

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

Un-audited Consolidated financial statements
as at and for the period ended 31 March 2021


United Power Generation & Distribution Company Ltd.
Un-audited Consolidated statement of financial position

In Taka	Note	31 March 2021		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Assets					
Property, plant and equipment	5	41,365,168,663	7,778,150,290	19,097,479,899	8,021,031,738
Capital Work In Progress (CWIP)	6	1,701,740,348		1,615,721,811	-
Right of use assets	7	207,866,451	23,650,045	224,133,730	24,747,212
Investment in subsidiary	8	-	5,317,935,192	-	3,297,000
Non-current assets		43,274,775,462	13,119,735,527	20,937,335,440	8,049,075,950
Current assets					
Inventories	9	3,380,838,334	636,575,105	1,331,234,455	734,840,489
Trade and other receivables	10	8,732,703,405	1,221,841,522	2,726,449,063	1,407,646,707
Receivable from related party	11	6,006,498,603	3,931,338,730	10,417,707,665	5,176,876,020
Advances, deposits and prepayments	12	157,826,675	75,377,949	139,556,570	71,814,584
Investment in marketable securities	13	147,556,935	147,556,935	92,817,221	92,817,221
Advance income tax	14	18,881,093	-	15,459,522	-
Cash and cash equivalents	15	221,359,407	79,545,502	417,010,048	323,879,180
Current assets		18,665,664,452	6,092,235,743	15,140,234,544	7,807,874,201
Total assets		61,940,439,914	19,211,971,270	36,077,569,984	15,856,950,151
Equity					
Share capital	16	5,796,952,700	5,796,952,700	5,269,957,000	5,269,957,000
Share premium	17	2,046,000,000	2,046,000,000	2,046,000,000	2,046,000,000
Revaluation reserve	18	56,955,288	-	57,459,283	-
Retained earnings	19	22,359,520,001	11,113,069,589	21,933,085,610	8,305,986,678
Equity attributable to the owners of the Company		30,259,427,989	18,956,022,289	29,306,501,893	15,621,943,678
Non-controlling interests	20	584,918,669	-	544,709,204	-
Total equity		30,844,346,658	18,956,022,289	29,851,211,097	15,621,943,678
Liabilities					
Preference Share Capital	21	1,500,000,000	-	-	-
Borrowings	22	6,495,833,536	-	4,081,869,702	-
Security money received	23	700,000	700,000	700,000	700,000
Land lease Liability	24	24,006,967	24,006,967	24,449,893	24,449,893
Non-current liabilities		8,020,540,503	24,706,967	4,107,019,595	25,149,893
Current liabilities					
Deferred revenue	25	263,191,682	-	263,191,682	-
Trade and other payables	26	5,486,309,582	188,713,436	266,775,089	156,313,540
Accrued expenses	27	46,329,758	24,036,669	25,688,770	18,988,856
Borrowings	22	4,898,298,017	-	782,948,179	-
Land lease Liability	24	674,332	674,332	905,739	905,739
Payable to related party	28	12,348,776,379	17,817,577	750,470,660	33,648,445
Current Tax liability	29	31,973,004	-	29,359,173	-
Current liabilities		23,075,552,753	231,242,014	2,119,339,292	209,856,580
Total liabilities		31,096,093,256	255,948,981	6,226,358,887	235,006,473
Total equity and liabilities		61,940,439,914	19,211,971,270	36,077,569,984	15,856,950,151

The annexed notes 1 to 57 form an integral part of these financial statements.


 Company Secretary & CFO


 Director


 Managing Director


 Chairman

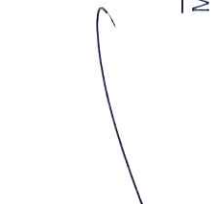
United Power Generation & Distribution Company Ltd.
Un-audited Consolidated statement of profit or loss and other comprehensive income

In Taka	Note	For the nine months ended				For the third quarter ended			
		July 2020 to March 2021		July 2019 to March 2020		January 21 to March 21		January 20 to March 20	
		Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Revenue	30	24,853,714,592	5,054,711,734	8,024,370,148	4,900,635,566	8,674,268,430	1,634,596,639	2,593,471,767	1,587,617,655
Cost of sales	31	(15,482,957,140)	(1,787,383,928)	(3,268,595,286)	(1,800,760,743)	(5,271,086,103)	(534,374,488)	(1,029,320,982)	(552,139,383)
Gross profit		9,370,757,452	3,267,327,806	4,755,774,862	3,099,874,823	3,403,182,327	1,100,222,151	1,564,150,785	1,035,478,272
General and administrative expense	32	(78,148,872)	(49,665,805)	(54,776,577)	(44,907,726)	(36,662,635)	(24,366,343)	(18,011,277)	(15,778,530)
Other income	33	102,914,148	7,527,892,728	29,969,488	29,940,508	(7,715,977)	7,417,274,672	3,885,705	3,885,705
Operating profit		9,395,522,728	10,745,554,729	4,730,967,773	3,084,907,605	3,358,803,715	8,493,130,480	1,550,025,213	1,023,585,447
Finance income	34	237,659,942	231,067,630	416,687,233	402,254,451	32,612,273	30,565,247	76,956,179	76,955,115
Foreign exchange gain/(loss)	35	(77,854)	297	(19,109,393)	-	73,799	98	(1,266,244)	-
Finance expense	36	(853,433,358)	(1,106,395)	(298,797,522)	-	(226,730,306)	(365,516)	(42,385,634)	-
Profit before tax		8,779,671,459	10,975,516,261	4,829,748,091	3,487,162,056	3,164,759,482	8,523,330,309	1,583,329,514	1,100,540,562
Income tax expense	37	(2,149,463)	-	(5,061,616)	-	(668,322)	-	(2,903)	-
Profit for the year		8,777,521,997	10,975,516,261	4,824,686,475	3,487,162,056	3,164,091,159	8,523,330,309	1,583,326,611	1,100,540,562
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		8,777,521,997	10,975,516,261	4,824,686,475	3,487,162,056	3,164,091,159	8,523,330,309	1,583,326,611	1,100,540,562
Total comprehensive income attributable to:									
Owners of the Company		8,594,363,746	-	4,713,462,820	-	3,090,113,474	-	1,542,338,695	-
Non-controlling interests	20	183,158,251	-	111,223,655	-	73,977,685	-	40,987,916	-
Total comprehensive income		8,777,521,997	-	4,824,686,475	-	3,164,091,159	-	1,583,326,611	-

Earnings per share (Basic)	38	14.83	18.93	8.13	6.02	5.33	14.70	2.66	1.90
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The annexed notes 1 to 57 form an integral part of these financial statements.


 Company Secretary & CFO


 Director


 Managing Director


 Chairman

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

In Taka	For the period ended 31 March 2021				
	Attributable to the owners of the Company				
	Share capital	Share premium	Retained earnings	Revaluation reserve	Minority Interest
Balance at 1 July 2020	5,269,957,000	2,046,000,000	21,933,085,610	57,459,283	544,709,204
Profit for the period	-	-	8,594,363,746	-	183,158,251
Bonus dividend paid during the period	526,995,700	-	(526,995,700)	-	-
Cash dividend for the year 2018-19	-	-	(7,641,437,650)	-	(7,641,437,650)
Dividend from subsidiary company	-	-	503,994	(503,994)	(196,632,000)
Depreciation on revalued assets	-	-	-	-	-
Minority interest added during the period	-	-	-	-	53,683,214
Balance at 31 March 2021	5,796,952,700	2,046,000,000	22,359,520,001	56,955,288	584,918,669
Note	16	17	19	18	20

In Taka	For the period ended 31 March 2020				
	Attributable to the owners of the Company				
	Share capital	Share premium	Retained earnings	Revaluation reserve	Minority Interest
Balance at 1 July 2019	4,790,870,000	2,046,000,000	22,704,577,678	58,131,275	488,158,794
Profit for the period	-	-	4,713,462,819	-	111,223,655
Minority interest added during the period	-	-	-	-	1,000,000
Bonus dividend paid during the period	479,087,000	-	(479,087,000)	-	-
Cash dividend for the year 2018-19	-	-	(6,228,131,000)	-	(6,228,131,000)
Depreciation on revalued assets	-	-	503,994	(503,994)	-
Dividend paid to subsidiary	-	-	-	-	(88,183,200)
Balance at 31 March 2020	5,269,957,000	2,046,000,000	20,711,326,492	57,627,281	512,199,249
Note	16	17	19	18	20

The annexed notes 1 to 57 form an integral part of these financial statements.



Company Secretary & CFO



Director



Managing Director



Chairman

United Power Generation and Distribution Company Limited
Un-audited Statement of changes in equity

In Taka	For the nine month ended 31 March 2020			
	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 July 2020	5,269,957,000	2,046,000,000	8,305,986,678	15,621,943,678
Total comprehensive income				
Profit for the period	-	-	10,975,516,261	10,975,516,261
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	10,975,516,261	10,975,516,261
Transactions with owners of the Company				
Contributions and distributions				
Issue of bonus shares	526,995,700	-	(526,995,700)	-
Cash dividend	-	-	(7,641,437,650)	(7,641,437,650)
Total transactions with owners of the Company	526,995,700	-	(8,168,433,350)	(7,641,437,650)
Balance at 31 March 2021	5,796,952,700	2,046,000,000	11,113,069,589	18,956,022,289
Notes	16	17	19	

In Taka	For the nine ended 31 March 2020			
	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 July 2019	4,790,870,000	2,046,000,000	10,664,437,759	17,501,307,759
Total comprehensive income				
Profit for the period	-	-	3,487,162,055	3,487,162,055
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	3,487,162,055	3,487,162,055
Transactions with owners of the Company				
Contributions and distributions				
Issue of bonus shares	479,087,000	-	(479,087,000)	-
Cash dividend	-	-	(6,228,131,000)	(6,228,131,000)
Total transactions with owners of the Company	479,087,000	-	(6,707,218,000)	(6,228,131,000)
Balance at 31 March 2020	5,269,957,000	2,046,000,000	7,444,381,814	14,760,338,814
Notes	16	17	19	

The annexed notes 1 to 57 form an integral part of these financial statements.

