90		90
1,000,001 to 10,000,000 shares	8		7
over 10,000,001 shares	1		1
	<b>11,907</b>		<b>13,184</b>

**17 Share premium**

In Taka	30 June 2024	30 June 2023
Share premium	2,046,000,000	2,046,000,000
	<b>2,046,000,000</b>	<b>2,046,000,000</b>

This represents premium of Tk. 62 per share of 33,000,000 ordinary shares of Tk. 10 each.

**18 Revaluation surplus**

In Taka	30 June 2024	30 June 2023
Revaluation reserve	55,443,307	56,115,299
Depreciation charged during the year	(678,780)	(671,992)
	<b>54,764,527</b>	<b>55,443,307</b>



**19 Retained earnings**

In Taka	30 June 2024	30 June 2023
Opening balance	22,951,409,252	24,786,447,118
Net profit during the year	8,123,060,664	8,019,109,732
	31,074,469,916	32,805,556,850
Cash dividend for the year 2021-22		(9,854,819,590)
Cash dividend for the year 2022-23	(4,637,562,160)	
Depreciation on revalued assets	678,780	671,992
	26,437,586,536	22,951,409,252

**20 Non-controlling interests**

In Taka	30 June 2024	30 June 2023
Opening balance	503,021,021	512,166,162
<b>Addition during the year:</b>		
Dividend to minority shareholders	(152,040,000)	(232,341,200)
Profit during the year	135,654,910	223,196,059
Amalgamation consideration paid to Shareholder	(3,702,304)	-
	482,933,628	503,021,021

**21 Preference share capital**

In Taka	30 June 2024	30 June 2023
Preference Share Capital (non-current portion)	-	1,200,000,000
Preference Share Capital (current portion)	1,200,000,000	400,000,000
	1,200,000,000	1,600,000,000

Refer to note 22.2 (b) for detail terms and conditions of these preference shares. Since this has mandatory redemption and coupon rate 9.75% is same as prevailing market interest rate for the similar facility management has considered it as liability.

**22 Long term loan**

See accounting policy in Note 59D

In Taka	30 June 2024	30 June 2023
Non-current portion	824,826,283	3,020,168,488
Current portion	796,403,178	1,343,970,680
	1,621,229,461	4,364,139,168

**Non-current liabilities**

In Taka	30 June 2024	30 June 2023
Investment Promotion and Financing Facility (IPFF) loan	658,025,271	2,353,501,820
Standard Chartered Bank	-	333,333,333
Dutch Bangla Bank PLC	166,801,011	333,333,335
	824,826,282	3,020,168,488

**Current liabilities**

In Taka	30 June 2024	30 June 2023
Investment Promotion and Financing Facility (IPFF) loan	296,268,835	677,304,015
Standard Chartered Bank	-	666,666,665
Dutch Bangla Bank PLC	500,134,343	-
	796,403,178	1,343,970,681



22.1 **United Power Generation and Distribution Company Ltd.**

**Long term loan (LTL) facility**

The following term loan was obtained for refinancing against already incurred expenses for settlement of accepted liabilities.

Nature of loan	Lender	Limit	Interest	Plant	Tenure	Year of maturity	Repayment terms
Term Loan	DBBL	BDT 100 Crore	13.00%	Jamalpur Plant	3 years	2025	6 equal Half-Yearly instalments
Term Loan	DBBL	BDT 100 Crore	13.00%	Anwara plant	3 years	2025	6 equal Half-Yearly instalments

**The term loan is secured by:**

- Usual charge documents.
- One post dated cheque covering the subject facility.
- Corporate Guarantee from United Enterprises & Co. Ltd. (UECL) supported by Board Resolution.
- Standard Term Loan Agreement.

**Short term loan (STL) facility**

Nature of loan	Lender	Limit	Interest	Plant	Tenure	Year of maturity	Repayment terms
STL	Pubali Bank PLC	50 crore	12.75%	Anwara plant	Six months	2024	28.02.2025
STL	HSBC	359.2 crore	13.40%	Jamalpur Plant	1 year	2025	31.05.2025
STL	HSBC	359.2 crore	13.40%	Anwara plant	1 year	2025	07.05.2025
STL	Bank Asia PLC.	70 crore	13.40%	Anwara plant	6 months	2024	12/23/2024
STL	Brac Bank PLC	100 crore	13.40%	Jamalpur plant	6 months	2024	27.10.2024
STL	Brac Bank PLC	5 crore	13.40%	Anwara plant	O/D	N/A	N/A
STL	Dhaka Bank PLC	80 crore	13.40%	Jamalpur Plant	Six months	2024	30.09.2024
STL	Eastern Bank PLC.	100 crore	13.00%	Jamalpur Plant	9 Months	2025	31.5.2025
STL	Standard Chartered Bank	500 Crore	13.40%	Anwara plant	4 months	2024	8/31/2024

The STL is secured by:

- Post dated cheque covering the subject facility.
- Usual charge documents.
- Corporate guarantee by the corporate guarantor.
- Corporate Guarantee from United Enterprises & Co. Ltd. (UECL) supported by Board Resolution.
- Standard Term Loan Agreement.



22.2 **United Ashuganj Energy Limited**

**Terms and repayment schedule**

a) The following loans were obtained under Investment Promotion and Financing Facility (IPFF) for procurement of capital machineries, civil construction and local procurement

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
IPFF loan	Dhaka Bank PLC	USD 21,940,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PFI's margin)	12 years	2027	40 equal quarterly instalments
IPFF loan	Trust Bank PLC	USD 21,940,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PFI's margin)	12 years	2027	40 equal quarterly instalments
IPFF loan	Mutual Trust Bank PLC	USD 14,620,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PFI's margin)	12 years	2027	40 equal quarterly instalments

**The IPFF loan is secured by:**

- i. Registered hypothecation (first charge) on machinery, plant, equipment, furniture, fixture and all other assets, both present and future, of the borrower along
- ii. Registered hypothecation (first charge) over all floating assets, both present and future, of the borrower along with notarised IGPA to sell the same.
- iii. Sponsors' undertaking to inject necessary equity funds to finance any cost overrun of the project
- iv. Personal guarantees by the personal guarantors nominated by United Enterprises & Co. Ltd.
- v. Corporate guarantees by the United Enterprises & Co. Ltd and Ashuganj Power Station & Co. Ltd.

b) **Preference share**

Nature of loan	Lender	Limit	Dividend rate	Tenure	Year of maturity	Repayment terms
Preference share	Dhaka Bank PLC	BDT 2,000 million	9.75%	3 years	Nov' 2024	Yearly redemption. i) 1st year 20% ii) 2nd year 20%. iii) 3rd year 60%.

**The Preference share is secured by:**

- i. Three undated cheque covering the subject facility.
- ii. Corporate guarantee of United Enterprises & Co.
- iii. Put option and Share Retention Agreement between United Energy Limited and Preference Shares subscriber i. e investors (s) will always have the option to sell 100% outstanding of the Preference Shares to United Energy Limited.



23 **Short term loan**

In Taka	30 June 2024	30 June 2023
Dutch Bangla Bank PLC	-	199,950,000
Pubali Bank PLC	500,000,000	-
Prime Bank PLC	-	996,222,222
Standard Chartered Bank	-	2,300,000,000
HSBC	1,059,183,427	-
Bank Asia PLC	293,607,940	2,000,000,000
BRAC Bank PLC	1,682,519,672	-
Dhaka Bank PLC	500,000,000	-
	<b>4,035,311,039</b>	<b>5,496,172,222</b>

Refer to note 22.1 for terms and conditions.

24 **Security money received**  
See accounting policy in Note 59D

In Taka	30 June 2024	30 June 2023
Lilac Fashion Wear Ltd	700,000	700,000
Huaxin Textile industries Limited	15,000,000	15,000,000
	<b>15,700,000</b>	<b>15,700,000</b>

Security deposit received comprises of an amount equal to two months minimum charge received from Lilac Fashion Wear Ltd. and Huaxin Textile Industry Co. Ltd.

