

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

**Independent auditor's report &**

**audited 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 Financial Statements**

#### **Opinion**

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

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 55.

#### **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 Financial Statements section of our report. We are independent of the Company 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 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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>
See note 1.4 to the financial statements	

<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 55 (E) and 27 to the 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</p>	<p>Our substantive procedures in this area included:</p> <ul style="list-style-type: none"> <li>• discussion of material legal cases with the Company's Legal Department;</li> <li>• review of legal documents pertaining to the case;</li> <li>• inquiry with management and review and analysis of managements detailed assessment of the probability of outcome of the case;</li> <li>• directly obtaining assessment and legal opinion from the Company's external legal counsel with regard to the outcome of the case;</li> <li>• assessment of disclosures in the financial statements of material contingencies, nature and their measurement.</li> </ul>

<p>appealed to the Honorable Supreme Court which was 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 financial statements of the Company, we considered this as a key audit matter.</p>	
<p>See note 55 (G) and 46.2 to the financial statements</p>	

<p><b>Accuracy and completeness of disclosure of related party transactions</b></p>	
<p><b>Description of key audit matters</b></p>	<p><b>How the matters were addressed in our audit</b></p>
<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.</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 Company’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</li> </ul>

	<p>agreements, on a sample basis, as part of our evaluation of the disclosure; and</p> <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 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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 and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company 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 Company'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

DVC No: 2411030770AS580357






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

In Taka	Note	As at	
		30 June 2024	30 June 2023
		Amalgamated with UEL, UAnPL, UJPL	Separate
<b>Assets</b>			
Property, plant and equipment	5	26,765,226,239	7,394,485,991
Right of use assets	6	19,907,797	22,382,845
Investment in subsidiaries	7	3,703,409,010	5,317,935,192
<b>Non-current assets</b>		<b>30,488,543,046</b>	<b>12,734,804,028</b>
Inventories	8	4,648,966,456	1,029,831,958
Trade and other receivables	9	7,638,148,438	1,008,167,609
Receivable from related parties	10	17,941,460,649	18,643,558,535
Advances, deposits and prepayments	11	1,028,530,407	81,463,594
Investment in marketable securities	12	137,859,576	137,876,106
Cash and cash equivalents	13	681,019,342	692,461,410
<b>Current assets</b>		<b>32,075,984,868</b>	<b>21,593,359,212</b>
<b>Total assets</b>		<b>62,564,527,914</b>	<b>34,328,163,240</b>
<b>Equity</b>			
Share capital	14	5,796,952,700	5,796,952,700
Share premium	15	2,046,000,000	2,046,000,000
Revaluation reserve	16	55,324,560	-
Retained earnings	17	24,731,237,287	26,051,181,552
<b>Total equity</b>		<b>32,629,514,547</b>	<b>33,894,134,252</b>
<b>Liabilities</b>			
Long term loan - non-current portion	18	166,801,011	-
Security money received	20	15,700,000	15,700,000
Lease Liability - non-current portion	21	20,249,899	22,545,443
<b>Non-current liabilities</b>		<b>202,750,910</b>	<b>38,245,443</b>
Short term loan	19	4,035,311,039	-
Trade and other payables	22	6,682,603,519	299,423,166
Unclaimed dividend	23	73,160,177	12,944,122
Accrued expenses	24	78,431,488	48,730,694
Long term loan - current portion	18	500,134,343	-
Lease Liability - current portion	21	2,295,542	2,132,012
Payable to related parties	25	18,353,728,229	32,553,551
Current tax liabilities	26	6,598,120	-
<b>Current liabilities</b>		<b>29,732,262,457</b>	<b>395,783,545</b>
<b>Total liabilities</b>		<b>29,935,013,367</b>	<b>434,028,988</b>
<b>Total equity and liabilities</b>		<b>62,564,527,914</b>	<b>34,328,163,240</b>
<b>Net asset value per share</b>	37	<b>56.29</b>	<b>58.47</b>

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

  
Company Secretary

  
Director

  
Managing Director

See the annexed report of even date

DVC: 2411030770AS580357  
Dhaka, 28 October 2024

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

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

In Taka	Note	For the year ended	
		30 June 2024	30 June 2023
		Amalgamated with UEL, UAnPL, UJPL	Separate
Revenue	27	30,187,723,850	5,596,545,912
Cost of sales	28	(22,359,595,434)	(3,852,265,779)
<b>Gross profit</b>		<b>7,828,128,416</b>	<b>1,744,280,133</b>
General and administrative expenses	29	(249,127,804)	(359,961,682)
Other income	30	47,729,721	154,256,942
Dividend from subsidiary company	31	1,850,204,505	11,261,250,000
<b>Operating profit</b>		<b>9,476,934,838</b>	<b>12,799,825,393</b>
Finance income	32	778,266,303	540,850,405
Foreign exchange loss	33	(639,038,054)	-
Finance expense	34	(1,283,063,926)	(1,690,338)
<b>Profit before tax</b>		<b>8,333,099,162</b>	<b>13,338,985,460</b>
Income tax expense	35	(11,755,804)	-
<b>Profit after income tax</b>		<b>8,321,343,358</b>	<b>13,338,985,460</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>8,321,343,358</b>	<b>13,338,985,460</b>
Earnings per share	36	14.35	23.01

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


  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Director

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

See the annexed report of even date

DVC: 2411030770AS580357  
Date: 28 October 2024

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



**United Power Generation & Distribution Company Ltd.**  
**Statement of changes in equity**

In Taka	For the year ended 30 June 2024				Total
	Attributable to the owners of the Company				
	Share capital	Share premium	Retained earnings	Revaluation reserve	
<b>Balance at 1 July 2023</b>	5,796,952,700	2,046,000,000	26,051,181,552	-	33,894,134,252
Profit for the year	-	-	8,321,343,358	-	8,321,343,358
Opening retained earnings of UEL, UAnPL and UJPL	-	-	311,090,920	56,003,340	367,094,260
Adjustment of Amalgamation ( See note 1.4)	-	-	(5,315,495,163)	-	(5,315,495,163)
Dividend paid	-	-	(4,637,562,160)	-	(4,637,562,160)
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>24,731,237,287</b>	<b>55,324,560</b>	<b>32,629,514,547</b>
Note	14	15	17	16	