 _____ Company Secretary & CFO	 _____ Director	 _____ Managing Director	 _____ Chairman
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United Power Generation & Distribution Company Ltd.
Un-audited Consolidated statement of cash flows

<i>In Taka</i>	For the nine months ended			
	July 2120 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Cash flows from operating activities				
Cash received from customers	22,866,655,767	5,242,145,167	8,505,701,314	4,863,411,852
Cash received from other sources	92,654,130	86,040,398	44,394,726	29,747,952
Cash paid to suppliers and others	(12,396,607,658)	(1,467,990,861)	(2,403,801,641)	(1,729,899,455)
Tax paid	(1,983,651)		(4,051,136)	-
Financial charges paid	(852,237,026)	(1,106,395)	(298,916,147)	-
Net cash generated from operating activities	9,708,481,562	3,859,088,309	5,843,327,116	3,163,260,349
Cash flows from investing activities				
Acquisition of property, plant and equipment	(511,579,636)	(30,517,981)	(286,893,375)	(47,819,888)
Investment in subsidiary company	(5,314,638,192)	(5,314,638,192)	(3,000,000)	(3,000,000)
Liabilities for capital machinery	(7,053,213,005)			
Cash received/(paid) for related party loan	5,745,885,260	1,454,948,055	1,816,344,823	2,145,290,386
Insurance claim received	-		41,503,257	41,503,257
Dividend from subsidiary company	7,425,000,000	7,425,000,000		
Investment in marketable securities	-		-	
Net cash generated from/(used in) investing activities	291,454,426	3,534,791,881	1,567,954,705	2,135,973,755
Cash flows from financing activities				
Dividend paid	(18,127,029,418)	(7,637,539,535)	(6,420,205,575)	(6,225,767,575)
Preference Share Capital	1,500,000,000			
Land lease payment	(674,332)	(674,332)	-	-
Cash paid for related party loan	6,327,966,835		-	
Short term loan received/(paid)	(1,452,789,820)			
Long term loan received/(paid)	1,387,948,619	-	(4,138,952,789)	-
Net cash generated from/(used in) financing activities	(10,364,578,116)	(7,638,213,867)	(10,559,158,364)	(6,225,767,575)
Net increase in cash and cash equivalents	(364,642,128)	(244,333,678)	(3,147,876,543)	(926,533,471)
Opening cash and cash equivalents	586,001,535	323,879,180	3,322,180,442	1,009,871,492
Effect of movements in exchange rates on cash held	-		-	
Cash and cash equivalents as at 31 March	221,359,407	79,545,502	174,303,899	83,338,021

The annexed notes 1 to 57 form an integral part of these financial statements.



 Company Secretary & CFO



 Director



 Managing Director



 Chairman

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 Gulshan Center Point, Road No. 90-91, House No. 23-26, Gulshan-2, Dhaka-1212, Bangladesh. 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).

1.2 Investment in subsidiaries

The un-audited consolidated financial statements of the Group as at and for the period ended 31 March 2021 comprise the financial statements of the Company and those of its subsidiaries (together referred to as "the Group").

Subsidiaries

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

1.2.1 United Energy Ltd.

United Energy Ltd. (UEL), (formerly Shajahanullah Power Generation Company Limited) is a public limited company incorporated in Bangladesh. The authorised capital of UEL is Tk. 100,000,000 divided into 10,000,000 ordinary shares of Tk. 10 each. UEL developed a power plant of 28 MW capacity at Sylhet in order to produce and supply electricity. The plant came into commercial operational on 21 October 2013.

UEL also acquired a power plant of 53 MW capacity through amalgamation with United Ashuganj Power Limited (UAPL) from 1 July 2016 in order to produce and supply electricity.

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.

Negotiations for extension of the contract with BPDB are under process and management believes that BPDB will agree to the extension. No electricity is being demanded from the plant by BPDB in the meantime. Necessary market disclosures in this regard were given by the Company on 23 June 2019.

1.2.2 United Ashuganj Energy Ltd.

United Ashuganj Energy Ltd. (UAEL) was incorporated in Bangladesh as a private company limited by shares under Companies Act (Act XVIII) 1994 on 30 January 2013. The authorised share capital of UAEL is Tk. 5,000,000,000 only divided into 500,000,000 ordinary shares of Tk. 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.

1.2.3 Leviathan Global BD Ltd.

Leviathan Global BD Ltd. (LGBDL) is a public limited company, was incorporated in Bangladesh on 23 May 2018 under the Companies Act (#18) 1994 under registration no. C-145026/2018. The authorised share capital of LGBDL is Tk. 1,000,000,000 only divided into 100,000,000 ordinary shares of Tk. 10 each.

Leviathan Global BD Ltd. is a 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 Enterprises & Co. (UECL) respectively. The plant is located at Karnaphuli Export Processing Zone (KEPZ) in Chattogram and will be operated under an agreement with Bangladesh Export Processing Zone Authority (BEPZA).

1.2.4 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 Gulshan Centre Point, Road # 90-91, House#23-26, Gulshan-2, Dhaka. The company shall develop a power plant of capacity of 300 MW 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.

1.2.5 United Jamalpur power Limited

United Jamalpur Power Ltd. (UJPL) (hereinafter referred to as "the Company"), a private limited company, was incorporated in Bangladesh on 20 September 2017 under the Companies Act (#18) 1994 under registration no. C-139126/2017 with its corporate office at Gulshan Center Point, Road No. 90-91, House No. 23-26, Gulshan-2, Dhaka-1212, Bangladesh. The authorized share capital of the Company is Tk. 1,000,000,000 (One Hundred crore) only divided into 100,000,000 (Ten 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 consist 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.

Details of holding structure in subsidiaries are described in Note 55A.

1.3 Nature of the business

The principal activity of the Company 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.

1.4 Power plant

The natural gas fired power plants of Dhaka EPZ and Chattogram EPZ consist of Wartsila and Rolls Royce engine generators with 30 years expected useful life, which forms the major part of the power generation companies.

DEPZ power plant came into commercial operation on 26 December 2008 with a capacity of 41 MW at DEPZ premises. In 2013, the Company increased its capacity from 41 MW to 86 MW and installed 2 heat recovery boilers to produce 8 ton/h of steam for sale to other customers. At DEPZ, there are four gas fired engines with a capacity of 8.73 MW each, five gas fired engines with a capacity of 9.34 MW each and two gas fired engines with a capacity of 2 MW each for generation of electricity. In 2021, the company disposed two gas fired MTU engines with a capacity of 2 MW. At present total install capacity of DEPZ power plant is 82 MW.

CEPZ power plant came into commercial operation on 12 August 2009 with a capacity of 44 MW at CEPZ premises. In 2013, the Company increased its capacity from 44 MW to 72 MW and installed 3 heat recovery boilers to produce 12 ton/h of steam for sale to other customers. At CEPZ, there are five gas fired engines with a capacity of 8.73 MW each and three gas fired engines with a capacity of 9.34 MW each.

The principal activity of the Group is to generate and supply electricity. Operational details of the Group are as follows:

Name of entity	Location	Plant capacity (MW)	Fuel Component	Commercial Operation Date (COD)	End of Contract year
United Power Generation & Distribution Company Ltd.	DEPZ	82	Gas	26 December 2008	2038
	CEPZ	72	Gas	12 August 2009	2039
United Energy Ltd	Ashuganj	53	Gas	22 June 2011	Expired. Negotiation in Progress.
	Sylhet	28	Gas	21 October 2013	2043
United Ashuganj Energy Ltd	Ashuganj	195	Gas	8 May 2015	2030
Leviathan Global BD Ltd.	KEPZ	50	Gas	-	2048
United Anwara Power Limited	Anwara	300	HFO	22-Jun-19	2034
United Jamalpur Power Limited	Jamalpur	115	HFO	21-Feb-19	2034

2 Basis of accounting

2.1 Statement of compliance

The un-audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Details of the Group's accounting policies are included in Note 55.

2.2 Date of authorisation

The un-audited consolidated financial statements were authorised for issue by the Board of Directors on 03 May 2021

2.3 Reporting period

The current financial period of the Group covers nine months from 1 July 2020 to 31 March 2021.

3 Functional and presentation currency

These un-audited consolidated financial statements have been presented in Bangladeshi Taka (Taka/Tk/BDT), which is both the functional and presentation currency of the Group. 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 un-audited consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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 2020 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 5 and 55B	Property, plant and equipment
Note 9 and 55C	Inventories
Note 10 and 55D	Trade and other receivables
Note 29 and 55J	Current Tax liability
Note 46, 48, and 55H	Contingent assets and Contingent liabilities

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

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

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

4.2 Changes in significant accounting policies

The following lists shows the recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning on or after 1 July 2019:

- IFRS 16: *Leases*
- Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23: *Uncertainty over Tax Treatments*
- Amendments to IFRS 9: *Financial Instruments* on prepayment features with negative compensation
- Amendments to IAS 28: *Investments in Associates and Joint Ventures* on long-term interests in associates and joint ventures
- Amendments to IAS 19: *Employee Benefits* on plan amendment, curtailment or settlement
- Amendments to various standards based on the Annual Improvements to IFRSs 2015-2017 Cycle

The group initially adopted IFRS 16: *Leases* (hereafter "IFRS 16") on 1 July 2019. The other new and amended standards and the interpretation to a standard listed above do not have any material effect on the Company's financial statements.

The effects of the adoption of IFRS 16 on the group's financial statements are explained below:

IFRS 16

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 supersedes IAS 17: *Leases*, IFRIC 4: *Determining whether an Arrangement contains a Lease*, SIC 15: *Operating Leases – Incentives*, and SIC 27: *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. It changed the accounting of leases previously classified as operating leases under IAS 17, which were off balance sheet. Under IAS 17, operating leases were expensed on a straight-line basis over the term of the lease, and assets and liabilities were recognised only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under IFRS 16, a lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

There are recognition exemptions for short-term leases and leases of low-value items (practical expedients). In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17; i.e. lessors continue to classify leases as finance or operating leases.

Impact on lessee accounting

The group has chosen to apply the modified retrospective approach, under which the cumulative effect of initial application is not recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for the year ended on 30 June 2019 is not restated, i.e. it is presented as previously reported under IAS 17.