25 **Lease Liability**  
See accounting policy in Note 59S

In Taka	30 June 2024	30 June 2023
Land lease rent	21,393,374	22,472,123
Office rent	1,152,069	2,205,332
<b>Balance at</b>	<b>22,545,442</b>	<b>24,677,455</b>

25.1 **Land lease rent**

In Taka	30 June 2024	30 June 2023
Balance as at 01 July	22,472,123	23,489,811
Add: Addition during the year	-	-
Add: Interest charged during the year	1,295,554	1,356,615
Less: Payment made during the year	(2,374,303)	(2,374,303)
<b>Balance as at</b>	<b>21,393,374</b>	<b>22,472,123</b>

25.2 **Office rent**

In Taka	30 June 2024	30 June 2023
Balance as at 01 July	2,205,332	3,168,266
Add: Addition during the year	-	-
Add: Interest charged during the year	146,737	237,066
Less: Payment made during the year	(1,200,000)	(1,200,000)
<b>Balance as at</b>	<b>1,152,069</b>	<b>2,205,332</b>

**Segregation of Land lease liability:**

In Taka	30 June 2024	30 June 2023
Non-current portion	20,249,899	22,545,443
Current portion	2,295,542	2,132,012
	<b>22,545,441</b>	<b>24,677,455</b>



**26 Deferred revenue**

In Taka	30 June 2024	30 June 2023
Deferred revenue	158,733,653	190,480,383
	<b>158,733,653</b>	<b>190,480,383</b>

This pertains to the difference between capacity payments received from the customer and capacity payments recognised in statement of profit or loss and other comprehensive income in relation to the Power Purchase Agreement (PPA) due straight-lining of capacity revenue over the remaining PPA term following the application of IFRS 16.

**27 Trade and other payables**

See accounting policy in Note 59D

In Taka	Note	30 June 2024	30 June 2023
Trade payables	27.1	6,845,419,289	8,376,212,553
Other payables	27.2	375,531,059	72,154,981
		<b>7,220,950,348</b>	<b>8,448,367,534</b>

**27.1 Trade payables**

In Taka	30 June 2024	30 June 2023
Gas bill	2,723,940,991	774,102,760
Liabilities for HFO purchase	4,121,478,298	7,602,109,793
	<b>6,845,419,289</b>	<b>8,376,212,553</b>

**27.2 Other payables**

In Taka	30 June 2024	30 June 2023
Share application money	919,597	919,597
Service charge on gas bill	34,425,951	16,232,083
Other operating expenses	87,573,865	15,531,576
Audit fee	632,500	-
TDS payable	11,209	11,209
VAT Payable	155,831	1,331,224
Bergen Engines Bangladesh Pvt.Ltd.	810,000	810,000
Wartsila Bangladesh Ltd	736,866	565,844
Baraka Patenga Power Limited	166,675	-
Payable against suppliers	3,588,975	105,431
LC Liability-HSBC	129,812,111	36,648,017
LC Liability-Dhaka bank	39,981,387	-
Security money deposit	693,000	-
Liabilities for import materials	76,023,092	-
	<b>375,531,059</b>	<b>72,154,981</b>

Share application money BDT 5,513,955 has been transferred to Capital Market Stabilization Fund.

**28 Unclaimed dividend**

In Taka	30 June 2024	30 June 2023
Unclaimed cash dividend for the year 2020	-	3,914,680
Unclaimed cash dividend for the year 2021	5,281,598	5,406,305
Unclaimed cash dividend for the year 2022	3,330,217	3,623,136
Unclaimed cash dividend for the year 2023	64,548,362	-
	<b>73,160,177</b>	<b>12,944,121</b>

During the year the Company's unclaimed cash dividend has been transferred to the Capital Market Stabilization Fund of BDT 3,896,562. Total amount of Unclaimed cash dividend so far has been transferred to Capital Market Stabilization Fund is BDT 13,120,898.



**29 Accrued expenses**  
See accounting policy in Note 59D

In Taka	30 June 2024	30 June 2023
Interest expense payable	187,186	605,115
Provision for expenses	26,649,980	3,548,471
Service charge on gas bill	-	23,907,090
VAT payable	1,572,476	5,182,597
Other operating expenses	41,716,265	31,224,068
Directors' remuneration	1,800,000	1,000,000
Audit fees	2,650,000	3,317,750
Utility bill	1,855,714	691,153
Security expenses	399,267	588,558
Medical expenses	70,800	50,970
Welfare fund	23,600	16,985
Environmental expenses	-	16,200
Liabilities against LC in Dhaka Bank	20,495,514	1,926,627
O&M expense	3,042,083	8,736,234
Preference shares dividend accrued	65,566,627	75,046,575
TDS	-	66,025
	<b>166,029,513</b>	<b>155,924,417</b>

**30 Payable to related parties**  
See accounting policy in Note 59D

In Taka	30 June 2024	30 June 2023
United Engineering & Power Services Ltd	23,242,139	23,437,351
United Enterprises & Co. Ltd	23,601,041,243	29,496,418,890
United Mymensingh Power Ltd	621,068	616,068
United Payra Power Ltd.	41,660	13,733
United Chattogram Power	37,400,000	-
	<b>23,662,346,109</b>	<b>29,520,486,041</b>

The entity transacts with Related Parties, which are created, on the basis of common directorship. As per management decision, the entity has taken Loans from its Related Parties, in the form of cash and inventory, which are payable on demand and no interest. Detailed disclosure on Related Party transactions are shown in Note 44B. In addition the Group entities have taken loan from related parties to support funding need.

**31 Current tax liabilities**  
See accounting policy in Note 59J

In Taka	30 June 2024	30 June 2023
Opening balance	5,840,645	1,741,254
Provision during the year	9,771,000	4,099,391
Tax paid AY 2023-2024 as per demand	85,181	-
Adjustment for completion of assessments	(6,347,459)	-
Paid during the period	(357,270)	-
	<b>8,992,098</b>	<b>5,840,645</b>

UPGDCL has received exemption from all such taxes from the Government of Bangladesh for 15 years from commencement. Income tax provision has been made on DEPZ existing plant being the plant exemption period has expired on December 2023. No provision is required for income tax on UPGDCL's DEPZ expansion plant, CEPZ existing and expansion plant as the tax exemption period of plants has not expired on the reporting period.

No provision is required for income tax on the business income of Sylhet 28MW power plant, Anwara 300MW power plant and Jamalpur 115 MW of the Company and its subsidiary of UAEL. The Group has received exemption from income from power generation under the private sector power generation policy for a period of 15 years from the start of their commercial operation, vide SRO ref: 211-Ain/Aykor/2013-Income Tax ordinance (#36) 1984, dated 1 July 2013 for UAEL, Sylhet 28MW power plant and SRO ref: 246-Ain/Aykor/2016-Income Tax ordinance (#36) 1984, dated 26 July 2016 for Anwara 300MW power plant and Jamalpur 115 MW. Such exemption of Sylhet 28MW power plant, UAEL 195MW power plant, Anwara 300 MW power plant and Jamalpur 115 MW power plant will expire on 2028, 2030, 2034, 2034 respectively. However provision has been made on the non-business income only.