In Taka	For the year ended 30 June 2023				Total
	Attributable to the owners of the Company				
	Share capital	Share premium	Retained earnings	Revaluation reserve	
<b>Balance at 1 July 2022</b>	5,796,952,700	2,046,000,000	22,567,015,683	-	30,409,968,383
Profit for the year	-	-	13,338,985,460	-	13,338,985,460
Cash dividend	-	-	(9,854,819,590)	-	(9,854,819,590)
<b>Balance at 30 June 2023</b>	<b>5,796,952,700</b>	<b>2,046,000,000</b>	<b>26,051,181,553</b>	<b>-</b>	<b>33,894,134,253</b>
Note	14	15	17	16	

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



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

In Taka	For the year ended	
	30 June 2024	30 June 2023
	Amalgamated with UEL, UAnPL,	Separate
<b>Cash flows from operating activities</b>		
Cash received from customers*	20,834,518,607	5,584,836,145
Cash received from other sources	57,731,080	84,470,271
Cash paid to suppliers and others*	(20,745,057,498)	(3,548,853,306)
Tax paid	(6,980,572)	-
Financial charges paid	(1,282,159,392)	(1,690,338)
Realized Foreign exchange loss	(632,451,874)	-
<b>Net cash generated from operating activities</b>	<b>(1,774,399,649)</b>	<b>2,118,762,772</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(298,094,512)	(176,440,930)
Cash received/(paid) for related party loan	(5,764,265,979)	(2,841,397,617)
Investment in subsidiary company	(3,702,304)	-
Dividend from subsidiary company	1,850,204,505	11,261,250,000
<b>Net cash generated from/(used in) investing activities</b>	<b>(4,215,858,291)</b>	<b>8,243,411,453</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(4,573,449,542)	(9,855,197,559)
Paid to Capital Market Stabilization Fund	(3,896,562)	-
Security money received	-	15,000,000
Lease payment	(2,132,014)	(1,980,622)
Short term loan received/(paid)*	10,833,631,817	-
Long term loan received/(paid)	(666,397,980)	-
Insurance Claim received	19,833,045	89,332,181
<b>Net cash generated from/(used in) financing activities</b>	<b>5,607,588,763</b>	<b>(9,752,846,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(382,669,177)</b>	<b>609,328,225</b>
Opening cash and cash equivalents	692,461,410	83,133,185
Cash and cash equivalents added at amalgamations**	371,227,106	-
<b>Cash and cash equivalents as at 30 June</b>	<b>681,019,342</b>	<b>692,461,410</b>
<b>Net operating cash flow per share</b>	<b>(3.06)</b>	<b>3.65</b>

\* During the year BPDB has settled Tk. 16,631,968,000 crore 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 crore is not included in the statement of cash flows.

\*\* This cash represents opening balance of UAnPL, UJPL and UEL.

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



**Notes to the 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. 19,100,000,000 divided into 1,910,000,000 ordinary shares of Tk. 10 each and 350,000,000 preference 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 by acquiring remaining 1% ordinary shares. 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.

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).



**Notes to the financial statements**

**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.

**1.3 Investment in subsidiaries**

**United Ashuganj Energy Ltd**

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



**Notes to the financial statements**

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.

Details of holding structure in subsidiaries are described in Note note 7.

**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). This Judgment and Order shall take effect after filing certified copy of the same with the Registrar of Joint Stock Companies and Firms, Dhaka by the Transferee Company as per Section 228(2) and 229(3) of the Companies Act 1994 and subject to annexing copy of this Judgment and Order to every memorandum of the Transferee Company that may be issued after this Judgment and Order is passed.
- (3). All the pending suits and proceedings of the Transferor Companies, if any, hence forth shall be commenced and be continued by or against the Transferee Company as if the same were instituted by or against the Transferee Company.
- (4). 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.
- (5) 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.
- (6) 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.
- (7) Upon this Amalgamation coming into effect, as per sub-Section (1)(d) of Section 229 of the Companies Act 1994, the Transferor Companies shall stand dissolved without winding up and the Registrar of Joint Stock Companies and Firms is hereby directed not to register any company in the name and style of the aforesaid transferor Companies.
- (8) 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.
- (9) Upon amalgamation, the experiences and qualifications of the Transferor Companies shall be treated as the experiences and qualifications of the amalgamated entity.



**Notes to the financial statements**

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

(11) 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.

(12) 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.

(13) 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.

(14) 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.

The adjustment of amalgamation scheme has been calculated in the following manner:

Adjustment made to retained earnings	(5,315,495,163)
Net assets of subsidiaries as at 30 June 2023	
United Energy Ltd,	99,230,041
United Anwara Power Ltd	138,359,875
United Jamalpur Power Ltd.	132,646,337
1% of revaluation surplus	559,971
<u>Reversal to retained earnings of UPGDCL</u>	<u>4,944,698,939</u>
<u>Net impact</u>	<u>-</u>

**2 Basis of accounting**

**2.1 Statement of compliance**

The 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 Company's accounting policies are included in Note 55.

**2.2 Date of authorisation**

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





**Notes to the financial statements**

**2.3 Reporting period**

The current financial period of the Company covers twelve months from 1 July 2023 to 30 June 2024 and

**3 Functional and presentation currency**

These 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.

**4 Use of estimates and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company'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 period 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 2024 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 55A	Property, plant and equipment
Note 8 and 55B	Inventories
Note 9 and 55C	Trade and other receivables
Note 26 and 55I	Current tax liabilities
Note 44, 46, and 55G	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 Company 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 Company 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**

The various units of the Company operates its power plant under a 15 years PPA with BPDB starting from its Commercial Operation Date. 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 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.