On initial application of IFRS 16, for all leases, except for those that the practical expedient was applied (see below), the Company has:

- Recognised right of use assets in the statement of financial position by reclassifying Prepaid lease rent;
- Recognised depreciation of right of use assets in the statement of profit or loss.

Under IFRS 16, the Group applied the practical expedient to grandfather the definition of a lease on transition. This means that:

- all contracts entered into before 1 July 2019 that were not identified as leases in accordance with IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 July 2019;
- for any leases with unexpired lease term on initial application date of less than 12 months or any leases relating to low value items, the Company elected to use the short-term lease exemption; and
- the initial direct costs arising from the measurement of right-of-use asset at the date of initial application were excluded.
- The Group's right of use assets were measured by reclassifying prepaid lease rent.
- The impact of IFRS 16 on the statement of profit or loss was to replace the operating lease expenses (or rent expense) with a depreciation of right-of-use assets, with the exception of short-term leases and leases of low-value assets. The financial impact of these changes on the results of the Company for the year compared to those of the prior year was not significant.
- IFRS 16 doesn't have any material impact on the statement of cash flows.

Impact on lessor accounting

The Group leases out its power plant assets. The Group has classified these leases as operating leases. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The Group is showing capacity revenue received from BPDB by straightlining the non-escalable portion, from 1 July 2019, over remaining PPA life.

The Group has applied IFRS 15: *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

Notes to the Un-audited consolidated financial statements (Continued)

5 Property, plant and equipment

See accounting policy in Note 55B

Reconciliation of carrying amount

<i>In Taka</i>	Plant and machinery	Gas line	Building and civil construction	Land and development	Office equipment	Furniture and fixture	Motor vehicle	Total
Cost								
Balance at 1 July 2019	26,661,217,004	482,305,512	751,030,070	279,952,125	16,133,177	12,059,402	95,518,715	28,298,216,004
Additions	197,634,750	1,410,533	1,753,625	-	888,397	153,956	-	201,841,262
Disposals/transfers	(48,140,896)	-	-	-	-	-	-	(48,140,896)
Balance at 30 June 2020	26,810,710,859	483,716,045	752,783,695	279,952,125	17,021,574	12,213,358	95,518,715	28,451,916,370
Balance at 1 July 2020	26,810,710,859	483,716,045	752,783,695	279,952,125	17,021,574	12,213,358	95,518,715	28,451,916,370
Additions	23,607,460,133	-	1,935,599,571	41,976,954	9,476,654	3,863,081	91,578,329	25,689,954,722
Disposals/transfers	(72,451,747)	-	-	-	-	-	-	(72,451,747)
Balance at 31 March 2021	50,345,719,244	483,716,045	2,688,383,266	321,929,079	26,498,228	16,076,439	187,097,044	54,069,419,345
Accumulated depreciation								
Balance at 1 July 2019	7,539,060,188	122,052,068	225,564,093	117,627,277	13,660,144	5,975,019	32,193,764	8,056,132,554
Depreciation for the period	1,238,503,937	14,829,465	40,633,959	9,387,678	909,499	1,210,834	9,126,646	1,314,602,019
Adjustment for disposal/transfers	(16,298,100)	-	-	-	-	-	-	(16,298,100)
Balance at 30 June 2020	8,761,266,026	136,881,533	266,198,052	127,014,955	14,569,643	7,185,853	41,320,411	9,354,436,473
Balance at 1 July 2020	8,761,266,026	136,881,533	266,198,052	127,014,955	14,569,643	7,185,853	41,320,411	9,354,436,473
Opening Depreciation added on acquisition	1,359,751,233	-	104,376,007	-	723,316	326,443	5,121,251	1,470,298,249
Depreciation for the period	1,768,381,051	10,800,508	102,455,384	7,040,759	1,412,497	1,124,626	13,633,891	1,904,848,715
Adjustment for disposal/transfers	(25,332,753)	-	-	-	-	-	-	(25,332,753)
Balance at 31 March 2021	11,864,065,556	147,682,040	473,029,443	134,055,714	16,705,455	8,636,922	60,075,552	12,704,250,683
Carrying amounts								
Balance at 30 June 2020	18,049,444,833	346,834,512	486,585,644	152,937,169	2,451,931	5,027,505	54,198,304	19,097,479,899
Balance at 31 March 2021	38,481,653,688	336,034,005	2,215,353,824	187,873,364	9,792,773	7,439,516	127,021,492	41,365,168,663

Allocation of depreciation

<i>In Taka</i>	Note	31 March 2021	31 March 2020
Cost of sales	31	1,889,318,125	978,263,218
General and administrative expenses	32	15,530,590	6,252,662
		1,904,848,715	984,515,880

Notes to the un-audited financial statements (Continued)

5.1 Property, plant and equipment

Reconciliation of carrying amount

<i>In Taka</i>	Plant and machinery	Gas line	Office equipment	Furniture and fixture	Motor vehicle	Total
Cost						
Balance at 1 July 2019	10,421,132,793	352,876,102	11,284,359	3,079,220	62,493,836	10,850,866,310
Additions	140,094,317	1,410,533	299,171	23,703	-	141,827,724
Disposals/transfers	(48,140,896)	-	-	-	-	(48,140,896)
Balance at 30 June 2020	10,513,086,214	354,286,635	11,583,530	3,102,923	62,493,836	10,944,553,137
Balance at 1 July 2020	10,513,086,214	354,286,635	11,583,530	3,102,923	62,493,836	10,944,553,137
Additions	36,618,801	-	51,000	-	-	36,669,801
Disposals/transfers	(72,451,747)	-	-	-	-	(72,451,747)
Balance at 31 March 2021	10,477,253,267	354,286,635	11,634,530	3,102,923	62,493,836	10,908,771,191
Accumulated depreciation						
Balance at 1 July 2019	2,493,994,151	51,668,090	10,977,794	1,517,354	20,645,375	2,578,802,764
Depreciation for the year	347,669,024	7,066,926	154,030	302,597	5,824,158	361,016,735
Adjustment for disposals/transfers	(16,298,100)	-	-	-	-	(16,298,100)
Balance at 30 June 2020	2,825,365,075	58,735,016	11,131,824	1,819,952	26,469,533	2,923,521,399
Balance at 1 July 2020	2,825,365,075	58,735,016	11,131,824	1,819,952	26,469,533	2,923,521,399
Depreciation for the period	222,481,876	5,314,300	133,377	214,052	4,288,650	232,432,255
Adjustment for disposals/transfers	(25,332,753)	-	-	-	-	(25,332,753)
Balance at 31 March 2021	3,022,514,198	64,049,315	11,265,201	2,034,004	30,758,183	3,130,620,901
Carrying amounts						
At 30 June 2020	7,687,721,139	295,551,619	451,706	1,282,971	36,024,303	8,021,031,738
At 31 March 2021	7,454,739,070	290,237,320	369,329	1,068,919	31,735,653	7,778,150,290
a) Allocation of depreciation						
<i>In Taka</i>				Note	March 2021	March 2020
Cost of sales				31	230,107,933	266,954,948
General and administrative expenses				32	2,324,323	2,696,515
					232,432,255	269,651,463
b) Basis of allocation						
99% of total depreciation cost charged to cost of sales. Remaining 1% of total depreciation cost charged to the general and administrative expenses.						

Notes to the Un-audited consolidated financial statements (Continued)

6 Capital Work In Progress (CWIP)

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Capital Machinery	1,625,957,113	-	1,555,743,277	-
Gas Line	5,000,000	-	5,000,000	-
Building and Civil construction	70,693,628	-	54,888,927	-
Furniture and Fixture	89,607	-	89,607	-
	1,701,740,348	-	1,615,721,811	-

7 Right of use assets

See accounting policy in Note 55Q

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cost				
Balance as at 01 July	245,823,435	26,210,102	-	-
Recognition of right-of-use assets on initial application of IFRS 16	-	-	245,823,435	26,210,102
Addition	-	-	-	-
Disposals	-	-	-	-
Balance as at	245,823,435	26,210,102	245,823,435	26,210,102
Accumulated depreciation				
Balance as at 01 July	21,689,705	1,462,890	-	-
Amortisation for the period	16,267,279	1,097,167	21,689,705	1,462,890
Adjustment for disposal/transfers	-	-	-	-
Balance as at	37,956,984	2,560,057	21,689,705	1,462,890
Carrying amounts				
Balance as at	207,866,451	23,650,045	224,133,730	24,747,212

Amortisation on right of use asset has been charged to cost of sales.

A land lease agreement was signed between Ashuganj Power Station Company Ltd. (APSCCL) and United Ashuganj Energy Ltd. on 27 October 2013. The area of land is 6.48 acres and the value of the lease is Tk. 304,080,000.

8 Investment in subsidiary

	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
United Energy Ltd	-	297,000	-	297,000
Leviathon Global BD Ltd.	-	3,000,000	-	3,000,000
United Anwara power Limited	-	3,334,877,715	-	-
United Jamalpur power Limited	-	1,979,760,477	-	-
	-	5,317,935,192	-	3,297,000

On 13 November 2018, the Board of Directors of the Company resolved to acquire 99% ordinary shares of United Energy Ltd (UEL) at face value with effect from 1 July 2018. UEL is a power generation company established under the Private Sector Power Generation Policy of Bangladesh. It operates two power plants, a 53 MW plant at Ashuganj and a 28 MW plant at Sylhet, respectively.

UEL also holds 92.41% ordinary shares of United Ashuganj Energy Ltd (UAEL), a power generation company established under Public Private Partnership (PPP). It operates a 195 MW plant located at Ashuganj, Brahmanbaria.

On 22 June 2019, the Board of Directors of UPGDCL resolved to acquire 75% shares (300,000 shares at face value of Tk. 10 each) of Leviathon 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.

Notes to the Un-audited consolidated financial statements (Continued)

On 15 September 2020, the Board of Directors of the Company, resolved to acquire 99% shares (9,900,000 shares) of United Anowara Power Limited (UANPL) from Sponsor Shareholders at Net Asset Value based on audited Financial Statements as at 30 June 2020. A share transfer agreement was also signed on the same date stating the acquisition to be effective from 1 July 2020. UANPL 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).