**32 Revenue**  
See accounting policy in Note 59F

In Taka	Note	30 June 2024	30 June 2023
Electricity supply	32.1	34,541,241,593	41,192,203,249
Steam supply	32.2	239,427,076	116,908,902
		<b>34,780,668,669</b>	<b>41,309,112,151</b>

**32.1 Electricity supply**

In Taka	30 June 2024	30 June 2023
Bangladesh Power Devt. Board (BPDB)	27,848,483,168	36,056,549,257
Bangladesh Exp. Proce. Zone Auth.(BEPZA)	4,581,973,924	3,881,813,482
Bangladesh Rural Elect. Board (BREB)	704,043,932	214,298,793
Private customers	1,406,740,569	1,039,541,718
	<b>34,541,241,593</b>	<b>41,192,203,249</b>

**Break up of revenue from electricity supply**

In Taka	30 June 2024	30 June 2023
Capacity payment	10,718,328,998	10,130,165,085
Fuel payment	14,690,379,569	-
O & M payment	67,430,816	-
Energy payment	7,737,128,873	29,459,874,862
Supplimental Bill	1,057,344,212	823,404,111
True-up Bill	238,882,396	778,759,191
Accrued income	31,746,730	-
	<b>34,541,241,594</b>	<b>41,192,203,249</b>

The actual revenue billed by one of the group entities United Ashuganj Energy Ltd. is BDT 4,561,198,088, recognition of BDT 31,746,730 which has been accrued due to the Company's implementation of IFRS 16 from the year 2020 from lessor's perspective, for which capacity payment element of revenue is straight-lined over the remaining period of the PPA.

**32.2 Steam supply**

In Taka	30 June 2024	30 June 2023
Gunze United Ltd	31,897,917	28,026,201
Global Labels (Bangladesh) Ltd	8,732,342	5,404,578
Croydon-Kowloon Designs Ltd	4,844,556	4,091,230
Talisman Ltd	9,425,127	3,891,680
Sewtech Fashions Limited	7,354,326	6,834,358
Universal Jeans Limited	88,771,081	65,011,733
Pacific Jeans Ltd.	51,942,430	3,649,121
Pacific Attires Ltd.	20,585,294	-
Young International	15,874,002	-
	<b>239,427,076</b>	<b>116,908,902</b>



33 **Cost of sales**

In Taka	Note	30 June 2024	30 June 2023
Fuel and energy		19,210,028,392	26,260,399,044
Spare parts and lube oil		1,172,352,617	1,194,683,514
Depreciation	5	3,338,863,086	2,339,612,291
Minimum load charge		47,002,555	87,321,523
Direct overhead		376,096,541	360,692,835
VAT Expenses		10,601,480	57,042,621
Repair and maintenance		129,303,103	96,096,292
Entertainment		6,115,152	6,483,608
Utility bill		34,707,732	17,808,672
Rent, rates and taxes		920,002	427,270
Security expense		9,259,957	8,743,480
Carrying charge		1,830,535	2,051,392
Travelling and conveyance		417,653	768,396
Wages		366,942	2,678,560
Vehicle running and maintenance		5,796,120	7,115,697
Environmental expenses		1,395,900	743,434
Electricity Bill		3,714,147	3,393,059
Printing and stationery		1,980,562	1,015,701
Site office expense		4,122,026	2,819,026
Telephone, mobile and internet		642,764	729,892
Worker welfare fund		289,142	248,734
Postage and courier		130,234	458,752
Automation and IP expense		104,920	102,600
Insurance premium		32,157,687	45,678,481
Gardening and beautification		165,168	149,919
Depreciation - right-of-use asset		21,689,707	21,689,707
Safety material		3,562,579	3,056,254
Medical Fees		871,416	752,292
HFO storage rent		10,867,514	10,867,512
HFO cargo inspection cost		17,397	140,903
HFO Transportation Cost		103,247,763	106,730,706
BERC License and others		634,417	727,250
Consultation fees		-	6,496,389
Land rent		-	920,000
Gift donation and other		20,000	6,128,682
Royalty fee		-	1,400,000
Computer Maintenance		63,083	14,158
		<b>24,529,338,292</b>	<b>30,656,188,645</b>

33.1 The Group signed agreements for all its operation, maintenance and management (O&M) services with a related party United Engineering and Power Service Ltd (UEPSL). It provides all technical support related to operation and management of the power plants. UEPSL raises invoice for actual cost and a service charge per month.



34 **General and administrative expenses**

In Taka	Note	30 June 2024	30 June 2023
Directors' remuneration		26,943,750	26,005,500
Office maintenance		-	18,542
Advertisement		5,013,653	7,122,461
Depreciation	5	24,514,709	18,372,503
Bad debt expenses		169,465,359	306,072,068
AGM expenses		221,700	233,683
Vehicle running expenses		3,835,957	2,272,148
Bank charge and commission		5,186,435	6,023,516
Office rent		180,000	180,000
Office expenses		23,050	46,287
Board meeting fees		4,380,975	5,659,635
Consultancy fees		1,325,996	1,871,946
Auditor's fee		2,540,000	3,287,750
Entertainment		973,931	767,294
Traveling and conveyance		1,779,055	1,710,173
Postage, telephone and telex		20,896	51,991
Printing and stationery		700,700	1,246,115
License, fees and others		4,892,160	5,247,880
Overseas travelling		-	107,093
RJSC expenses		217,902	337,061
IRC expenses		163,302	87,000
CDBL and listing fee		1,306,000	1,412,000
Professional Fees		86,000	-
Legal expense		425,136	6,889,889
Income tax expenses		26,220	-
Damaged inventory		28,356	-
Royalty fees		900,000	900,000
Fine & penalties		-	100,000
EGM Expenses		-	344,750
Software expenses		-	224,700
Impairment loss on trade receivables		-	46,211,350
BERC Licenses		1,775,029	-
VAT Expenses		1,720,482	-
Environmental expenses		101,019	-
Training fees		30,983	-
Amortisation of right of use assets		1,012,156	1,012,154
		<b>259,790,909</b>	<b>443,815,489</b>

35 **Other income**

In Taka	30 June 2024	30 June 2023
Realised gain from marketable securities	-	23,966,214
Dividend income from marketable securities	2,929,031	3,626,400
Realised Foreign Exchange gain/(loss)	(6,004,542)	-
Unrealised gain/(loss) from marketable securities	(16,529)	(34,175,704)
Sale of used lube oil and drums	4,970,069	25,658,898
Scrap sale	26,145,093	46,284,733
Insurance Claim received	19,833,045	89,332,181
	<b>47,856,167</b>	<b>154,692,723</b>



**36 Finance income**  
See accounting policy in Note 59M

In Taka	30 June 2024	30 June 2023
Interest on related party loan	756,220,074	528,816,863
Interest on short term deposits	16,272,325	23,539,109
Interest income on bank balance and fixed deposits	16,409,730	3,061,635
	<b>788,902,130</b>	<b>555,417,608</b>

**37 Foreign exchange gain/(loss)**  
See accounting policy in Note 59I

In Taka	30 June 2024	30 June 2023
Foreign exchange loss - realised	(610,244,313)	(1,274,414,298)
Foreign exchange gain/(loss) - unrealised	(211,607,671)	(193,976,870)
Foreign ex. gain/(loss) on USD A/C- realised	(2,002,685)	-
	<b>(823,854,670)</b>	<b>(1,468,391,168)</b>

**38 Finance expense**  
See accounting policy in Note 59M

In Taka	30 June 2024	30 June 2023
Interest on IPFF loan	128,251,576	209,229,209
Interest on short term & Long term loan	759,639,136	852,623,020
Interest on intercompany loan	188,705,502	-
Preference share dividend paid	118,520,052	130,560,938
Bank charges and others	44,719,094	973,166
Bank guarantee and commission	9,501,686	7,516,043
Interest on lease	1,442,291	1,690,338
Interest on UPAS LC	478,498,024	17,342
Syndication fee	1,734,732	1,811,944
	<b>1,731,012,093</b>	<b>1,204,422,000</b>

**39 Income tax expenses**

In Taka	30 June 2024	30 June 2023
Current year expenses (note 39.1)	9,771,001	4,099,390
Adjustment for completion of assessment for FY 22-23	4,859,248	-
Claim paid as per completion of assessment for FY 22-23	85,181	-
	<b>14,715,430</b>	<b>4,099,390</b>