5 Property, plant and equipment  
See accounting policy in Note 55A

Reconciliation of carrying amount

In Taka	Plant and machinery	Gas line	Building and civil construction	Land and development	Office equipment	Furniture and fixture	Motor vehicle	Total
<b>Cost</b>								
Balance at 1 July 2023	10,801,626,632	402,373,455	-	-	14,697,748	3,181,349	70,687,690	11,292,566,874
Opening balance added on amalgamation	27,691,076,974	129,429,410	2,098,520,615	181,113,905	13,074,971	9,578,172	126,612,209	30,249,406,256
Additions	290,772,471	2,698,587	29,025	-	861,630	40,800	3,692,000	298,094,513
Balance at 30 June 2024	38,783,476,077	534,501,452	2,098,549,640	181,113,905	28,634,349	12,800,321	200,991,899	41,840,067,643
Balance at 1 July 2022	10,674,032,634	355,038,770	-	-	13,202,701	3,164,148	70,687,690	11,116,125,943
Additions	127,593,998	47,334,685	-	-	1,495,047	17,200	-	176,440,930
Balance at 30 June 2023	10,801,626,632	402,373,455	-	-	14,697,748	3,181,348	70,687,690	11,292,566,873
<b>Accumulated depreciation</b>								
Balance at 1 July 2023	3,757,809,860	80,497,515	-	-	12,206,185	2,617,761	44,949,561	3,898,080,882
Opening balance added on amalgamation	8,162,598,311	88,156,591	515,547,840	78,511,951	4,197,996	6,005,586	52,939,180	8,907,957,456
Depreciation for the year	2,093,681,591	10,112,053	142,690,875	-	1,912,621	1,003,670	19,402,256	2,268,803,067
Adjustment for disposal/transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2024	14,014,089,762	178,766,159	658,238,715	78,511,951	18,316,802	9,627,018	117,290,997	15,074,841,404
Balance at 1 July 2022	3,399,972,284	72,908,989	-	-	11,670,802	2,368,123	38,411,976	3,525,332,173
Depreciation for the year	357,837,577	7,588,526	-	-	535,384	249,637	6,537,585	372,748,709
Adjustment for disposals/transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2023	3,757,809,860	80,497,515	-	-	12,206,185	2,617,761	44,949,561	3,898,080,882
<b>Carrying amounts</b>								
Balance at 30 June 2024	24,769,386,315	355,735,293	1,440,310,925	102,601,954	10,317,546	3,173,304	83,700,901	26,765,226,239
Balance at 30 June 2023	7,043,816,772	321,875,940	-	-	2,491,563	563,588	25,738,129	7,394,485,991
<b>Allocation of depreciation</b>								
In Taka					Note	30 June 2024	30 June 2023	
Cost of sales					28	2,246,115,036	369,021,222	
General and administrative expenses					29	22,688,031	3,727,487	
						2,268,803,067	372,748,709	

As stated in note 1.4 due to the Scheme of Amalgamation PPE previously owned by UEL, UAnPL and UJPL have been added with UPGDCL's PPE balances resulted in significant increase.



**6 Right of use assets**  
See accounting policy in Note 55R

In Taka	Note	30 June 2024	30 June 2023
Land lease rent	6.1	18,895,644	20,358,536
Office rent	6.2	1,012,153	2,024,309
<b>Balance at</b>		<b>19,907,797</b>	<b>22,382,845</b>

**6.1 Land lease rent**

In Taka	30 June 2024	30 June 2023
<b>Cost</b>		
Balance as at 01 July 2023	26,210,102	26,210,102
Addition	-	-
Disposals	-	-
<b>Balance at 30 June 2024</b>	<b>26,210,102</b>	<b>26,210,102</b>
<b>Accumulated depreciation</b>		
Balance as at 01 July 2023	5,851,566	4,388,674
Amortisation during the year	1,462,892	1,462,892
Adjustment for disposal/transfers	-	-
	<b>7,314,458</b>	<b>5,851,566</b>
<b>Carrying amount</b>		
<b>Balance at 30 June 2024</b>	<b>18,895,644</b>	<b>20,358,536</b>

**6.2 Office rent**

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



**7 Investment in subsidiaries**

In Taka	30 June 2024	30 June 2023
United Energy Ltd	-	297,000
United Anwara power Limited	-	3,334,877,715
United Jamalpur power Limited	-	1,979,760,477
Leviathon Global BD Ltd.	3,000,000	3,000,000
United Ashuganj Energy Ltd.	3,700,409,010	
	<b>3,703,409,010</b>	<b>5,317,935,192</b>

UEL, UAnPL and UJPL were subsidiary companies of UPGDCL by acquiring 99% ordinary shares. These subsidiary companies amalgamated with UPGDCL by acquiring remaining 1% share as on 1 July 2023. To avoid duplication of investment, it is eliminated with retained earnings as an adjustment of Amalgamation. For giving effect of the amalgamation as stated in note 1.4 investment in subsidiaries on separate books of UPGDCL have been eliminated.

**8 Inventories**

See accounting policy in Note 55B

In Taka	Note	30 June 2024	30 June 2023
Spare parts	8.1	1,778,654,466	983,771,090
Lube oil and chemicals	8.2	90,396,257	12,340,269
Heavy fuel oil	8.3	2,529,194,145	-
Light fuel oil	8.4	5,787,063	-
Materials in transit		244,934,526	33,720,599
		<b>4,648,966,456</b>	<b>1,029,831,958</b>

Due to the effect of amalgamation inventories of UEL, UAnPL and UJPL are added with UPGDCL.

**8.1 Spare parts**

In Taka	30 June 2024	30 June 2023
Opening balance	983,771,090	778,741,464
Opening balance added on amalgamation	769,014,572	-
Purchase during the year	1,000,221,834	602,887,601
Transfer during the year	(163,694,551)	(13,879,410)
Safety materials consumption	(2,348,641.32)	-
Consumption during the year	(808,309,837.57)	(383,978,566)
	<b>1,778,654,466</b>	<b>983,771,090</b>

**8.2 Lube oil and chemicals**

In Taka	30 June 2024	30 June 2023
Opening balance	12,340,269	12,018,214
Opening balance added on amalgamation	100,153,801	-
Purchase during the year	372,516,436	47,071,817
Transfer during the year	(90,178,420)	(59,258)
Consumption during the year	(304,435,829)	(46,690,505)
	<b>90,396,257</b>	<b>12,340,269</b>

**8.3 Heavy fuel oil**

In Taka	30 June 2024	30 June 2023
Opening balance	-	-
Opening balance added on amalgamation	1,002,830,393	-
Purchase during the year	14,659,067,212	-
Consumption during the year	(13,132,703,459)	-
	<b>2,529,194,145</b>	<b>-</b>



**8.4 Light fuel oil**

In Taka	30 June 2024	30 June 2023
<b>Opening balance</b>	-	-
Opening balance added on amalgamation	5,959,567	-
Purchase during the year	-	-
Transfer during the period	499,806	-
Consumption during the year	(672,311)	-
	<b>5,787,063</b>	-

**9 Trade and other receivables**

See accounting policy in Note 55C

In Taka	Note	30 June 2024	30 June 2023
Trade receivables	9.1	7,799,086,483	1,303,945,258
Other receivables	9.2	8,527,314	10,294,419
Provision for impaired receivables		(169,465,359)	(306,072,068)
		<b>7,638,148,438</b>	<b>1,008,167,609</b>

Due to the amalgamation of UEL, UAnPL and UJPL receivable balance with UPGDCL the balance has significantly increased.

Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. Major portion of 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.

During the year, the Company received BDT 37,466,486,608 of which BDT 16,631,968,000 from special bond issued by BPDB against receivables.

The Company 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 Company as decided to keep provision against such receivable as on 30 June 2024.

**9.1 Trade receivables**

In Taka	30 June 2024	30 June 2023
BREB	118,995,248	199,979,872
BPDB	6,678,138,642	362,330,092
BEPZA	603,903,507	385,683,340
Private customers	398,049,087	355,951,955
	<b>7,799,086,483</b>	<b>1,303,945,258</b>

**9.2 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
EPV Chittagong Ltd.	333,162	333,162
	<b>8,527,314</b>	<b>10,294,419</b>



**10 Receivable from related parties**  
See accounting policy in Note 55C

In Taka	30 June 2024	30 June 2023
United Ashuganj Energy Ltd.	192,408	-
United Mymensingh Power Ltd (UMPL)	17,934,453,394	18,642,350,412
United Payra Power Ltd.	2,280,597	-
Precision Energy Ltd	284,290	-
United Engineering and Power Services Ltd	3,051,595	-
United Lube Oil Ltd	377,392	377,392
United Hospital Ltd.	556,964	556,964
United Sulpho-Chemicals Limited	-	273,767
Khulna Power Ltd.	264,009	-
	<b>17,941,460,649</b>	<b>18,643,558,535</b>

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

**11 Advances, deposits and prepayments**  
See accounting policy in Note 55C

In Taka	Note	30 June 2024	30 June 2023
Advances	11.1	100,589,414	34,132,865
Deposits	11.2	28,507,109	26,593,111
Prepayments	11.3	899,433,884	20,737,618
		<b>1,028,530,407</b>	<b>81,463,594</b>

**11.1 Advances**

In Taka	30 June 2024	30 June 2023
Advance against LC charges	10,084,161	989,896
Advance income tax	4,342,403	202,444
Advance against HFO	15,421,198	-
Advance against expenses	70,741,652	32,940,526
	<b>100,589,414</b>	<b>34,132,865</b>

**11.2 Deposits**

In Taka	30 June 2024	30 June 2023
Karnaphuli Gas Distribution Company Ltd.	17,448,825	17,448,825
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	-
	<b>28,507,109</b>	<b>26,593,111</b>

**11.3 Prepayments**

In Taka	30 June 2024	30 June 2023
Insurance premium	8,578,993	4,741,591
BERC license fees	876,966	144,900
Prepayment against LC Margin	889,977,925	15,851,126
	<b>899,433,884</b>	<b>20,737,618</b>



**12 Investment in marketable securities**

See accounting policy in Note 55C

In Taka	30 June 2024	30 June 2023
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>

**12.1 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
Shahjalal Islami Bank PLC	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>



**13 Cash and cash equivalents**  
See accounting policy in Note 55C

In Taka	Note	30 June 2024	30 June 2023
		<b>Amalgamated with UEL, UAnPL, UJPL</b>	<b>Separate</b>
Cash in hand	13.1	1,012,999	201,361
Cash at bank	13.2	680,006,343	692,260,049
		<b>681,019,342</b>	<b>692,461,410</b>

**13.1 Cash in hand**

In Taka	30 June 2024	30 June 2023
Cash in hand	1,012,999	201,361
	<b>1,012,999</b>	<b>201,361</b>

**13.2 Cash at bank**

In Taka	30 June 2024	30 June 2023
Dhaka Bank PLC	467,851,693	400,232,327
Dutch Bangla Bank PLC.	18,249,462	34,461,863
Shahjalal Islami Bank PLC.	8,200	8,200
Eastern Bank PLC.	33,944,783	35,368
Jamuna Bank PLC.	13,760,121	15,915,426
Trust Bank Limited	-	-
Brac Bank PLC.	17,135,994	1,365,840
Brac Bank Ltd.-Dividend dist. A/C 2013 and 2014	-	-
City Bank PLC-Dividend distribution A/C 2016	10,398,347	14,835,766
Dhaka Bank Limited - Dividend distribution A/C 2017	-	-
The Hongkong and Shanghai Banking Corp. Ltd	45,394,562	225,405,258
Standard Chartered Bank	5,248,763	-
City Bank PLC	26,076,134	-
Bank Asia PLC.	10,615,029	-
Citibank N.A	14,276,284	-
United Commercial Bank PLC	3,872	-
Mutual Trust Bank PLC	7,087,425	-
Prime Bank PLC.	7,828,883	-
One Bank PLC.	5,657	-
Pubali Bank PLC.	2,121,133	-
	<b>680,006,343</b>	<b>692,260,049</b>

**14 Share capital**  
See accounting policy in Note 55N

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>

**Ordinary shares issued, subscribed and paid up**

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 the Honorable High Court Division of the Supreme Court of Bangladesh which will effective on 01 July 2023.