On 15 September 2020, the Board of Directors of the Company also resolved to acquire 99% shares (9,900,000 shares) of United Jamalpur Power Limited (UJPL) from Sponsor Shareholders at Net Asset Value based on audited Financial Statements as at 30 June 2020. A share transfer agreement was also signed on the same date stating the acquisition to be effective from 1 July 2020. 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).

9 Inventories

See accounting policy in Note 55C

In Taka	Note	31 March 2021		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Spare parts	9.1	1,478,822,336	605,495,015	1,162,763,960	603,771,077
Lube oil and chemicals	9.2	63,865,960	13,132,517	45,811,875	20,906,529
Heavy fuel oil	9.3	1,794,885,089	-	-	-
Light fuel oil	9.4	10,483,714	-	-	-
Materials in transit		32,781,235	17,947,573	122,658,620	110,162,883
		3,380,838,334	636,575,105	1,331,234,455	734,840,489

9.1 Spare parts

In Taka	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	1,249,367,080	603,771,077	1,022,385,629	457,117,013
Purchase during the period	780,735,834	346,516,948	606,886,635	509,768,425
Transfer during the period	(13,027,597)	(22,017,408)	9,781,993	9,781,993
Consumption during the period	(538,252,981)	(322,775,602)	(476,290,297)	(372,896,354)
	1,478,822,336	605,495,015	1,162,763,960	603,771,077

9.2 Lube oil and chemicals

In Taka	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	62,942,658	20,906,529	38,646,978	8,619,479
Purchase during the period	290,268,362	32,111,802	88,335,849	54,907,753
Transfer during the period	(25,455,973)	(116,820)	-	-
Consumption during the period	(263,889,087)	(39,768,993)	(81,170,952)	(42,620,704)
	63,865,960	13,132,517	45,811,875	20,906,529

9.3 Heavy fuel oil

In Taka	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	906,282,916	-	-	-
Purchase during the period	11,954,108,679	-	-	-
Consumption during the period	(11,065,506,507)	-	-	-
	1,794,885,089	-	-	-

9.4 Light fuel oil

In Taka	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	12,879,012	-	-	-
Purchase during the period	1,250,200	-	-	-
Transfer during the period	(2,467,549)	-	-	-
Consumption during the period	(1,177,949)	-	-	-
	10,483,714	-	-	-

Notes to the Un-audited consolidated financial statements (Continued)

10 Trade and other receivables

See accounting policy in Note 55D

<i>In Taka</i>	<i>Note</i>	31 March 2021		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Trade receivables	10.1	8,725,526,084	1,215,616,669	2,721,688,325	1,403,050,102
Other receivables	10.2	7,177,321	6,224,853	4,760,738	4,596,605
		8,732,703,405	1,221,841,522	2,726,449,063	1,407,646,707

10.1 Trade receivables

<i>In Taka</i>	<i>Note</i>	31 March 2021		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
BREB		230,149,544	222,966,816	251,478,856	231,669,177
BPDB		7,805,709,659	304,473,228	1,775,388,896	478,612,516
BEPZA		387,281,961	387,281,961	386,377,099	386,377,099
Other private customers		302,384,920	300,894,664	308,443,474	306,391,311
		8,725,526,084	1,215,616,669	2,721,688,325	1,403,050,102

10.2 Other receivables

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Wartsila Bangladesh Ltd	4,400,143	4,400,143	4,401,754	4,401,754
Bergen Engine BD (Pvt.) Ltd	1,218,495	445,298	-	-
Kaltimex Energy Bangladesh (Pvt) Ltd.	164,133	-	164,133	-
ABB Ltd.	936,609	936,609	-	-
Weber Power Solution Ltd.	109,641	109,641	109,641	109,641
EVP Chittigong Ltd.	348,299	333,162	85,210	85,210
	7,177,321	6,224,853	4,760,738	4,596,605

11 Receivable from related party

See accounting policy in Note 55D

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
United Enterprises & Co. Ltd	2,050,109,050	-	5,240,109,050	-
United Power Generation & Distributor	-	-	-	-
United Energy Ltd	-	4,264,333	-	944,922
United Ashuganj Energy Ltd.	-	-	-	-
United Mymensingh Power Ltd	3,942,853,635	3,919,358,240	5,169,415,253	5,168,213,416
United Jamalpur Power Ltd	-	68,114	133,889	68,114
United Anowara Power Ltd	-	13,178	7,672,081	7,272,176
United Payra Power Ltd.	11,070,759	7,257,473	-	-
United Engineering and Power Service	-	-	-	-
United Lube Oil Ltd	2,465,158	377,392	377,392	377,392
	6,006,498,603	3,931,338,730	10,417,707,665	5,176,876,020

12 Advances, deposits and prepayments

See accounting policy in Note 55D

<i>In Taka</i>	<i>Note</i>	31 March 2021		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Advances	12.1	70,275,014	36,761,082	71,598,548	37,777,775
Deposits	12.2	53,950,607	24,911,344	52,036,610	24,911,344
Prepayments	12.3	33,601,054	13,705,523	15,921,412	9,125,465
		157,826,675	75,377,949	139,556,570	71,814,584

Notes to the Un-audited consolidated financial statements (Continued)

12.1 Advances

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Advance against salary and allowance:	500,000	500,000	500,000	500,000
Advance against LC charges	2,412,333		351,125	277,064
Advance against expenses	67,362,681	36,261,082	70,747,422	37,000,711
	70,275,014	36,761,082	71,598,548	37,777,775

12.2 Deposits

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Karnaphuli Gas Distribution Company I	44,293,183	17,448,825	44,293,183	17,448,825
Bank guarantee margin	5,850,000	5,850,000	5,850,000	5,850,000
BEPZA	1,112,519	1,112,519	1,112,519	1,112,519
Balance in BO account	75,907	-	75,907	-
Central Depository Bangladesh Ltd.	500,000	500,000	500,000	500,000
Chattagram Palli Biddut Shamity-1	1,913,998			
BPDB	205,000	-	205,000	-
	53,950,607	24,911,344	52,036,610	24,911,344

12.3 Prepayments

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Insurance premium	31,822,311	12,866,667	13,624,129	8,746,667
Bank guarantee commission	330,281	-	1,656,256	-
BERC license fees	1,448,462	838,856	641,027	378,798
	33,601,054	13,705,523	15,921,412	9,125,465

Notes to the Un-audited consolidated financial statements (Continued)

13 Investment in marketable securities

See accounting policy in Note 55D

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cash available for share purchase	3,258,763	3,258,763	789,680	789,680
Financial assets classified as fair value through profit and loss	144,298,172	144,298,172	92,027,541	92,027,541
	147,556,935	147,556,935	92,817,221	92,817,221

13.1 Financial assets classified as fair value through profit and loss

Name of the Company	No. of shares	Rate per share	Market value at 31 March 2021	Market value at 30 June 2020	Cost price	Changes in fair value
BEXIMCO	580,000	73.80	42,804,000	6,920,000	44,323,363	(1,519,363)
BERGERPBL	3,500	1,754.70	6,141,450		6,104,778	36,672
BATBC	30,000	529.00	15,870,000		15,870,035	(35)
BXPHERMA	300,000	185.40	55,620,000		56,056,589	(436,589)
Shahjalal Islami Bank Limited	759,759	21.90	16,638,722	13,892,736	18,065,677	(1,426,955)
Olympic Industries Ltd.	20,000	164.60	3,292,000	4,209,205	3,422,949	(130,949)
Square Pharmaceuticals Ltd	20,000	196.60	3,932,000	11,212,500	3,948,732	(16,732)
Ranata Ltd.	13,000	1,156.20		14,366,800		
Glaxosmith Ltd.	5,500	2,186.60		12,026,300		
Singer BD Ltd	150,000	147.00		22,050,000		-
Pioneer Insurance Ltd.	250,000	29.40		7,350,000		-
			144,298,172	92,027,541	147,792,123	(3,493,950)

Notes to the Un-audited consolidated financial statements (Continued)

14 Advance income tax

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	16,258,507	-	15,869,483	-
Paid during the period	2,622,586	-	5,544,142	-
Adjustment for completion of assessment	-	-	(5,954,103)	-
	18,881,093	-	15,459,522	-

15 Cash and cash equivalents

See accounting policy in Note 55D

<i>In Taka</i>	Note	31 March 2021		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Cash in hand	15.1	614,491	130,876	226,051	140,534
Fixed deposits	15.2	31,270,403	-	-	-
Cash at bank	15.3	189,474,513	79,414,626	416,783,997	323,738,646
		221,359,407	79,545,502	417,010,048	323,879,180

15.1 Cash in hand

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cash in hand	614,491	130,876	226,051	140,534
	614,491	130,876	226,051	140,534

15.2 Fixed deposits

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
AB Bank Limited	31,270,403	-	-	-
	31,270,403	-	-	-

15.3 Cash at bank

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Dhaka Bank Limited	93,251,298	40,267,007	361,922,440	290,207,455
Dutch Bangla Bank Limited	39,975,696	1,411,337	7,536,739	7,317,281
Shahjalal Islami Bank Limited	32,279	32,279	32,624	32,624
Eastern Bank Limited	1,528,345	79,656	1,073,666	79,511
Jamuna Bank Limited	270,705	20,974	952,255	21,319
Trust Bank Limited	223,408	223,408	223,753	223,753
Brac Bank Limited	13,597,377	13,597,377	13,498,490	13,498,490
Brac Bank Ltd.-Dividend dist. A/C 2013 and 2014	1,446,913	1,446,913	1,398,487	1,398,487
The City Bank Limited-Dividend distribution A/C	14,317,286	13,434,976	8,916,088	8,916,088
Dhaka Bank Limited - Dividend distribution A/C	1,077,283	1,077,283	1,072,191	1,072,191
The Hongkong and Shanghai Banking Corp. L	12,589,142	7,823,417	7,746,743	971,447
Standard Chartered Bank	5,729,042	-	811,739	-
The City Bank Limited	1,664,209	-	11,598,782	-
Bank Asia Ltd.	1,256,002	-	-	-
United Commercial Bank Ltd.	14,145	-	-	-
Mutual Trust Bank Ltd.	39,207	-	-	-
Prime Bank Ltd.	2,226,778	-	-	-
One Bank Ltd.	9,425	-	-	-
Pubali Bank Limited	225,975	-	-	-
	189,474,513	79,414,626	416,783,997	323,738,646