**39.1 Effective tax rate calculation**

<b>Finance income</b>		
United Energy Power Plant (Sylhet)	675,453	-
United Anawara Power Plant	1,334,050	2,612,805
United Jamalpur Power Plant	3,764,400	7,920,392
<b>Total finance income (Note:36)</b>	<b>5,773,903</b>	<b>10,533,197</b>
<b>Other income</b>		
United Energy Power Plant (Sylhet)	223,628	448,831
United Anawara Power Plant	21,247,970	-
<b>Total other income (Note:35)</b>	<b>21,471,598</b>	<b>448,831</b>
<b>Total income</b>	<b>27,245,501</b>	<b>10,982,028</b>
<b>Tax rate</b>	<b>25%</b>	<b>27.50%</b>
<b>Income tax expense (A)</b>	<b>6,811,375</b>	<b>3,020,058</b>
<b>Finance income</b>		
United Ashuganj Energy Limited (Note:36)	10,635,827	3,585,175
<b>Other income</b>		
United Ashuganj Energy Limited (Note:35)	126,447	12,600
<b>Total income</b>	<b>10,762,274</b>	<b>3,597,775</b>
<b>Tax rate</b>	<b>27.50%</b>	<b>30.00%</b>
<b>Income tax expense (B)</b>	<b>2,959,625</b>	<b>1,079,333</b>
<b>Current year tax expense (A+B)</b>	<b>9,771,001</b>	<b>4,099,390</b>

40 **Earnings per share**  
See accounting policy in Note 59P

40.1 **Earnings per share**

In Taka	30 June 2024	30 June 2023
Profit attributable to the ordinary shareholders	8,123,060,664	8,019,109,732
Weighted average number of shares outstanding	579,695,270	579,695,270
<b>Earnings per share</b>	<b>14.01</b>	<b>13.83</b>

41 **Net asset value per share**

In Taka	30 June 2024	30 June 2023
Net assets	34,335,303,762	30,849,805,259
Weighted average number of shares outstanding	579,695,270	579,695,270
<b>Net asset value per share</b>	<b>59.23</b>	<b>53.22</b>

42 **Net operating cash flow per share**

In Taka	30 June 2024	30 June 2023
Net cash generated from operating activities	(512,919,012)	11,247,809,666
Weighted average number of shares outstanding (Basic)	579,695,270	579,695,270
<b>Net operating cashflow per share</b>	<b>-0.88</b>	<b>19.40</b>

43 **Reconciliation of net profit with cash flow from operating activities**

In Taka	30 June 2024	30 June 2023
<b>Profit before tax for the year</b>	<b>8,273,431,003</b>	<b>8,246,405,181</b>
<b>Adjustment for:</b>		
Depreciation	3,363,377,794	2,357,984,794
Trade receivable adjustment through Bond*	(16,631,968,000)	-
Amortisation of lease rent	2,475,047	2,475,046
Depreciation of ROU	20,226,815	20,226,815
Realised gain from marketable securities	-	10,209,490
Unrealised (gain)/loss from marketable securities	16,529	34,175,704
Foreign exchange (gain)/loss - un-realised	184,816,615	523,163,729
Interest on related party loan	(756,220,074)	(528,816,863)
Insurance Claim received	(19,833,045)	(89,332,181)
Impairment loss on trade receivables	-	46,211,350
Bad debt expenses	169,465,359	306,072,068
Transfer to PPE from advances	(11,136,361)	-
<b>Changes in:</b>		
Inventories	(1,565,159,217)	822,707,558
Trade and other receivables*	5,388,526,686	6,179,297,596
Advances, deposits and prepayments	(161,657,573)	(727,732,954)
Trade and other payables*	1,260,057,812	(5,962,355,958)
Accrued expenses	10,105,096	40,673,632
Provision for tax	3,151,450	3,382,356
Inventories loan to related party	3,867,212	10,948,741
Accrued income	(31,746,731)	(43,787,046)
Income tax paid	(14,715,430)	(4,099,390)
<b>Net cash generated from operating activities</b>	<b>(512,919,012)</b>	<b>11,247,809,666</b>

\* During the year BPDB has settled Tk. 16,631,968,000 - of receivable balance through issuance of Power Bond. Out of the above amount BDT 12,294,493,000 has been used to settle short term loan directly, BDT 2,487,475,000 has been adjusted from cash paid to suppliers and others and BDT 1,850,000,000 has been paid to settle loan from UECL. However, as these proceeds of these Power Bond have been paid directly to respective loan and other accounts to settle short term loans and intercompany loans, this Tk. 16,631,968,000 is not included in the consolidate statement of cash flows.



**44 Related party transactions**

During the year, the Group carried out a number of transactions with related parties. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of IAS 24: Related party disclosures.

**A Transactions with key management personnel**

**i. Loans to directors**

During the year, no loan was given to the directors of the Group.

**ii. Key management personnel compensation comprised the following:**

The key management personnel includes the Group Managing directors.

**a) Short-term employee benefit:**

Short-term employee benefit includes remuneration, festival bonus and meeting attendance fees.

In Taka	30 June 2024	30 June 2023
Directors' remuneration	26,943,750	26,005,500
Board meeting fees	1,656,000	5,659,635
	<b>28,599,750</b>	<b>31,665,135</b>
b) Post employment benefit	-	-
c) Other long-term benefit	-	-
d) Termination benefit	-	-
e) Share-based payment	-	-
	<b>28,599,750</b>	<b>31,665,135</b>

**B Other related party transactions**

**United Power Generation & Distribution Company Ltd.**

	Transaction value during the year ended 30 June 2024		Balance outstanding as at	
	2024	2023	30 June 2024	30 June 2023
<b>Sale of goods and services</b>				
Gunze United Limited	(136,775)	21,659,894	2,003,853	2,140,627
<b>Purchase of services</b>				
United Engineering & Power Ser. Ltd.	(47,955,624)	(69,064,182)	(63,916,649)	(15,961,025)
<b>Purchase of goods</b>				
United Energy Trading Pte Ltd.	11,221,992,933	13,958,394,202	-	-
<b>Loans</b>				
United Mymensingh Power Ltd.		7,207,348,794	17,898,958,131	18,641,838,057
Loan disbursed during the period	9,504,220,074			
Loan repaid during the period	(10,247,100,000)			
<b>Loans</b>				
United Enterprises & Co. Ltd.			(18,325,229,683)	-
Loan disbursed during the period	(33,102,600,000)		-	-
Loan repaid during the period	42,237,500,000		-	-
<b>Transfer of inventory (spare parts)</b>				
United Mymensingh Power Ltd.	(16,139,090)		34,879,194	512,355
United Lube Oil Ltd.	-		377,392	377,392
United Ashuganj Energy Ltd.	4,276,142	(7,581,626)	(25,335,035)	(27,299,124)
United Payra Power Plant	(228,948)		2,266,865	(13,733)
United Engineering & Power Services L	-		710,795	(2,340,800)
Leviathan Global Bangladesh Limited	-		(502)	(502)
United Hospital Ltd.	-		556,964	556,964
Khulna Power Ltd.			264,009	-
United Energy Ltd.		(1,551,520)		(1,244,351)
United Jamalpur Power Ltd.		-		(90,282)
United Anwara Power Ltd.		(71,071)		(1,564,758)
United Sulpho-Chemicals Limited			-	273,767
<b>Office rent</b>				
Neptune Commercial Ltd.	(1,380,000)	(1,380,000)		-