**14.1 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 Bangladesh	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>

**14.2 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>

**14.3 Classification of shareholders by holding**

Range of holding in number of shares	30 June 2024		30 June 2023	
	No. of shareholders	No. of shares	No. of shareholders	No. of shares
01 to 5000 shares	11,327	5,678,543	12,589	5,900,477
5,001 to 20,000 shares	367	3,520,639	385	3,730,011
20,001 to 50,000 shares	114	3,684,923	112	3,651,645
50,001 to 1,000,000 shares	90	18,238,505	90	18,976,942
1,000,001 to 10,000,000 shares	8	26,855,758	7	25,719,293
over 10,000,001 shares	1	521,716,902	1	521,716,902
	<b>11,907</b>	<b>579,695,270</b>	<b>13,184</b>	<b>579,695,270</b>

**15 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.

**16 Revaluation reserve**

In Taka	30 June 2024	30 June 2023
Revaluation reserve	56,003,340	-
Depreciation transferred to retained earnings	(678,780)	-
	<b>55,324,560</b>	<b>-</b>

**17 Retained earnings**

In Taka	30 June 2024	30 June 2023
Opening balance	26,051,181,552	22,567,015,683
Retained Earnings added on Amalgamation	311,090,920	-
Adjustment of Amalgamation (see note 1.4)	(5,315,495,163)	-
Net profit during the period	8,321,343,358	13,338,985,459
	<b>29,368,120,667</b>	<b>35,906,001,142</b>
Cash dividend for the year 2022-23	(4,637,562,160)	-
Cash dividend for the year 2021-22	-	(9,854,819,590)
Transfer for revaluation surplus	678,780	-
	<b>24,731,237,287</b>	<b>26,051,181,552</b>



**18 Long term loan**  
See accounting policy in Note 55C

In Taka	30 June 2024	30 June 2023
Non-current portion	166,801,011	-
Current portion	500,134,343	-
	<b>666,935,354</b>	<b>-</b>
<b>Non-current liabilities</b>		
In Taka	30 June 2024	30 June 2023
Investment Promotion and Financing Facility (IPFF) loan	-	-
Preference share	-	-
Standard Chartered Bank	-	-
Dutch Bangla Bank PLC.	166,801,011	-
	<b>166,801,011</b>	<b>-</b>
<b>Current liabilities</b>		
In Taka	30 June 2024	30 June 2023
Dutch Bangla Bank PLC.	500,134,343	-
	<b>500,134,343</b>	<b>-</b>

**19 Short term loan**

In Taka	30 June 2024	30 June 2023
Pubali Bank PLC.	500,000,000	-
HSBC	1,059,183,427	-
Bank Asia PLC.	293,607,940	-
Brac Bank PLC.	1,682,519,672	-
Dhaka Bank PLC.	500,000,000	-
	<b>4,035,311,039</b>	<b>-</b>

Due to the amalgamation of UEL, UAnPL and UJPL short term loan balance has significantly increased.



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

**18.1 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:

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

**19.1 Short term loan (STL) facility**

Nature of loan	Lender	Limit	Interest	Plant	Tenure	Year of maturity	Repayment terms
STL	Dhaka Bank PLC	BDT 50 crore	13.40%	Jamalpur Plant	Six months	2024	30.09.2024
STL	HSBC	BDT 34 crore	13.40%	Jamalpur Plant	1 year	2025	31.05.2025
STL	Standard Chartered Bank	200 Crore	13.40%	Anwara plant	4 months	2024	08.31.2024
STL	HSBC	50 Crore	13.40%	Anwara plant	12 months	2025	07.05.2025
STL	Bank Asia PLC	235 Crore	13.40%	Anwara plant	6 months	2024	23.12.2024
STL	Prime Bank PLC	150 Crore	13.40%	Anwara plant	6 months	2024	29.10.2024
STL	Brac Bank PLC	60 crore	13.40%	Jamalpur plant	6 months	2024	27.10.2024
		5 Crore		Anwara plant	O/D	N/A	N/A

The STL is secured by:

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



**20 Security money received**  
See accounting policy in Note 55C

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
	15,700,000	15,700,000

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.

**21 Lease Liability**  
See accounting policy in Note 55R

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
Balance at	22,545,442	24,677,455

**21.1 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>

**21.2 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
	22,545,441	24,677,455

**22 Trade and other payables**  
See accounting policy in Note 55C

In Taka	Note	30 June 2024	30 June 2023
Trade payables	22.1	6,311,398,301	239,070,898
Other payables	22.2	371,205,218	60,352,268
		6,682,603,519	299,423,166

Due to the amalgamation of UEL, UAnPL and UJPL payable balance with UPGDCL the balance has significantly increased.

**22.1 Trade payables**

In Taka	30 June 2024	30 June 2023
Gas bill	2,189,920,003	239,070,898
Liabilities for HFO purchase	4,121,478,298	-
	6,311,398,301	239,070,898



**22.2 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	5,742,571
Audit fee	632,500	-
TDS payable	11,209	-
VAT Payable	155,831	-
Bergen Engines Bangladesh Pvt.Ltd.	810,000	810,000
Baraka Patenga Power Limited	166,675	-
LC Liability-HSBC	129,812,111	36,648,017
LC Liability-Dhaka Bank PLC	39,981,387	-
Amalgamation consideration payable	-	-
Dividend Payable	-	-
Liabilities for import materials	76,023,093	-
Security money deposit	693,000	-
	<b>371,205,218</b>	<b>60,352,268</b>

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

**23 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>12,944,122</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 1,31,20,898.

**24 Accrued expenses**

See accounting policy in Note 55C

In Taka	30 June 2024	30 June 2023
Service charge on gas bill	26,106,283	23,907,090
VAT payable	1,572,476	4,968,549
Other operating expenses	41,716,265	16,767,140
Directors' remuneration	1,800,000	1,000,000
Audit fees	1,845,000	1,035,000
Utility bill	1,855,714	691,153
Security expenses	399,267	211,583
Medical expenses	70,800	50,970
Welfare fund	23,600	16,985
Environmental expenses	-	16,200
Liabilities against import	-	-
O&M expense	3,042,083	-
TDS	-	66,025
	<b>78,431,488</b>	<b>48,730,694</b>



**25 Payable to related parties**  
See accounting policy in Note 55C

In Taka	30 June 2024	30 June 2023
United Engineering & Power Services Ltd	2,340,800	2,340,800
United Ashuganj Energy Ltd	25,527,444	27,299,124
United Energy Ltd	-	1,244,351
United Power generation & Distribution Company Ltd.	-	-
United Anwara Power Ltd.	-	1,564,758
United Jamalpur Power Ltd.	-	90,282
Leviathan Global BD Limited	502	502
United Enterprises & Co. Ltd	18,325,229,683	-
United Mymensingh Power Ltd	616,068	-
United Payra Power Ltd.	13,733	13,733
Neptune Land Development Ltd.	-	-
	<b>18,353,728,229</b>	<b>32,553,551</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 demad and no interest has been charged. Detailed disclosure on Related Party transactions are shown in Note 40B. In addition, amalgamated entities (UEL, UAnPL, UJPL) have taken loan from related parties to support funding need which are included above.