Notes to the Un-audited consolidated financial statements (Continued)

16 Share capital

See accounting policy in Note 55N

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Authorised				
800,000,000 ordinary shares of Tk. 10 each	8,000,000,000	8,000,000,000	8,000,000,000	8,000,000,000
200,000,000 redeemable preference shares of Tk. 10 each	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Ordinary shares issued, subscribed and paid up				
Opening balance	5,269,957,000	5,269,957,000	4,790,870,000	4,790,870,000
Bonus shares issued	526,995,700	526,995,700	479,087,000	479,087,000
Closing balance	5,796,952,700	5,796,952,700	5,269,957,000	5,269,957,000

16.1 Particulars of shareholding

<i>In Taka</i>	No. of shares	31 March 2021		30 June 2020	
		Consolidated Value (Tk)	Separate Value (Tk)	Consolidated Value (Tk)	Separate Value (Tk)
United Mymensingh Power Ltd	521,716,902	5,217,169,020	5,217,169,020	4,742,880,930	4,742,880,930
Investment Corporation of	15,826,179	158,261,790	158,261,790	143,953,600	143,953,600
General investors	42,152,189	421,521,890	421,521,890	383,122,470	383,122,470
	579,695,270	5,796,952,700	5,796,952,700	5,269,957,000	5,269,957,000

16.2 Percentage of shareholdings

Name of shareholders	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
United Mymensingh Power Ltd	90.00%	90.00%	81.82%	81.82%
Investment Corporation of Bangladesh	2.73%	2.73%	2.73%	2.48%
General investors	7.27%	7.27%	7.27%	6.61%
	100%	100%	100%	100%

17 Share premium

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Share premium	2,046,000,000	2,046,000,000	2,046,000,000	2,046,000,000
	2,046,000,000	2,046,000,000	2,046,000,000	2,046,000,000

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

18 Revaluation reserve

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Revaluation reserve	56,955,288	-	57,459,283	-
	56,955,288	-	57,459,283	-

19 Retained earnings

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	21,933,085,610	8,305,986,678	22,704,577,678	10,664,437,759
Net profit during the period	8,594,363,746	10,975,516,261	5,935,053,939	4,348,766,919
	30,527,449,356	19,281,502,939	28,639,631,617	15,013,204,678
Issue of bonus shares for the year 2019-20	(526,995,700)	(526,995,700)	(479,087,000)	(479,087,000)
Cash dividend for the year 2019-20	(7,641,437,650)	(7,641,437,650)	(6,228,131,000)	(6,228,131,000)
Depreciation on revalued assets	503,994	-	671,992	-
	22,359,520,001	11,113,069,589	21,933,085,610	8,305,986,678

Notes to the Un-audited consolidated financial statements (Continued)

20 Non-controlling interests

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	544,709,204	-	488,158,794	-
Addition during the period:	-	-	-	-
Share capital	-	-	1,000,000	-
Dividend from subsidiary company	(196,632,000)	-	(88,183,200)	-
Profit during the period	183,158,251	-	143,733,610	-
Non-Controlling interest added during the period	53,683,214	-	-	-
	584,918,669	-	544,709,204	-

21 Preference Share Capital

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Preference Share Capital (non-current portion)	1,500,000,000	-	-	-
Preference Share Capital (current portion)	-	-	-	-
	1,500,000,000	-	-	-

Type of Facility	Redeemable Cumulative Preference Share (UJPL)
Face Value	10 TK.
No of Share	15 Crore
Purpose	To repay high-cost existing liability
Tenor	3 Years
Dividend rate	7.20%
Repayment	Half yearly payable in arrears commencing at the end of 6 (six) months from date of disbursement

22 Borrowings

See accounting policy in Note 55D

Non-current liabilities

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Investment Promotion and Financing Facility (IPFF) loan	3,420,439,651	-	3,420,439,651	-
Liabilities for capital machinery	-	-	-	-
City bank Limited	-	-	-	-
Standard Chartered Bank Ltd.	2,414,583,333	-	-	-
Dutch Bangla Bank Limited	660,810,553	-	661,430,051	-
	6,495,833,536	-	4,081,869,702	-

Current liabilities

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Investment Promotion and Financing Facility (IPFF) loan	105,603,055	-	494,378,230	-
Short term loan	4,335,469,076	-	-	-
City Bank Limited	-	-	-	-
Standard Chartered Bank Ltd.	381,250,000	-	-	-
Dutch Bangla Bank Limited	75,975,886	-	288,569,949	-
	4,898,298,017	-	782,948,179	-

Notes to the Un-audited consolidated financial statements (Continued)

22.1 Terms and repayment schedule

The following loans were obtained by UAEL under Investment Promotion and Financing Facility (IPFF) for procurement of capital machineries, civil construction and local procurement related to power plant assets.

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
IPFF loan	Dhaka Bank Limited	USD 21,940,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PFI's margin)	12 years	2027	40 equal quarterly instalments
IPFF loan	Trust Bank Limited	USD 21,940,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PFI's margin)	12 years	2027	40 equal quarterly instalments
IPFF loan	Mutual Trust Bank Limited	USD 14,620,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PFI's margin)	12 years	2027	40 equal quarterly instalments
The IPFF loan is secured by:						
i.	Registered hypothecation (first charge) on machinery, plant, equipment, furniture, fixture and all other assets, both present and future, of the borrower along with notarised IGPA to sell the same					
ii.	Registered hypothecation (first charge) over all floating assets, both present and future, of the borrower along with notarised IGPA to sell the same					
iii.	Sponsors' undertaking to inject necessary equity funds to finance any cost overrun of the project					
iv.	Personal guarantees by the personal guarantors					
v.	Corporate guarantees by the corporate guarantors					

22.2

The following term loan was obtained by Leviathon Global Bangladesh Ltd. (LGBD) for settlement of accepted liability under deferred LC open through HSBC for import of capital machineries of power plant.

Nature of Term Loan	Lender	Limit	Interest	Tenure	Year of	Repayment terms
	DBBL	BDT 95 crore	7.75% p.a	3 years	2023	12 equal quarterly instalments

The term loan is secured by:

- DP Note and other basic change documents duly signed by the authorized Director(s) of the company supported by Board resolution.
- Assignment of bill receivable of Leviathan Global Bd Ltd. (Bills to be received against supply of electricity to be deposited to an account opened with DBBL in the name of the Corporate Guarantee of United Enterprise & Co. Ltd. & Neptune Land Development Ltd. supported by board resolution of the concerns.
- Personal Guarantees of all nominated directors of United Energy Ltd., holding 75% shares of the concern.
- Letter of hypothecation by way of 2nd charge with RJSC on the fixed asset (Building and machinery) of the company subject to obtaining NOC from BEPZA.
- Machinery of the concern to be duly insured covering minimum risks of Fir & RSD with Bank Mortgagee clause,
- Standard Term Loan Agreement

22.3

The following term loan was obtained by United Anwara Power Ltd. (UANPL) for settlement of accepted liability under deferred LC open through SCB for import of capital machineries of power plant.

Nature of Term Loan	Lender	Limit	Interest	Tenure	Year of	Repayment terms
	SCB	BDT 305 Crore	6.25% p.a	2 years	2023	24 equal quarterly instalments

The term loan is secured by:

- Registered first charge (Specific) for BDT 9,271.5 million to be registered over Plant & Machinery of United Anwara Power Ltd. which are to be imported by SCB.
- Registered hypothecation over present & future book debts for BDT 6,371,250,000 (for USD equivalent) charge to be created on capacity payment portion of receivables only.
- Corporate Guarantee from United Enterprises & Co. Ltd. (UECL) and Neptune Land and Development Ltd. (Owner of United City) to be obtained favoring main Borrower's term
- Corporate Guarantee from United Enterprises & Co. Ltd. (UECL) supported by Board Resolution.
- Insurance coverage on assets charged to the bank as security is needed throughout the loan tenor covering 100% of outstanding balance.
- 15% VAT will be applicable on any commission/fees bank charges.

Notes to the Un-audited consolidated financial statements (Continued)

23 Security money received

See accounting policy in Note 55D

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Lilac Fashion Wear Ltd	700,000	700,000	700,000	700,000
	700,000	700,000	700,000	700,000

Security deposit received comprises of an amount equal to two months minimum charge received from Lilac Fashion Wear Ltd.

24 Land lease Liability

See accounting policy in Note 55Q

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Balance as at 01 July	25,355,632	25,355,632	-	-
Add: Addition during the year	-	-	26,210,102	26,210,102
Add: Interest charged during the period	1,106,395	1,106,395	1,519,833	1,519,833
Less: Payment made during the period	(1,780,727)	(1,780,727)	(2,374,303)	(2,374,303)
Balance as at 30 June	24,681,299	24,681,299	25,355,632	25,355,632

Segregation of Land lease liability:

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Non-current portion	24,006,967	24,006,967	24,449,893	24,449,893
Current portion	674,332	674,332	905,739	905,739
	24,681,299	24,681,299	25,355,632	25,355,632

25 Deferred revenue

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Deferred revenue	263,191,682	-	263,191,682	-
	263,191,682	-	263,191,682	-

This pertains to the difference between capacity payments received from the customer and capacity payments recognised in profit or loss in relation to the Power Purchase Agreement (PPA) of United Ashuganj Eneegy Limited (UAEL) due to straight-lining of capacity revenue over the remaining PPA term upon application of IFRS 16. UAEL is a subsidiary of United Energy Limited (UEL) while UEL is a direct subsidiary of United Power generation and distribution Company Limited (UPGDCL).