**United Ashuganj Energy Ltd**

Nature of transactions and name of the party	Transaction values for the year ended 30 June		Balance outstanding as at	
	2024	2023	Jun 2024	Jun 2023
<b>Purchase of goods and services</b>				
United Engineering and Power Services Lt	(82,189,803)	(75,713,813)	(20,901,339)	(21,096,551)
United Lube Oil Ltd.	(12,707,200)	(12,456,400)	-	-
<b>Others</b>				
United Enterprises & Co. Ltd.			(2,953,372,502)	(27,000)
loan received during the year	5,368,372,502	3,354,027,000		
loan repaid during the year	(2,415,000,000)	(3,354,000,000)		
Interest Payable	188,705,502			
United Chattogram Power Ltd.			(37,400,000)	-
loan received during the year	(37,400,000)	-		
Ashuganj Power Station Co. Ltd.				
Dividend	(152,040,000)	(118,591,200)	-	-
Prepaid lease rent	(20,226,815)	(20,226,815)	118,479,258	138,706,073
United Energy Ltd.				
Dividend	(1,850,204,505)	(1,443,159,514)	-	-
Inventory loan	(1,434,789)	(9,653,506)	-	1,434,789
United Power Generation & Dis. Com. Ltd. (inventory loan)	(1,956,207)	7,371,531	25,527,442	27,299,124
United Mymensingh Power Ltd. (inventory loan)	(430,445)	(2,057,301)	2,608,218	3,038,664
United Jamalpur Power Ltd.- (inventory	-	355,696	-	(125,746)
United Anwara Power Ltd. (inventory	-	-	-	58,780
United Payra Power Ltd. (inventory loan)	143,588	(36,455)	(27,927)	171,515

**Leviathan Global BD Ltd**

	Transaction value during the period ended 30 June		Balance outstanding as at	
	2024	2023	Jun 2024	Jun 2023
<b>Loan:</b>				
United Enterprises & Co. Ltd			(2,322,439,057)	(2,036,262,207)
Loan disbursed				
Loan interest	286,176,850	190,929,287		
United Power Generation and Distribution Company Ltd.				
Loan disbursed	-	-	502	502
Loan repaid				-



45 Financial instruments - Fair values and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2024		Carrying amount						Fair value				
In Taka	Note	Fair value- hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instrumen	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>												
Investment in marketable securities	12	-	137,859,576	-	-	-	-	137,859,576	137,859,576	-	-	137,859,576
		-	137,859,576	-	-	-	-	137,859,576	137,859,576	-	-	137,859,576
<b>Financial assets not measured at fair value</b>												
Trade and other receivables	9	-	-	-	-	7,638,148,438	-	7,638,148,438	-	-	-	-
Receivable from related parties	10	-	-	-	-	17,941,460,649	-	17,941,460,649	-	-	-	-
Cash and cash equivalents	13	-	-	-	-	681,019,342	-	681,019,342	-	-	-	-
		-	-	-	-	26,260,628,429	-	26,260,628,429	-	-	-	-
<b>Financial liabilities not measured at fair value</b>												
Borrowings	18	-	-	-	-	-	4,702,246,393	4,702,246,393	-	-	-	-
Security money received	20	-	-	-	-	-	15,700,000	15,700,000	-	-	-	-
Trade and other payables	22	-	-	-	-	-	7,803,858,931	7,803,858,931	-	-	-	-
Accrued expenses	24	-	-	-	-	-	78,431,488	78,431,488	-	-	-	-
Payable to related parties	25	-	-	-	-	-	18,353,728,229	18,353,728,229	-	-	-	-
		-	-	-	-	-	30,953,965,041	30,953,965,041	-	-	-	-
<b>30 June 2023</b>												
In Taka	Note	Fair value- hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt	FVOCI – equity	Financial assets at amortised	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>												
Investment in marketable securities	12	-	137,876,106	-	-	-	-	137,876,106	137,876,106	-	-	137,876,106
		-	137,876,106	-	-	-	-	137,876,106	137,876,106	-	-	137,876,106
<b>Financial assets not measured at fair value</b>												
Trade and other receivables	9	-	-	-	-	1,008,167,609	-	1,008,167,609	-	-	-	-
Receivable from related parties	10	-	-	-	-	18,643,558,535	-	18,643,558,535	-	-	-	-
Cash and cash equivalents	13	-	-	-	-	692,461,410	-	692,461,410	-	-	-	-
		-	-	-	-	20,344,187,554	-	20,344,187,554	-	-	-	-
<b>Financial liabilities not measured at fair value</b>												
Borrowings	18	-	-	-	-	-	-	-	-	-	-	-
Security money received	20	-	-	-	-	-	15,700,000	15,700,000	-	-	-	-
Trade and other payables	22	-	-	-	-	-	299,423,166	299,423,166	-	-	-	-
Accrued expenses	24	-	-	-	-	-	48,730,694	48,730,694	-	-	-	-
Payable to related parties	25	-	-	-	-	-	32,553,551	32,553,551	-	-	-	-
		-	-	-	-	-	396,407,411	396,407,411	-	-	-	-





**46 Financial risk management**

The Group has exposure to the following risks from its use of financial instruments.

- A Credit risk
- B Liquidity risk
- C Market risk

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Group. The Board is assisted in its oversight role by the Audit Committee. Internal audit, under the purview of Audit Committee, undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**A Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Management monitors the exposure to credit risk on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of financial assets in the statement of financial position.

**i) Exposure to credit risk**

The maximum exposure to credit risk at the reporting date was:

In Taka	Note	30 June 2024	30 June 2023
Trade and other receivables	10	12,375,535,424	17,933,527,471
Receivable from related parties	11	17,943,876,460	18,712,224,279
Investment in marketable securities	13	137,859,576	137,876,106
Cash and cash equivalents (excluding cash in hand)	15	702,880,564	1,500,736,519
		<b>31,160,152,024</b>	<b>38,284,364,375</b>

**ii) Ageing of trade and other receivables**

In Taka	30 June 2024	30 June 2023
Not past due	2,914,596,133	3,154,339,892
Past due 0-30 days	2,799,709,691	3,113,614,771
Past due 31-60 days	1,146,268,835	3,201,760,578
Past due 61-90 days	1,184,700,583	2,585,180,205
Past due 91-120 days	847,125,230	2,564,165,111
Past due 121-365 days	3,354,316,255	3,123,139,691
Past due 365+ days	128,818,695	191,327,221
	<b>12,375,535,424</b>	<b>17,933,527,471</b>

**B Liquidity risk**

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

Typically, the Group 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 time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.



## Exposure to liquidity rate risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

30 June 2024

In Taka	Note	Contractual cash flows			
		Carrying amount	Total	6 months or less	Over 6 months
<b>Non-derivative financial liabilities</b>					
Long term loan - noi	22	1,621,229,460	1,621,229,460	1,208,816,319	412,413,141
Short term loan	23	4,831,714,217	4,831,714,217	2,415,857,108.28	2,415,857,108
Trade and other pay.	27	7,220,950,348	7,220,950,348	7,220,950,348	-
Accrued expenses	29	166,029,513	166,029,513	166,029,513	-
Payable to related pa	30	23,662,346,109	23,662,346,109	23,662,346,109	-
		37,502,269,647	37,502,269,647	34,673,999,397	2,828,270,249
<b>Derivative financial liabilities</b>					
		-	-	-	-
		37,502,269,647	37,502,269,647	34,673,999,397	2,828,270,249

30 June 2023

In Taka	Note	Contractual cash flows			
		Carrying amount	Total	6 months or less	Over 6 months
<b>Non-derivative financial liabilities</b>					
Long term loan	22	4,364,139,169	4,364,139,169	777,279,015	3,586,860,154
Short term loan	23	6,840,142,903	6,840,142,903	5,396,197,222	1,443,945,681
Trade and other pay.	27	8,448,367,534	8,448,367,534	8,448,367,534	-
Accrued expenses	29	155,924,417	155,924,417	155,924,417	-
Payable to related pa	30	29,520,486,041	29,520,486,041	29,520,486,041	-
		49,329,060,065	49,329,060,065	44,298,254,230	5,030,805,835
<b>Derivative financial liabilities</b>					
		-	-	-	-
		49,329,060,065	49,329,060,065	44,298,254,230	5,030,805,835