**26 Current tax liabilities**  
See accounting policy in Note 55I

In Taka	30 June 2024	30 June 2023
	Amalgamated with UEL, UAnPL, UJPL	Separate
Opening balance	-	-
Opening balance added on amalgamation	4,079,291	-
Provision during the year	6,811,375	-
Claim as per completion of assessment for FY 22-23	85,181	-
Adjustment for completion of assessments	(4,020,458)	-
Paid during the period	(357,270)	-
	<b>6,598,120</b>	<b>-</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 plants tax exemption period have 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 as the companies have 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 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 power plant, Anwara 300 MW power plant and Jamalpur 115 MW power plant will expire on 2028, 2034, 2034 respectively. However provision has been made on the non-business income.



**27 Revenue**  
See accounting policy in Note 55E

In Taka	Note	30 June 2024	30 June 2023
		Total	Separate
Electricity supply	27.1	29,948,296,775	5,479,637,010
Steam supply	27.2	239,427,075	116,908,902
		<b>30,187,723,850</b>	<b>5,596,545,912</b>

**27.1 Electricity supply**

In Taka	30 June 2024	30 June 2023
	Total	Separate
Bangladesh Power Devt. Board (BPDB)	23,255,538,350	460,394,023
Bangladesh Exp. Proce. Zone Auth.(BEPZA)	4,581,973,924	3,881,813,482
Bangladesh Rural Elect. Board (BREB)	704,043,932	121,503,049
Private customers	1,406,740,569	1,015,926,456
	<b>29,948,296,775</b>	<b>5,479,637,010</b>

**Break up of revenue from electricity supply**

In Taka	30 June 2024	30 June 2023
	Total	Separate
Capacity payment	7,372,873,802	-
Fuel payment	13,860,295,568	-
Energy payment	7,737,128,873	-
Supplimental Bill	835,925,202	-
True-up Bill	142,073,331	-
Deferred income	-	-
	<b>29,948,296,775</b>	<b>-</b>

**27.2 Steam supply**

In Taka	30 June 2024	30 June 2023
	Total	Separate
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>239,427,075</b>	<b>116,908,902</b>



**28 Cost of sales**

In Taka	30 June 2024	30 June 2023
	Total	Separate
Fuel and energy	18,308,150,184	2,668,928,860
Spare parts and lube oil	1,106,163,364	430,669,070
Depreciation	2,246,115,036	369,021,222
Minimum load charge	47,002,555	87,321,523
Direct overhead	293,906,738	129,374,665
VAT Expenses	10,601,480	56,691,940
Repair and maintenance	128,073,143	60,708,088
Distribution Expenses	11,000	-
Entertainment	6,115,152	2,036,565
Utility bill	34,707,732	15,920,225
License & Other Fees	450,970	-
Rent, rates and taxes	920,002	-
Security expense	9,259,957	4,151,922
Carrying charge	1,830,535	1,491,240
Travelling and conveyance	417,653	578,417
Wages	366,942	894,803
Vehicle running and maintenance	5,796,120	3,934,364
Environmental expenses	1,395,900	393,454
Electricity Bill	3,714,147	-
Printing and stationery	1,980,562	330,439
Site office expense	4,122,026	1,782,598
Telephone, mobile and internet	642,764	245,400
Worker welfare fund	289,142	248,734
Postage and courier	130,234	69,090
Automation and IP expense	104,920	102,600
Insurance premium	26,414,948	14,837,475
Gardening and beautification	165,168	-
Amortisation of right of use assets	1,462,892	1,462,892
Safety material	3,562,579	-
Medical Fees	871,416	746,202
HFO storage rent	10,867,514	-
HFO cargo inspection cost	17,397	-
HFO Transportation Cost	103,247,763	-
BERC License and others	634,417	323,991
Gift donation and other	20,000	-
Computer Maintenance	63,083	-
	<b>22,359,595,434</b>	<b>3,852,265,779</b>

28.1 The Company signed agreements for all its operation, maintenance and management (O&M) services with 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.





**29 General and administrative expenses**

In Taka	30 June 2024	30 June 2023
	Total	Separate
Directors' remuneration	26,943,750	26,005,500
Office maintenance	-	18,542
Advertisement	5,013,653	6,813,318
Depreciation	22,688,031	3,727,487
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	1,839,499
Office rent	180,000	180,000
Office expenses	23,050	-
Board meeting fees	1,656,000	2,208,000
Consultancy fees	1,325,996	1,550,414
Auditor's fee	1,725,000	1,035,000
Entertainment	909,431	654,403
Environmental expenses	101,019	-
Traveling and conveyance	1,779,055	968,455
Postage, telephone and telex	20,896	45,211
Printing and stationery	700,700	1,242,715
License, fees and others	1,492,911	1,504,529
Overseas travelling	-	107,093
RJSC expenses	217,902	75,013
IRC expenses	163,302	-
CDBL and listing fee	1,306,000	1,412,000
Legal expense	425,136	415,000
Royalty fees	900,000	-
Damaged inventory	28,356	-
EGM Expenses	-	344,750
Software expenses	-	224,700
BERC Licenses	1,775,029	-
Amortisation of right of use assets- Office rent	1,012,156	1,012,154
Training fees	30,983	-
	<b>249,127,804</b>	<b>359,961,682</b>

**30 Other income**

In Taka	30 June 2024	30 June 2023
	Total	Separate
Scrap sale	26,018,646	46,272,133
Sale of used lube oil and drums	4,970,069	25,658,898
Realised Foreign Exchange gain/(loss)	(6,004,542)	(423,181)
Realised gain/(loss) from marketable securities	-	23,966,214
Insurance claim on disposal of fixed assets	19,833,045	89,332,181
Unrealised gain/(loss) from marketable securities	(16,529)	(34,175,704)
Dividend income from marketable securities	2,929,031	3,626,400
	<b>47,729,721</b>	<b>154,256,942</b>



31 Dividend from subsidiary company	30 June 2024		30 June 2023	
	In Taka	Total	Separate	
United Ashuganj Energy Limited		1,850,204,505	11,261,250,000	
		1,850,204,505	11,261,250,000	