26 Trade and other payables

See accounting policy in Note 55D

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Trade payables	197,557,017	143,461,384	217,705,551	121,372,274
Other payables	5,288,752,565	45,252,052	49,069,538	34,941,266
	5,486,309,582	188,713,436	266,775,089	156,313,540

26.1 Trade payables

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Gas bill	197,557,017	143,461,384	217,705,551	121,372,274
	197,557,017	143,461,384	217,705,551	121,372,274

Notes to the Un-audited consolidated financial statements (Continued)

26.2 Other payables

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Share application money	6,433,552	6,433,552	6,452,280	6,452,280
Unclaimed dividend	13,574,667	13,574,667	9,676,552	9,676,552
Service charge on gas bill	14,680,145	14,680,145	14,109,483	14,109,483
Other operating expenses	8,897,077	3,303,689	4,702,951	4,702,951
Office Maintenance	7,260,000	7,260,000		
TDS payable	1,294,493	-	1,800,360	-
Wartsila Bangladesh Ltd	679,987	-	338,251	-
Liabilities for Imported Materials	5,235,754,723	-	11,766,771	-
Payable against C&F bill	177,923	-	222,891	-
	5,288,752,565	45,252,052	49,069,538	34,941,266

Unclaimed dividend

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Unclaimed cash dividend for the year 2013	1,404,329	1,404,329	1,405,987	1,405,987
Unclaimed interim & final cash div. for the period ended 30 June 2016	3,319,650	3,319,650	3,373,574	3,373,574
Unclaimed cash dividend for the year 2017	816,145	816,145	825,684	825,684
Unclaimed cash dividend for the year 2018	1,026,883	1,026,883	1,076,059	1,076,059
Unclaimed cash dividend for the year 2019	2,819,121	2,819,121	2,995,247	2,995,247
Unclaimed cash dividend for the year 2020	4,188,539	4,188,539		
	13,574,667	13,574,667	9,676,552	9,676,552

27 Accrued expenses

See accounting policy in Note 55D

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Provision for expenses	11,356,522	-	3,442,938	-
Service charge on gas bill	10,482,766	10,482,766	8,273,856	8,273,856
VAT payable	9,248,860	7,973,335	5,995,272	4,831,160
Other operating expenses	10,275,619	1,066,010	2,286,948	2,286,948
Directors' remuneration	1,000,000	1,000,000	1,000,000	1,000,000
Office Maintenance	907,500	907,500		
Audit fees	-	-	2,074,500	800,000
Utility bill	691,153	691,153	691,153	691,153
Security expenses	480,333	211,583	338,243	211,583
Medical expenses	50,970	50,970	50,970	50,970
Welfare fund	16,985	16,985	16,985	16,985
Environmental expenses	16,200	16,200	16,200	16,200
Baraka Patenga Power Ltd.	810,167	810,167		
Bergen Engines Bangladesh Pvt.Ltd.	810,000	810,000	1,501,705	810,000
TDS	182,683	-	-	-
	46,329,758	24,036,669	25,688,770	18,988,856

28 Payable to related party

See accounting policy in Note 55D

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
United Engineering & Power Services Ltd	13,368,379	2,413,320	21,207,517	9,882,230
United Ashuganj Energy Ltd	-	15,404,257	-	23,766,215
United Enterprises & Co. Ltd	12,335,408,000	-	729,263,143	-
	12,348,776,379	17,817,577	750,470,660	33,648,445

Notes to the Un-audited consolidated financial statements (Continued)

29 Current Tax liability

See accounting policy in Note 55J

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	29,823,540	-	184,150,547	-
Provision during the year	2,149,464	-	5,461,848	-
Reversal of excess provision for completion of assessment of 2017	-	-	(55,741,770)	-
Reversal of excess provision for completion of assessment of 2018	-	-	(97,975,262)	-
Adjustment for completion of assessments	-	-	(5,954,103)	-
Paid during the period	-	-	(582,088)	-
	31,973,004	-	29,359,173	-

No provision is required for income tax on UPGDCL's profit as it has received exemption from all such taxes from the Government of Bangladesh for 15 years from commencement.

No provision is required for income tax on the business income of United Energy Ltd. (UEL) and United Ashuganj Energy Ltd. (UAEL) 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-Law/Income Tax/2013-Income Tax ordinance (#36) 1984 dated 1 July 2013. Such exemption of UEL (Sylhet power plant) and UAEL (Ashuganj 195 MW power plant) will expire on 2028 and 2030 respectively. The Ashuganj 53 MW power plant being rental power plant is liable for TDS at 4% which is borne by the BPDB. However provision has been made on the non-business income of UEL and UAEL.

30 Revenue

See accounting policy in Note 55F

<i>In Taka</i>	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Electricity supply	24,824,303,204	5,025,300,346	8,000,445,099	4,876,710,517
Steam supply	29,411,388	29,411,388	23,925,049	23,925,049
	24,853,714,592	5,054,711,734	8,024,370,148	4,900,635,566

30.1 Electricity supply

<i>In Taka</i>	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Bangladesh Power Devt. Board (BPDB)	20,182,743,144	511,421,153	3,468,282,670	507,134,238
Bangladesh Exp. Proce. Zone Auth.(BEPZA)	3,217,877,810	3,217,877,810	3,131,529,608	3,131,529,608
Bangladesh Rural Elect. Board (BREB)	464,056,967	351,833,686	631,783,030	473,333,491
Other private customers	959,625,283	944,167,697	768,849,791	764,713,180
	24,824,303,204	5,025,300,346	8,000,445,099	4,876,710,517

Break up of revenue from electricity supply

<i>In Taka</i>	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Capacity payment	6,496,497,148	-	2,138,470,935	-
Energy payment	17,997,931,187	5,025,300,346	5,779,052,891	4,876,710,517
Supplimental Bill	322,066,832	-	82,921,273	-
True-up Bill	7,808,038	-	-	-
	24,824,303,204	5,025,300,346	8,000,445,099	4,876,710,517

30.2 Steam supply

<i>In Taka</i>	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Gunze United Ltd	19,961,906	19,961,906	17,799,830	17,799,830
Global Labels (Bangladesh) Ltd	3,519,393	3,519,393	2,523,677	2,523,677
Croydon-Kowloon Designs Ltd	5,296,125	5,296,125	3,063,373	3,063,373
Talisman Ltd	633,964	633,964	538,169	538,169
	29,411,388	29,411,388	23,925,049	23,925,049

Notes to the Un-audited consolidated financial statements (Continued)

31 Cost of sales

<i>In Taka</i>	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Fuel and energy	12,368,263,606	1,014,698,623	1,584,353,029	1,041,424,856
Spare parts and lube oil	793,314,019	362,544,595	409,862,212	336,178,388
Depreciation	1,889,318,125	230,107,933	978,263,218	266,954,948
Minimum load charge	28,851,448	28,851,448	19,200,416	19,200,416
Direct overhead	222,162,049	70,154,884	96,236,420	76,459,910
Repair and maintenance	61,146,594	48,655,977	107,138,130	34,075,828
Entertainment	7,155,212	5,097,922	7,521,209	5,761,956
Utility bill	7,408,925	5,163,291	8,108,997	7,785,310
Security expense	5,295,086	2,393,970	5,453,895	2,971,586
Carrying charge	2,057,552	1,389,392	1,566,558	1,414,658
Land lease rent	-	-	1,780,825	1,780,825
Advertisement expense	-	-	1,091,672	154,422
Travelling and conveyance	643,300	399,817	767,426	628,301
Labour and wages	1,961,539	369,960	515,100	427,150
Vehicle running and maintenance	3,857,588	2,001,388	1,154,506	1,111,519
Environmental expenses	1,258,668	834,798	754,423	422,463
Printing and stationery	745,697	105,873	475,199	382,433
Site office expense	1,406,847	133,542	2,287,778	2,211,013
Telephone, mobile and internet	831,726	244,334	384,580	227,797
BERC license and others	894,195	486,095	176,319	108,865
Worker welfare fund	153,034	153,034	152,625	152,625
Postage and courier	127,143	31,790	49,410	20,955
Automation and IP expense	69,775	69,775	62,981	62,981
Insurance premium	67,792,847	12,360,000	25,124,246	-
Amortisation of lease rent	-	-	15,203,997	-
Gardening and beautification	545,214	38,320	883,316	841,539
Amortisation of right of use assets	16,267,280	1,097,168	-	-
Safety material	1,429,671	-	-	-
Computer maintenance	-	-	26,800	-
	15,482,957,140	1,787,383,928	3,268,595,286	1,800,760,743

- 31.1 The Group 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.

32 General and administrative expenses

<i>In Taka</i>	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Directors' remuneration	11,615,438	11,615,438	11,949,375	11,949,375
Office maintenance	8,167,500	8,167,500	8,167,500	8,167,500
Advertisement	7,628,239	7,628,239	9,404,194	9,404,194
Depreciation	15,530,590	2,324,323	6,252,662	2,696,515
AGM expenses	1,470,009	880,052	2,746,571	2,746,571
Vehicle running expenses	538,539	538,539	301,611	301,611
Bank charge and commission	3,478,621	1,463,590	912,685	344,731
Office rent	1,035,000	1,035,000	2,070,000	1,035,000
Board meeting fees	3,340,650	1,524,000	2,821,876	1,308,000
Consultancy fees	2,154,495	276,250	793,750	563,750
Entertainment	443,623	309,689	345,082	243,792
Traveling and conveyance	519,197	332,737	426,487	333,226
Postage, telephone and telex	36,311	28,703	51,627	46,142
Printing and stationery	41,468	36,918	31,811	26,266
Trade license and others	3,199,718	-	135,004	24,929
RJSC expenses	6,861,107	3,068,958	149,430	90,390

Notes to the Un-audited consolidated financial statements (Continued)

CDBL and listing fee	2,540,494	2,540,494	4,910,661	4,910,661
Professional Fees	57,500			
Legal expense	-		2,325,590	
Income tax expenses	2,128,779	533,781	930,661	665,073
Donation	-		50,000	50,000
Brokerage commission	7,277,834	7,277,834		
Medical Fees	83,760	83,760		
	78,148,872	49,665,805	54,776,577	44,907,726