## C Market risk

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

### i. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies.

#### Exposure to currency risk

The Group's exposure to foreign currency risk arising from foreign currency denominated assets and liabilities at balance sheet date denominated in US dollar (USD) and British Pound (GBP) are as follows:

	30 June 2024		30 June 2023	
	USD	GBP	USD	GBP
Cash and cash equivalents	10,483	153	10,510	153
Share application money	(10,483)	(153)	(10,510)	(153)
Net exposure	-	-	-	-

The following significant exchange rates have been applied:

In Taka	Year-end spot rate	
	30 June 2024	30 June 2023
USD	117.96	109.18
GBP	140.00	141.79



**ii. Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowings and deposits.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments as at statement of financial position date is as follows:

In Taka	Note	30 June 2024	30 June 2023
<b>Fixed rate instruments</b>			
Financial assets			
Receivable from related parties	11	17,943,876,460	18,712,224,279
Financial liabilities			
Payable to related parties	30	(23,662,346,109)	(29,520,486,041)
<b>Variable rate instruments</b>			
Financial liabilities			
Long term loan - non-current portion	22	(1,621,229,460)	(4,364,139,169)
		<b>(7,339,699,109)</b>	<b>(15,172,400,931)</b>

**47 Operational risk**

Operational risk constitutes the ability of the Group's power projects to generate and distribute stipulated electricity to its off-takers. Technology used, fuel supply arrangement, operational and maintenance (O&M) arrangement, political or force majeure in the form of natural disaster like floods, cyclone, tsunami and earthquake may hamper normal performance of power generation. The timely and appropriate maintenance of the distribution networks of the plant reduces the chance of major disruptions. However, severe natural calamities which are unpredictable and unforeseen have the potential to disrupt normal operations of the Group. Management believes that prudent rehabilitation schemes and quality maintenance will lessen the damages caused by such natural disasters. Most importantly, all the above risks of the Group are covered under the separate insurance agreements between Pragati Insurance Company Limited to compensate for all the potential damages caused in such situations.

**48 Contingent assets**

The Company has raised a claim against BEPZA for losses suffered as a result of BEPZA failing to timely provide vacant possession of required land and gas connection and a consequent 234 day delay in the Company commencing commercial operation.

In March 2015 an Arbitration Tribunal (consisting of three arbitrators, one appointed by the Company, other appointed by BEPZA and the chairman of the Tribunal) has been appointed by the both arbitrator. The Tribunal ordered that BEPZA compensate the Company for the following amounts.

In Taka	30 June 2024	30 June 2023
Service charge	18,733,918	18,733,918
Loss of warranty	17,424,510	17,424,510
<b>Total</b>	<b>36,158,428</b>	<b>36,158,428</b>

In April 2015, BEPZA took the matter to the Court of District Judge, Dhaka. The final Judgment on 7 March 2022 goes in favor of UPGDCL.

**49 Commitments**

The Group had the following outstanding letters of credit (LC) as at 30 June 2024 against which it is committed to purchase spare parts, lube oil etc.

		30 June 2024	30 June 2023
	Currency	Invoice value	Invoice value
UPGDCL	USD	28,398,781	1,098,690
	EUR	1,697,400	-
UAEL	USD	15,145	28,485
	GBP	2,525.5	-
	EUR	55,461	33,197
LGDBL	USD	-	-
	EUR	-	-



**50 Contingent liabilities**

**50.1 Contingent liabilities relating to bank guarantees amounted to:**

**United Power Generation & Distribution Company Ltd**

<u>Beneficiary</u>	<u>Expiry date</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
In Taka			
Titas Gas Transmission & Distribution Co. Ltd.	11 Nov. 2028	78,790,400	78,790,400
Titas Gas Transmission & Distribution Co. Ltd.	11 Dec. 2028	6,628,382	6,628,382
Karnaphuli Gas Distribution Company Ltd.	23 Jan. 2028	34,897,650	34,897,650
Karnaphuli Gas Distribution Company Ltd.	20 June 2028	8,647,617	8,647,617
Karnaphuli Gas Distribution Company Ltd.	2 March 2024	71,724,353	71,724,353
Customs House-Dhaka and Chattogram	Unconditional & Continuous	17,632,152	17,632,152
Jalalabad Gas Transmission and Distribution Systems Ltd.	12 October 2029	48,396,019	48,396,019
Dhaka Bank PLC	14 Jul 2029	463,150,000	463,150,000

**United Ashuganj Energy Ltd.**

<u>Beneficiary</u>	<u>Expiry date</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
In Taka			
Bangladesh Power Development Board	7 June 2025	380,000,000	380,000,000
Bakhrabad Gas Distribution Company Ltd.	13 June 2026	287,472,356	287,472,356
		667,472,356	667,472,356

**Leviathan Global BD Ltd**

<u>Beneficiary</u>	<u>Expiry date</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
In Taka			
Karnaphuli Gas Distribution Company Limited	10-Sep-23	53,688,716	53,688,716
Dhaka Customs House	Open Ended	-	31,795,876
		53,688,716	85,484,592

- 50.2** In line with the provisions of its gas supply agreements, the Company has historically been charged for gas consumption by its gas suppliers at the rate set for Independent Power Producers (IPPs). However, on 2 January 2018, the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources decided in a meeting that gas-based power plants will be charged for gas consumption at revised rate. Pursuant to this decision, despite UPGDCL being an IPP and supplying electricity to BEPZA and National Grid, the Company's gas suppliers started charging for gas supply at Captive rate.

Having been aggrieved, the Company has filed two separate writ petitions, dated 22 May 2019 and 23 June 2019 respectively, with the Honorable High Court Division of the Supreme Court of Bangladesh against the above decision of Energy & Mineral Resources Division, and claim from the gas suppliers. As the Judgments from the High Court Division stated that the decision by the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources does not call for the interference of the High Court Division, UPGD subsequently filed a civil review petition and a review petition to leave to appeal in the Appellate Division of the Supreme Court Division both of which were discharged subsequently.

While the aforesaid legal process was ongoing, the Company also pursued discussion with relevant stakeholders and as a result, the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources in its meeting on 15.10.2023 took the following decision:

- Gas consumed for generating power supplied to the national grid and BEPZA will be charged at the rate set for IPPs from February 2023 onwards.
- Gas consumed for generating power supplied to other customers by the company will be charged at the rate set for captive power producers.
- Necessary steps to be taken to provide IPP license to UPGDCL's two power plants located in Dhaka and Chattogram EPZ.



However, no specific decision has been taken during that meeting regarding the gas rate to be applicable for the interim period (from January 2018 to January 2023). Upon receiving the judgment from the Honorable Supreme Court regarding the review petition filed by the Company, the Energy & Mineral Resources Division of Ministry of Power, Energy & Mineral Resources has yet to provide any directives related to settlement of the gas rate for the interim period.

Meanwhile, the Company's gas suppliers, Titas Gas Transmission & Distribution Company Limited and Karnaphuli Gas Distribution Company Limited, have claimed additional charges amounting to BDT 4,683,357,429 (for the period January 2018 to June 2024) and BDT 2,463,500,000 (for the period May 2018 to January 2023), respectively for payment at Captive rate. Against this additional disputed demand, the Company has made a partial provision of BDT 1,342,244,588 for gas bill at Captive rate for Gas consumed to generate power supplied to other customers. Management is closely observing the situation and also in discussion with relevant stakeholders to reach an amicable solution of this additional disputed demand.

**50.3 Delay in COD**

As per the Power Purchase Agreement (PPA) between BEPZA and one of the subsidiaries of the Group Leviathan Global BD Ltd. (LGBDL), the Guaranteed Commercial Operation Date (COD) was defined as date falling twelve months (12 months) after the agreement date. However, due to dispute between POWER rate and captive rate as explained in note 3.11 the commercial production is delayed as the matter is pending before the learned court. Management believes that such delay is caused by the lack of supply of natural gas by the gas company and hence falls in clause 11: force majeure of the Power Supply Agreement and therefore no LD is required for this delay.