32 **Finance income**  
See accounting policy in Note 55L

In Taka	30 June 2024		30 June 2023	
		Total	Separate	
Interest on related party loan		756,220,074	528,816,863	
Interest on short term deposits		16,272,325	12,033,542	
Interest income on bank balance and fixed deposits		5,773,904	-	
		778,266,303	540,850,405	

33 **Foreign exchange loss**  
See accounting policy in Note 55H

In Taka	30 June 2024		30 June 2023	
		Total	Separate	
Foreign exchange loss - realised		(512,963,840)	-	
Foreign exchange gain/(loss) - unrealised		(124,071,529)	-	
Foreign ex. gain/(loss) on USD A/C- realised		(2,002,685)	-	
		(639,038,054)	-	

34 **Finance expense**  
See accounting policy in Note 55L

In Taka	30 June 2024		30 June 2023	
		Total	Separate	
Interest on short term & Long term loan		759,639,136	-	
Bank charges and others		43,966,121	-	
Interest on leasehold land		1,442,291	1,690,338	
Interest on UPAS LC		478,016,378	-	
		1,283,063,926	1,690,338	

35 **Income tax expenses**

In Taka	30 June 2024		30 June 2023	
		Total	Separate	
Current year expenses (See Note:35.1)		6,811,375	-	
Claim paid as per completion of assessment for FY 22-23		85,181	-	
Adjustment for completion of assessment for FY 22-23		4,859,248	-	
		11,755,804	-	

35.1 **Effective tax rate calculation**

Finance income	5,773,903	-
Other income*	21,471,598	-
<b>Total income</b>	<b>27,245,501</b>	<b>-</b>
Tax rate	25%	-
<b>Income tax expense</b>	<b>6,811,375</b>	<b>-</b>

\* Other income includes scrap sales of Energy Power Plant (Sylhet) and Anwara Power Plant (Note: 30)



36 **Earnings per share**  
See accounting policy in Note 550

36.1 **Earnings per share**

In Taka	30 June 2024	30 June 2023
	Amalgamated with UEL, UAnPL, UJPL	Separate
Profit attributable to the ordinary shareholders	8,321,343,358	13,338,985,460
Weighted average number of shares outstanding	579,695,270	579,695,270
<b>Earnings per share</b>	<b>14.35</b>	<b>23.01</b>

37 **Net asset value per share**

	30 June 2024	30 June 2023
Net assets	32,629,514,547	33,894,134,252
Weighted average number of shares outstanding	579,695,270	579,695,270
<b>Net asset value per share</b>	<b>56.29</b>	<b>58.47</b>

38 **Net operating cash flow per share**

	30 June 2024	30 June 2023
Net cash generated from operating activities	(1,774,399,649)	2,118,762,772
Weighted average number of shares outstanding (Basic)	579,695,270	579,695,270
<b>Net operating cashflow per share</b>	<b>(3.06)</b>	<b>3.65</b>

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

In Taka	30 June 2024	30 June 2023
	Amalgamated with UEL, UAnPL, UJPL	Separate
<b>Profit for the year</b>	<b>8,321,343,358</b>	<b>13,338,985,460</b>
<b>Adjustment for:</b>	-	-
Depreciation	2,268,803,066	372,748,709
Trade receivable adjustment through Bond	(16,631,968,000)	-
Amortisation of lease rent	2,475,048	2,475,046
Realised gain from marketable securities	-	10,209,490
Unrealised (gain)/loss from marketable securities	16,529	34,175,704
Foreign exchange (gain)/loss - realised	-	-
Interest on related party loan	(756,220,074)	(528,816,863)
Insurance Claim received	(19,833,045)	(89,332,181)
Dividend income from subsidiaries	(1,850,204,506)	(11,261,250,000)
Bad debt expenses	169,465,359	306,072,068
	-	-
<b>Changes in:</b>	-	-
Inventories	(1,570,335,930)	(156,860,195)
Trade and other receivables	7,280,529,861	(48,582,993)
Advances, deposits and prepayments	(169,916,088)	(6,416,827)
Trade and other payables	1,169,793,100	125,776,419
Accrued expenses	9,132,848	19,578,935
Provision for tax	2,518,829	-
<b>Net cash generated from operating activities</b>	<b>(1,774,399,647)</b>	<b>2,118,762,772</b>



## 40 Related party transactions

During the year, the Company 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 Company.

#### 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	2,208,000
	28,599,750	28,213,500
b) Post employment benefit	-	-
c) Other long-term benefit	-	-
d) Termination benefit	-	-
e) Share-based payment	-	-
	28,599,750	28,213,500

### B Other related party transactions

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

	Transaction value during the year 30 June		Receivable/ (Payable) Balance	
	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>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>Purchase of Goods</b>				
United Energy Trading Pte. Ltd.	11,221,992,933	13,958,394,202	-	-
<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 Ltd	-	-	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)	-	-

#### 41 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	-	-	-	-	-	6,682,603,519	6,682,603,519	-	-	-	-
Accrued expenses	24	-	-	-	-	-	78,431,488	78,431,488	-	-	-	-
Payable to related parties	25	-	-	-	-	-	18,353,728,229	18,353,728,229	-	-	-	-
		-	-	-	-	-	29,832,709,629	29,832,709,629	-	-	-	-
<b>30 June 2023</b>												
In Taka	Note	Fair value- hedging	Mandatorily at FVTPL –	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	-	-	-	-

## 42 Financial risk management

The Company 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 Company'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 Company. 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company'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
		Amalgamated with UEL, UAnPL, UJPL	Separate
Trade and other receivables	9	7,638,148,438	1,008,167,609
Receivable from related parties	10	17,941,460,649	18,643,558,535
Investment in marketable securities	12	137,859,576	137,876,106
Cash and cash equivalents (excluding cash in hand)	13	680,006,343	692,260,049
		26,397,475,006	20,481,862,299

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

In Taka	30 June 2024	30 June 2023
	Amalgamated with UEL, UAnPL, UJPL	Separate
Not past due	2,599,423,927	579,716,407
Past due 0-30 days	2,372,102,761	73,293,371
Past due 31-60 days	774,029,662	87,173,115
Past due 61-90 days	842,682,406	37,108,321
Past due 91-120 days	502,392,974	16,446,233
Past due 121-365 days	418,744,334	138,692,189
Past due 365+ days	128,772,373	75,737,974
	7,638,148,438	1,008,167,610