33 Other income

In Taka	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Realised gain from marketable securities	60,724,142	60,724,142	491,741	491,741
Dividend income from marketable securities	1,391,832	1,391,832	286,400	286,400
Unrealised gain/(loss) from marketable secu	1,293,407	1,293,407		
Sale of used lube oil and drums	53,834,503	53,834,503	14,959,838	14,959,838
Scrap sale	26,637,437	26,616,017	4,571,048	4,542,068
Gain on Disposal of fixed assets	(40,967,173)	(40,967,173)	9,660,461	9,660,461
Dividend from subsidiary company	-	7,425,000,000	-	-
	102,914,148	7,527,892,728	29,969,488	29,940,508

33.1 Dividend from subsidiary company

In Taka	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
United Energy Limited	-	5,940,000,000	-	-
United Jamalpur Power Limited	-	1,485,000,000	-	-
	-	7,425,000,000	-	-

34 Finance income

See accounting policy in Note 55M

In Taka	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Interest on related party loan	225,241,633	225,241,633	393,810,791	393,810,791
Interest on short term deposits	8,351,815	5,825,997	14,154,398	
Interest income on bank balance and fixed d	4,066,494		8,722,044	8,443,660
	237,659,942	231,067,630	416,687,233	402,254,451

35 Foreign exchange gain/(loss)

See accounting policy in Note 55I

In Taka	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Foreign exchange loss - realised	(78,151)	-	(19,109,393)	
Foreign ex. gain/(loss) on USD A/C- realisec	297	297		
	(77,854)	297	(19,109,393)	-

36 Finance expense

See accounting policy in Note 55M

In Taka	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Interest on IPFF loan	68,250,085			
Interest on short term & Long term loan	423,080,452		298,797,522	
Interest on liabilities for capital machinery	354,293,241			
Bank guarantee commission	4,450,839			
Interest on leasehold land	1,106,395	1,106,395		
Syndication fee	2,252,346			
	853,433,358	1,106,395	298,797,522	-

37 Income tax expenses

In Taka	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Current year enpenses	2,149,463		-	
	2,149,463	-	-	-

Notes to the Un-audited consolidated financial statements (Continued)

- 38 Earnings per share
See accounting policy in Note 55O

38.1 Earnings per share

<i>In Taka</i>	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Profit attributable to the ordinary shareholders	8,594,363,746	10,975,516,261	4,713,462,820	3,487,162,056
Weighted average number of shares outstanding	579,695,270	579,695,270	579,695,270	579,695,270
Earnings per share	14.83	18.93	8.13	6.02

39 Net asset value per share

	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Net assets	30,259,427,989	18,956,022,289	29,306,501,893	15,621,943,678
Weighted average number of shares outstanding	579,695,270	579,695,270	579,695,270	579,695,270
Net asset value per share	52.20	32.70	50.56	26.95

40 Net operating cash flow per share

	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Net cash generated from operating activities	9,708,481,562	3,859,088,309	5,843,327,116	3,163,260,349
Weighted average number of shares outstanding	579,695,270	579,695,270	579,695,270	579,695,270
Net operating cashflow per share	16.75	6.66	10.08	5.46

41 Reconciliation of net profit with cash flow from operating activities

<i>In Taka</i>	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Profit for the period	8,777,521,997	10,975,516,261	4,824,686,475	3,487,162,056
Adjustment for:				
Depreciation	1,904,848,716	232,432,255	984,515,880	269,651,462
Amortisation of lease rent	1,097,168	1,097,168	15,203,997	
Depreciation of ROU	15,170,112			
Brokerage commission	7,277,834	7,277,834		
Realised gain from marketable securities	(60,724,142)	(60,724,142)		
Unrealised (gain)/loss from marketable securities	(1,293,407)	(1,293,407)		
Foreign exchange (gain)/loss - realised	78,151		19,358,450	
Interest on related party loan	(225,241,633)	(225,241,633)	(393,810,791)	(393,810,791)
Dividend Income		(7,425,000,000)		
Loss on Disposal of fixed assets	40,967,173	40,967,173	(9,660,461)	(9,660,461)
Changes in:				
Inventories	(805,033,944)	98,265,384	(219,100,141)	(170,782,593)
Trade and other receivables	(1,988,687,073)	185,805,185	481,540,445	(36,199,469)
Advances, deposits and prepayments	2,238,493	(3,563,365)	103,089,850	(14,790,788)
Advance income tax	(2,255,115)		(2,641,255)	
Receivable from related party	(15,809,673)		(8,974,060)	
Trade and other payables	2,123,852,510	28,501,781	(12,698,420)	7,291,325
Accrued expenses	(52,327,504)	5,047,814	44,902,246	17,654,529
Provision for tax	1,877,998		3,648,832	
Payable to related party	(15,076,099)		13,266,070	6,745,080
Net cash generated from operating activities	9,708,481,562	3,859,088,309	5,843,327,116	3,163,260,349

Notes to the Un-audited consolidated financial statements (Continued)

42 Related party transactions

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

A Transactions with key management personnel

i. Loans to directors

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

ii. Key management personnel compensation comprised the following:

The key management personnel includes the Group Managing directors.

a) Short-term employee benefit:

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

In Taka	July 2020 to March 2021		July 2019 to March 2020	
	Consolidated	Separate	Consolidated	Separate
Directors' remuneration	11,615,438	11,615,438	11,949,375	11,949,375
Board meeting fees	3,340,650	1,524,000	2,821,876	1,308,000
	14,956,088	13,139,438	14,771,251	13,257,375
b) Post employment benefit	-	-	-	-
c) Other long-term benefit	-	-	-	-
d) Termination benefit	-	-	-	-
e) Share-based payment	-	-	-	-
	14,956,088	13,139,438	14,771,251	13,257,375

B Other related party transactions

United Power Generation & Distribution Company Ltd.

	Transaction value during the period ended 31 March		Balance outstanding as at	
	2021	2020	31 March 2021	30 June 2020
Gunze United Limited	19,961,906	17,817,364	2,219,680	4,057,473
<i>Sale of goods and services</i>				
United Engineering & Power Services Ltd.	71,419,039	76,459,910	2,413,320	7,541,430
United Securities Limited	7,277,834	-	-	-
<i>Purchase of services</i>				
United Mymensingh Power Ltd	-	-	3,918,790,337	5,167,681,634
Loan disbursed during the year	11,101,514,856	3,623,281,683	-	-
Loan repaid during the year	12,381,632,930	5,600,000,000	-	-
Transfer of inventory (spare parts)				
United Mymensingh Power Ltd	36,121		567,903	531,782
United Anowara Power Ltd	7,258,999	13,178	13,178	7,272,176
United Lube Oil Ltd	-		377,392	377,392
United Jamalpur Power Ltd	-		68,114	68,114
United Ashuganj Energy Ltd	8,361,959	10,706,405	8,361,958	23,766,215
United Energy Ltd	3,319,412	3,184,586	4,264,333	944,922
United Payra Power Plant	7,257,473	-	7,257,473	-
United Engineering & Power Service	-	776,740	2,340,800	2,340,800

Notes to the Un-audited consolidated financial statements (Continued)

United Energy Ltd

	Transaction value during the period ended 31 March		Balance outstanding as at	
	2021	2020	31 March 2021	30 June 2020
United Engineering & Power Service Ltd				
<i>Purchase of services</i>	1,796,394	22,419,779	(2,211,394)	(415,000)
<i>Loan</i>				-
<i>Loan:</i>				
United Enterprises & Co. Ltd			2,050,109,050	5,240,109,050
Loan disbursed	4,340,163,604	2,772,100,000		
Loan repaid	7,530,163,604	5,052,332,573		
United Ashuganj Energy Ltd.				
Dividend	294,500,000	703,118,613	294,500,000	1,387,694,279
Inventory loan	5,201,717	59,956	(5,201,717)	(967,501)
UPPL-Inventory Loan	119,755		119,755	
UPGDCL-Inventory Loan	4,264,334	4,335,813	(4,264,334)	(944,922)

United Ashuganj Energy Ltd

	Transaction value during the period ended 31 March		Balance outstanding as at	
	2021	2020	31 March 2021	30 June 2020
United Engineering & Power Service Ltd				
<i>Purchase of services</i>	(65,280,098)	(80,969,301)	(8,743,665)	(10,910,287)
<i>Loan:</i>				
United Energy Ltd				
Loan received	1,109,500,000	1,292,126,877	294,500,000	-
Loan repaid	(815,000,000)	(1,292,126,877)	-	-
Dividend payable	1,387,694,279	(703,118,613)	-	(1,387,694,279)
Inventory loan	4,234,216	59,957	5,201,717	967,501
UPGDCL-Inventory loan	(8,361,958)	13,327,298	15,404,257	23,766,215
United Jamalpur Power Ltd.-Inventory loan	378,285	-	444,060	65,775
United Mymensingh Power Ltd.-Inventory loan	1,505,826	98,220	2,707,663	1,201,837
United Anowara Power Ltd.-Inventory loan	-	1,423,264	399,905	399,905
United Payra Power Ltd. (inventory loan)	203,245	-	203,245	-
United Lube Oil Ltd.-Inventory loan	2,087,765		2,087,765	-

Leviathan Global BD Ltd

	Transaction value during the period ended 31 March		Balance outstanding as at	
	2021	2020	31 March 2021	30 June 2020
<i>Loan:</i>				
United Enterprises & Co. Ltd			1,007,563,143	729,263,143
Loan disbursed	278,300,000	362,692,834		
Loan repaid	-	-		

Notes to the Un-audited consolidated financial statements (Continued)

United Anwara Power Ltd

	Transaction value during the period ended 31 March		Balance outstanding as at	
	2021	2020	31 March 2021	30 June 2020
United Engineering & Power Service Ltd				
<i>Purchase of services</i>	36,174,971	(34,576,569)	(4,988,078)	(4,385,923)
Loan:				
United Enterprises & Co. Ltd		-	(7,612,399,660)	(2,672,167,313)
Loan disbursed	(15,735,500,000)	(10,766,467,313)		
Loan repaid	10,795,267,653	8,094,300,000	-	-
Loan:				
United Jamalpur Power Ltd.			-	(111,832,347)
Loan disbursed	(590,000,000)	(1,579,020,000)		
Loan repaid	590,000,000	1,467,187,653		
Loan:				
United Mymensingh Power Ltd.			-	50,000,000
Loan disbursed	(608,707,998)	(1,026,570,407)		
Loan repaid	558,707,998	1,076,570,407		
Loan:				
United Payra Power Ltd.			-	1,057,476
Loan disbursed	1,057,476.00	-		
Loan repaid	-	1,057,476		
Inventory loan				
UPGDCL-Inventory loan	7,258,999	(7,272,176)	(13,178)	(7,272,176)
United Jamalpur Power Ltd.-Inventory loan	5,702,035	(3,742)	(5,698,293)	(3,742)
United Payra Power Ltd. (inventory loan)	3,490,285		3,490,285	
United Ashuganj Energy Ltd.-inventory loan	-	(399,905)	(399,905)	(399,905)