**51 Bank facilities**

The Group enjoys the following credit facilities from the following financial institutions:

**30 June 2024**

**United Power Generation & Distribution Company Ltd**

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	STL & LTL	Overdraft limit	Bank guarantee facilities - limit
Dhaka Bank PLC	3,023,000,000	300,000,000	500,000,000	150,000,000	841,540,000
Januna Bank PLC	2,000,000,000	250,000,000	-	-	300,000,000
HSBC Bank Bangladesh	5,289,000,000	-	750,000,000	51,000,000	-
Standard Chartered Bank	10,500,000,000	-	2,800,000,000	-	-
Citi Bank NA	3,600,000,000	-	-	-	-
Pubali Bank PLC	2,100,000,000	-	-	500,000,000	1,000,000,000
City Bank PLC	9,500,000,000	-	1,000,000,000	-	-
Bank Asia PLC	4,250,000,000	-	2,350,000,000	-	-
Dutch Bangla Bank PLC	1,300,000,000	-	2,200,000,000	-	-
Mutual Trust Bank PLC	2,000,000,000	-	-	-	-
Prime Bank PLC	1,000,000,000	500,000,000	1,500,000,000	-	-
United Commercial Bank PLC	2,000,000,000	-	500,000,000	-	-
Brac Bank PLC	5,250,000,000	-	50,000,000	-	-
Eastern Bank PLC	4,200,000,000	-	2,200,000,000	-	2,200,000,000
<b>Total</b>	<b>56,012,000,000</b>	<b>1,050,000,000</b>	<b>13,850,000,000</b>	<b>701,000,000</b>	<b>4,341,540,000</b>

**United Ashuganj Energy Ltd**

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Short Term Loan	Overdraft limit	Bank guarantee facilities - limit
Dhaka Bank Limited	500,000,000	-	-	-	667,472,356
<b>Total</b>	<b>500,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667,472,356</b>

**Leviathan Global BD Ltd**

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Short Term Loan	Bank guarantee facilities - limit	Term Loan
Dhaka Bank Limited	670,000,000	-	-	-	-
<b>Total</b>	<b>670,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**52 Expenditure in equivalent foreign currency**

In Taka	30 June 2024	30 June 2023
Foreign travel for business purpose	-	107,093
	-	107,093



**53 Capacity and production**

**United Power Generation & Distribution Company Ltd**

Location of plant	30 June 2024			30 June 2023	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Dhaka EPZ	656,000	353,287	54%	303,725	46%
Chattogram EPZ	576,000	436,522	76%	417,449	72%
Sylhet 28MW power plant	224,000	142,777	64%	95,509	43%
Anwara 300 MW power plant	2,400,000	516,879	22%	1,040,743	43%
Jamalpur 115 MW Power plant	920,000	349,500	38%	514,218	56%
<b>Total</b>	<b>4,776,000</b>	<b>1,798,964</b>		<b>2,371,644</b>	

**United Ashuganj Energy Ltd**

Location of plant	30 June 2024			30 June 2023	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Ashuganj	1,560,000	240,343	15%	368,711	24%

**54 Number of employees**

The Group has no employees. Operation and maintenance activities are managed by 405 personnel for UPGDCL, 84 personnel for UAEL and 08 personnel for LGBDL provided by United Engineering and Power Services Ltd under separate O&M contracts.

**55 Comparatives and rearrangement**

As per IAS 1, an entity shall present comparative information in respect of preceding period for all amounts reported in the current period's financial statements. Comparative information has been presented for financial year 2022-2023 for all numeric information in the financial statements and also for the narrative and descriptive information where it is relevant for the understanding of the current year's financial statements.

Financial information given in prior period comprises of pre-amalgamated data, where, UPGDCL used to exist as a separate entity and its single financial data is shown, whereas, information in current period shows post-amalgamated data where former UAnPL, UEL and UJPL are now amalgamated with UPGDCL (Details of the Amalgamation is given in Note 1.4 above).

Previous year's figures have been rearranged, wherever considered necessary to conform to the current year's presentation.

**56 Events after the reporting date**

Events after the reporting date that provide additional information about the Group's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

The Board of Directors in its 111th meeting held on 28 October 2024 recommended cash dividend @60% per share equivalent to Taka 6.00 of Face Value Taka 10.00 per share aggregating Tk 3,478,171,620. for the year ended 30 June 2024. The dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

There are no events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

**57 Going concern**

The Group has adequate resources to continue in operation for the foreseeable future. For this reason, the management continues to adopt going concern basis in preparing the financial statements. The current resources of the Group provide sufficient fund to meet the present requirements of its existing business.

**58 Basis of measurement**

The consolidated financial statements have been prepared on historical cost basis except inventories which is measured at lower of cost and net realisable value on each reporting date.



**59 Material accounting policies**

The Group has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

- A Basis of consolidated financial statements
- B Property, plant and equipment
- C Inventories
- D Financial instruments
- E Impairment
- F Revenue
- G Provisions
- H Contingencies
- I Foreign currency
- J Income tax
- K Employee benefits
- L Statement of cash flows
- M Finance income and finance expenses
- N Advances, deposits and prepayments
- O Share capital
- P Earnings per share
- Q Dividends
- R Materiality and aggregation
- S Leases
- T New accounting policy

**A Basis of consolidated financial statements**

The consolidated financial statements comprise the consolidated financial position and the consolidated results of operation of United Power Generation and Distribution Company Ltd. (the “Company”) and its subsidiaries Leviathan Global BD Ltd. and United Ashuganj Energy Ltd., (collectively referred to as the ‘Group’).

Subsidiary is an 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 the subsidiary are included in the consolidated financial statements on a line by-line basis and the interest of non-controlling shareholders, if any, in results and net assets of the subsidiary are stated separately. The financial statements of the subsidiary are included in consolidated financial statement of the Group from the date of control achieved until the date of control ceased. The consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS)- 27 “Separate Financial Statements” and International Financial Reporting Standard (IFRS)- 10: “Consolidated Financial Statements”.

Name of subsidiaries	% of controlling interest	% of non- controlling interest
United Ashuganj Energy Ltd	92.41	7.59
Leviathan Global BD Ltd.	75.00	25.00

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

**ii) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees (that means in any company wherein UPGDCL has made investments, if any) are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



**B Property, plant and equipment**

**Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

**Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised 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 recognised in the statement of comprehensive income as incurred.

**Depreciation**

i) Property, plant and equipment is stated at cost less accumulated depreciation. All property, plant and equipment have been depreciated on straight line method.

ii) In respect of addition to fixed assets, full depreciation is charged in the month of addition irrespective of date of purchase in that month and no depreciation is charged in the month of disposal/retirement. Residual value is estimated to be zero for all assets.

The rates of depreciation vary according to the estimated useful lives of the items of all property, plant and equipment.

Considering the estimated useful life of the assets, the rates of depreciation are as follows:

	%
Plant and machinery	3.33 - 8.33
Gas line	2 - 8.33
Building and civil construction	3.33 - 8.33
Office equipment	10 - 15
Furniture and fixture	10
Motor vehicle	10

The depreciation rate of UAnPL, UJPL and UAEL has been changed in this year in the following rates:

	30-Jun-23	30-Jun-24
Plant and machinery	5.00%	Remaining useful life
Building and civil construction	5.00%	Remaining useful life
Office equipment	15%	15%
Furniture and fixture	10%	10%
Motor vehicle	10%	10%

The above units operates its power plant under a 15 years PPA with BPDB starting from its Commercial Operation Date (COD) on different. Previously there was an expectation that the duration of PPA could be extended and hence depreciation on plant and machineries have been changes @ 5% per annum considering estimated useful life of 20 years.