### B Liquidity risk

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

Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on 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 - non-current portion	18	666,935,354	666,935,354	250,067,172	416,868,183
Short term loan	19	4,035,311,039	4,035,311,039	2,017,655,519	2,017,655,519
Trade and other payables	22	6,682,603,519	6,682,603,519	6,682,603,519	-
Accrued expenses	24	78,431,488	78,431,488	78,431,488	-
Payable to related parties	25	18,353,728,229	18,353,728,229	18,353,728,229	-
		29,817,009,629	29,817,009,629	27,382,485,927	2,434,523,702
<b>Derivative financial liabilities</b>		-	-	-	-
		29,817,009,629	29,817,009,629	27,382,485,927	2,434,523,702

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	18	-	-	-	-
Short term loan	19	299,423,166	299,423,166	299,423,166	-
Trade and other payables	22	48,730,694	48,730,694	48,730,694	-
Accrued expenses	24	12,944,122	12,944,122	12,944,122	-
Payable to related party	25	32,553,550	32,553,550	32,553,550	-
		393,651,532	393,651,532	393,651,532	-
<b>Derivative financial liabilities</b>		-	-	-	-
		393,651,532	393,651,532	393,651,532	-

## C Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its 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 Company's is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies.

#### Exposure to currency risk

The Company'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	10,482.88	152.76	10,510	153
Share application money	(10,483)	(153)	(10,540)	(153)
Net exposure	-	-	(30)	-



## 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 Company's interest-bearing financial instruments as at statement of financial position date is as follows:

In Taka	Note	Nominal Amount	
		30 June 2024	30 June 2023
		Amalgamated with UEL, UAnPL, UJPL	Separate
<b>Fixed rate instruments</b>			
Financial assets			
Receivable from related parties	10	17,941,460,649	18,643,558,535
Financial liabilities			
Payable to related parties	25	18,353,728,229	32,553,551
<b>Variable rate instruments</b>			
Financial liabilities			
Long term loan - non-current portion	18	666,935,354	-
		<b>36,962,124,232</b>	<b>18,676,112,086</b>

## 43 Operational risk

Operational risk constitutes the ability of the Company'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 Company. 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 Company are covered under the separate insurance agreements between Pragati Insurance Company Limited to compensate for all the potential damages caused in such situations.

## 44 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
	Amalgamated with UEL, UAnPL, UJPL	Separate
Service charge deducted by BEPZA ordered to return to the Company	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.

## 45 Commitments

The Company had the following outstanding letters of credit (LC) as at 30 June 2024 amounting to USD 28,398,781 and EUR 1,697,400 against which it is committed to purchase of HFO, spare parts, lube oil etc.





**46 Contingent liabilities**

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

**United Power Generation & Distribution Company Ltd**

<b>Beneficiary</b>	<b>Expiry date</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
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

- 46.2 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

- a) 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.

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.

**47 Bank facilities**

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

**30 June 2024**

**United Power Generation & Distribution Company Ltd**

<b>Name of the bank</b>	<b>Letter of credit - limit</b>	<b>Loan against Trust Receipt - limit</b>	<b>STL &amp; LTL</b>	<b>Overdraft limit</b>	<b>Bank guarantee facilities - limit</b>
Dhaka Bank PLC.	2,633,000,000	800,000,000	-	150,000,000	841,540,000
HSBC	5,133,000,000	3,592,000,000	-	51,000,000	-
Standard Chartered Bank	8,575,000,000	5,000,000,000	-	-	-
Pubali Bank PLC.	2,100,000,000	500,000,000	-	-	-
Bank Asia PLC.	2,125,000,000	700,000,000	-	-	-
Dutch Bangla Bank PLC.	-	-	1,000,000,000	-	-
Brac Bank PLC.	3,500,000,000	1,000,000,000	-	50,000,000	-
Eastern Bank PLC.	1,000,000,000	1,000,000,000	-	-	-
<b>Total</b>	<b>25,066,000,000</b>	<b>12,592,000,000</b>	<b>1,000,000,000</b>	<b>251,000,000</b>	<b>841,540,000</b>

**48 Expenditure in equivalent foreign currency**

<b>In Taka</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Foreign travel for business purpose	-	107,093
	-	107,093



**49 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>	

**50 Number of employees**

The Company has no employees. Operation and maintenance activities are managed by 175 personnel for UPGDCL, 32 personnel for UEL, 71 personnel for UJPL and 127 personnel for UAnPL provided by United Engineering and Power Services Ltd under separate O&M contracts.

**51 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 it's 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.

**52 Events after the reporting period**

Events after the reporting period that provide additional information about the Company'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 period 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 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.

In accordance with IAS 10: Events after the Reporting Period, the proposed final dividend is not recognised in the statement of financial position.

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

**53 Going concern**

The Company 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 Company provide sufficient fund to meet the present requirements of its existing business.

**54 Basis of measurement**

The 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.



**55 Material accounting policies**

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

**A 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 Company 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



	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 unites 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.

#### **B 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.

#### **C 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 Company 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 Company 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 Company 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 Company 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 company 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 Company'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 Company 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 Company 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 Company 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 Company becomes a party to the contractual provisions of the liability.

The Company 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 Company 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.

**D 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**

An asset is impaired when its carrying amount exceeds its recoverable amount. The Company assesses yearly whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss, if and only the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in the statement of comprehensive income.

**E 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.

**F Provisions**

A provision is recognised in the statement of financial position when the Company 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.

**G 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.

**H 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.

**I 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 Company 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 Company 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

**(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.



**J 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 Company 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 Company.

**K 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.

**L 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 Company's finance cost includes interest expense which is recognised at amortised cost.

**M 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.

**N 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.

**O 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 Company by the weighted average number of ordinary shares outstanding during the period.

**P 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.

**Q 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.



**R Leases**

**i) The Company as a lessee**

The Company 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 Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company 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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company 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 Company 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 Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company 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 Company allocates the consideration in the contract to each lease component on the basis of their relative stand alone prices.

When the Company 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 Company 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 Company 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 Company applies IFRS 15 to allocate the consideration in the contract.

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

**S 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 Group.

- 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.