However, considering the current Government policy, overall energy situation, gas supply and other variables management has decided to change its estimated useful life and adopted a depreciation policy which will calculated depreciation policy on the basis of useful life up to the expiry of PPA. This change has been applied prospectively from the current reporting period.

**Retirements and disposals**

An asset is derecognised 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 recognised as gain or loss from disposal of asset in the statement of profit or loss and other comprehensive income.





**C Inventories**

Inventories consisting mainly of spare parts, lube oil and chemicals are valued at lower of cost and net realisable value. Net realisable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Costs of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using weighted average cost method.

When inventories are consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

**D 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.

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**ii. Classification and subsequent measurement**

**Financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



**Financial assets – Business model assessment:**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.



**Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets – Subsequent measurement and gains and losses**

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets include cash and cash equivalents, trade and other receivables and receivable from related parties.

**(a) Cash and cash equivalents**

Cash and cash equivalents comprise of cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

**(b) Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.



**iii. Financial liability**

All financial liabilities are recognised initially on the transaction date at which the Group becomes a party to the contractual provisions of the liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial liabilities include trade and other payables, related party payables, borrowings, accrued expenses etc.

**(a) Trade and other payables**

The Group recognises trade and related party payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

**(b) Loans and borrowings**

Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings repayable after twelve months from reporting date are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from reporting date, unpaid interest and other charges are classified as current liabilities.

**(c) Accrued expenses**

Accrued expenses represent various operating expenses that are due at the reporting date which are initially measured at fair value.

**E Impairment**

**Financial assets**

IFRS 9 requires an assessment of expected credit losses (“ECL”) for evaluating whether assets carried at amortised cost are impaired. The first stage of the evaluation requires an assessment of expected credit losses (ECL), which represent the possibility of default over the next 12 months. When a significant increase in credit risk has occurred, the financial asset is transferred to stage 2 and the ECL will be calculated using the possibility of default over the expected life of the financial instrument. When there is objective evidence that a financial asset is impaired, the financial asset will be transferred to stage 3 and lifetime ECL will be calculated.

**Non financial assets**

The carrying value of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.



**F Revenue**

Revenue is recognized in the statement of comprehensive income upon supply of electricity and steam, quantum of which is determined by survey of meter reading. As per IFRS 15: Revenue from Contracts with Customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue measured at the fair value of the consideration received or receivable.

Revenue is recognized, excluding Value Added Tax and other Government levies, on the basis of net units of energy generated and transmitted to the authorized customer's transmission systems and invoiced on a monthly basis upon transmission to the customers. Revenues are valued using rates in effect when services are provided to customers.

**Revenue from Power Purchase**

Revenue under Power Purchase Agreement (PPA) , comprises capacity revenue and energy revenue. Capacity revenue includes escalable component and non-escalable component. Energy revenue includes fuel payment as well as variable operation and maintenance (O&M) payment. Both the capacity and energy revenue (variable O&M) have a variable portion. These are based on inflation (foreign inflation and local inflation indexation factors) and changes in exchange rate. Such revenue is recognised when these factors are confirmed and supplemental and true-up invoices are subsequently raised. True up arises due to the difference in billing exchange rate and the payment date exchange rate of Sonali Bank Ltd.

**Energy revenue for gas based power plants**

Fuel payment revenue is recognised according to the terms set out in the PPA. Fuel cost related to natural gas for generating electricity is a pass-through expense for the Company to BPDB. Payment for the monthly gas consumption is made directly by the Company to the gas supplier. The constant portion of variable O&M payment revenue is calculated based on supply of electricity (quantum of which is determined by survey of meter reading) and is recognised according to the terms set out in the PPA.

**Revenue from Power Supply**

Revenue under Power Purchase Agreement (PPA) comprises with customers for electricity sales generally including one performance obligation. The Company has concluded that revenue from sale of electricity should be recognised at the point in time when electricity is transferred to the customer.



**G Provisions**

A provision is recognised in the statement of financial position when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**H Contingencies**

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

**(i) 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 recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

**(ii) 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 recognised. Only when the realisation 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.

**I Foreign currency**

Foreign currency transactions are translated into BDT/Taka at the exchange rates prevailing on the date of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the reporting date.

Foreign currency denominated non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates prevailing at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

**J Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(i) 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. Power generation companies in the Group are given tax exemptions for certain years beginning with the month of Commercial Date of Operation ("COD"). The summary of tax exemptions for the power plants operated in the Group are as below:



Entity	Plant	Tax provision status	Period	Expiry
UPGDCL	35 MW plant at DEPZ	Tax exemption on all income	15 years	2024
	47 MW plant at DEPZ	Tax exemption on all income	15 years	2028
	44 MW plant at CEPZ	Tax exemption on all income	15 years	2024
	28 MW plant at CEPZ	Tax exemption on all income	15 years	2028
	53 MW plant at Ashuganj	Tax exemption on business income	5 years	2027
	28 MW plant at Sylhet	Tax exemption on business income	15 years	2028
	300 MW plant at Anwara	Tax exemption on business income	15 years	2034
	115 MW plant at Jamalpur	Tax exemption on business income	15 years	2034
UAEL	195 MW plant at Ashuganj	Tax exemption on business income	15 years	2030
LGBD	50 MW plant at Chattogram			

**(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

As of 30 June 2024, the Company's power plant operated under tax exemption regime. It has examined the precedent of tax assessment completed of a power generation company for the year when its tax exemption ended, which shows the accounting depreciation charge to be equal to the tax depreciation charge, implying that there were no temporary differences between accounting net book value and tax written down value of property, plant and equipment at that point in time. On this basis, in the preparation of these financial statements, the Company has not considered any deferred tax relating to property, plant and equipment as the Company is still under tax exemption as at the reporting date.



**K Employee benefits**

**Short term and termination benefits**

Since operation and maintenance (O&M) activities of the Group are managed by employees of United Engineering and Power Services Limited under an O&M contract. Therefore, no provident fund, gratuity, termination benefit is applicable for the UPGDCL and its subsidiaries.

**Workers profit participation fund (WPPF)**

The government of Bangladesh has made an amendment to the Labour Law 2006 in July 2013. As per amended section-232 (chha) of the Act, any undertaking carrying on business to earn profit is liable to make provision for WPPF at 5% of the net profit and it also needs to be distributed within 9 months of the statement of financial position date. Operation and maintenance (O&M) activities of the Group are managed by employees of United Engineering and Power Services Limited under an O&M contract. Therefore, the provision of WPPF is not applicable for the Group.

**L Statement of cash flows**

Statement of cash flows has been prepared in accordance with the IAS 7: Statement of cash flows under the direct method.

**M Finance income and finance expenses**

Finance income comprises interest on financial deposits with banks and loans made to related parties. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. The Group's finance cost includes interest expense which is recognised at amortised cost.

**N Advances, deposits and prepayments**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to statement of profit or loss and other comprehensive income.

**O Share capital**

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with IAS 12.

**P Earnings per share**

The Company represents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

**Q Dividends**

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the annual general meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid.

**R Materiality and aggregation**

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.





**S Leases**

**i) The Company as a lessee**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Groups incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- i. fixed payments, including in-substance fixed payments;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable under a residual value guarantee; and
- iv. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment and lease liabilities separately in the statement of financial position.

**Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



**ii) The Company as a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'capacity revenue'.

**T New accounting policy**

**Adoption of new and revised Standards**

**a) New and amended IFRS Standards that are effective for the current year**

The following are the amendments that are mandatorily effective for an accounting period that begins on or after 1 July 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- IFRS 16 Leases- Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements.
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

**b) New and revised IFRS Standards in issue but not yet effective**

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and in some cases had not yet been adopted by the

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Amendments to IAS 1
- Amendments to IAS 7 and IFRS 7
- Classification of Liabilities as Current or Non-current Liabilities with Covenants Supplier Finance Arrangements
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback
- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates.

The Board does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