United Jamalpur Power Ltd

	Transaction value during the period ended 31 March		Balance outstanding as at	
	2021	2020	31 March 2021	30 June 2020
United Enterprises & Co. Ltd			(3,715,445,197)	(6,507,116,744)
<i>Loan disbursed</i>	(6,274,000,000)	(4,258,500,000)		
<i>Loan repaid</i>	9,065,671,547	5,372,733,692	-	-
Loan:				
United Mymensingh Power Ltd.				96,352,305
Loan disbursed	(646,452,305)	(2,970,801,992)		
Loan repaid	550,100,000	1,573,225,187		
Loan:				
United Anwara Power Ltd.			-	111,832,347
Loan disbursed	(590,131,057)	1,466,500,000		
Loan repaid	478,298,710	(1,579,020,000)		
Loan:				
Neptune Commercial Ltd.			-	2,007,939,200
Loan disbursed				
Loan repaid	(2,007,939,200)			
United Anwara Power Ltd.	5,694,551	3,742	5,698,293	3,742
United Power Gen. & Dist. Com. Ltd. (inventory loan)			(68,114)	(68,114)
United Mymensingh Power Ltd. (inventory loan)	20022890	1,285,496	20,787,733	764,843
United Ashuganj Energy Ltd.(inventory loan)	(378,285)		(444,060)	(65,775)

Notes to the Un-audited consolidated financial statements (Continued)

43 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.

31 March 2021

31 March 2021									
		Carrying amount					Fair value		
	Note	Fair value- hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Total
In Taka									
Financial assets measured at fair value									
Investment in marketable securities	13	-	147,556,935	-	-	-	-	147,556,935	-
		-	147,556,935	-	-	-	-	147,556,935	147,556,935
Financial assets not measured at fair value									
Trade and other receivables	10	-	-	-	-	8,732,703,405	-	8,732,703,405	-
Receivable from related party	11	-	-	-	-	6,006,498,603	-	6,006,498,603	-
Cash and cash equivalents	15	-	-	-	-	221,359,407	-	221,359,407	-
		-	-	-	-	14,960,561,415	-	14,960,561,415	-

Financial liabilities not measured at fair value

Borrowings	22	-	-	-	-	-	11,394,131,553	11,394,131,553	-
Security money received	23	-	-	-	-	-	700,000	700,000	-
Trade and other payables	26	-	-	-	-	-	5,486,309,582	5,486,309,582	-
Accrued expenses	27	-	-	-	-	-	46,329,758	46,329,758	-
Payable to related party	28	-	-	-	-	-	12,348,776,379	12,348,776,379	-
		-	-	-	-	-	29,276,247,272	29,276,247,272	-

30 June 2020

30 June 2020											
In Taka	Note	Fair value- hedging	Mandatorily at FVTPL –	Carrying amount				Fair value			
				FVOCI – debt	FVOCI – equity	Financial assets at amortised	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value											
Investment in marketable securities	13	-	92,817,221	-	-	-	-	92,817,221	-	-	92,817,221
		-	92,817,221	-	-	-	-	92,817,221	-	-	92,817,221
Financial assets not measured at fair value											
Trade and other receivables	10	-	-	-	-	2,726,449,063	-	2,726,449,063	-	-	-
Receivable from related party	11	-	-	-	-	10,417,707,665	-	10,417,707,665	-	-	-
Cash and cash equivalents	15	-	-	-	-	417,010,048	-	417,010,048	-	-	-
		-	-	-	-	13,561,166,776	-	13,561,166,776	-	-	-

Financial liabilities not measured at fair value

Borrowings	22	-	-	-	-	-	4,864,817,881	4,864,817,881	-
Security money received	23	-	-	-	-	-	700,000	700,000	-
Trade and other payables	26	-	-	-	-	-	266,775,089	266,775,089	-
Accrued expenses	27	-	-	-	-	-	25,688,770	25,688,770	-
Payable to related party	28	-	-	-	-	-	750,470,660	750,470,660	-
		-	-	-	-	-	5,908,452,400	5,908,452,400	-

Notes to the Un-audited consolidated financial statements (Continued)

44 Financial risk management

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

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

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

A Credit risk

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

i) Exposure to credit risk

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

<i>In Taka</i>	<i>Note</i>	31 March 2021		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Trade and other receivables	10	8,732,703,405	1,221,841,522	2,726,449,063	1,407,646,707
Receivable from related party	11	6,006,498,603	3,931,338,730	10,417,707,665	5,176,876,020
Investment in marketable securities	13	147,556,935	147,556,935	92,817,221	92,817,221
Cash and cash equivalents (exclud	15	220,744,916	79,414,626	416,783,997	323,738,646
		15,107,503,859	5,380,151,813	13,653,757,946	7,001,078,594

ii) Ageing of trade and other receivables

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Not past due	2,925,394,313	596,063,253	930,999,795	574,600,818
Past due 0-30 days	2,418,213,937	101,399,013	434,781,206	113,784,362
Past due 31-60 days	2,547,384,415	89,124,197	401,561,658	100,729,016
Past due 61-90 days	238,430,277	26,440,932	428,065,407	93,428,059
Past due 91-120 days	56,203,701	18,269,037	75,746,331	75,746,331
Past due 121-365 days	149,233,654	41,517,486	115,052,335	113,683,317
Past due 365+ days	397,843,106	349,027,605	340,242,330	335,674,803
	8,732,703,405	1,221,841,522	2,726,449,062	1,407,646,707

B Liquidity risk

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

Typically, the Group ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Exposure to liquidity rate risk

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

Notes to the Un-audited consolidated financial statements (Continued)

31 March 2021

<i>In Taka</i>	<i>Note</i>	<i>Carrying amount</i>	Contractual cash flows		
			Total	6 months or less	Over 6 months
Non-derivative financial liabilities					
Borrowings	22	11,394,131,553	11,394,131,553	866,918,413	10,527,213,140
Trade and other payables	26	5,486,309,582	5,486,309,582	5,486,309,582	-
Accrued expenses	27	46,329,758	46,329,758	46,329,758	-
Payable to related party	28	12,348,776,379	12,348,776,379	12,348,776,379	-
		29,275,547,272	29,275,547,272	18,748,334,132	10,527,213,140
Derivative financial liabilities		-	-	-	-
		29,275,547,272	29,275,547,272	18,748,334,132	10,527,213,140

30 June 2020

<i>In Taka</i>	<i>Note</i>	<i>Carrying amount</i>	Contractual cash flows		
			Total	6 months or less	Over 6 months
Non-derivative financial liabilities					
Borrowings	22	4,864,817,881	4,864,817,881	532,885,129	4,331,932,752
Trade and other payables	26	266,775,089	266,775,089	266,775,089	-
Accrued expenses	27	25,688,770	25,688,770	25,688,770	-
Payable to related party	28	750,470,660	750,470,660	750,470,660	-
		5,907,752,400	5,907,752,400	1,575,819,648	4,331,932,752
Derivative financial liabilities		-	-	-	-
		5,907,752,400	5,907,752,400	1,575,819,648	4,331,932,752

C Market risk

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

i. Currency risk

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

ii. Interest rate risk

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

Exposure to interest rate risk

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

<i>In Taka</i>	<i>Note</i>	Nominal Amount			
		31 March 2021		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Fixed rate instruments					
<i>Financial assets</i>					
Receivable from related party	11	6,006,498,603	3,931,338,730	10,417,707,665	5,176,876,020
Fixed deposits	15	31,270,403	-	-	-
<i>Financial liabilities</i>					
Payable to related party	28	(12,348,776,379)	(17,817,577)	(750,470,660)	(33,648,445)
Variable rate instruments					
<i>Financial liabilities</i>					
Borrowings	22	(11,394,131,553)	-	(4,864,817,881)	-
		(17,705,138,925)	3,913,521,153	4,802,419,124	5,143,227,575

Notes to the Un-audited consolidated financial statements (Continued)

45 Operational risk

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

46 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.

<i>In Taka</i>	31 March 2021		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Service charge deducted by BEPZA ordered to return to the Company	18,733,918	18733918	18,733,918	18733918
Loss of warranty	17,424,510	17424510	17,424,510	17424510
Total	36,158,428	36,158,428	36,158,428	36,158,428

In April 2015, BEPZA filed an appeal against the Arbitral award by the Tribunal in the court of district judge, Dhaka. Multiple hearings took place during this year with no significant developments to date.

47 Commitments

The Group had the following outstanding letters of credit (LC) as at 31 March 2021 against which it is committed to purchase spare parts.

	31 March 2021		30 June 2020
	Currency	Invoice value	Invoice value
UPGDCI	USD	656,530	384,881
	EUR	37,742	1,478,941
UEL	USD	99,419	210,668
	EUR	13,866	60,020
UAEL	USD	39,990	140,443
	EUR	-	39,220
LGDBL	USD	-	1,692,700
	EUR	-	8,500
UAnPL	USD	53,169,218	25,500,008
	EUR	5,864	1,245,653
UJPL	USD	17,959,185	1,692,700
	EUR	-	8,500

48 Contingent liabilities

48.1 Contingent liabilities relating to bank guarantees amounted to:

United Power Generation & Distribution Company Ltd

<i>Beneficiary</i>	<i>Expiry date</i>	31 March 2021	30 June 2020
<i>In Taka</i>			
Titas Gas Transmission & Distribution Com. Ltd.	11 Nov. 2023	78,790,400	78,790,400
Titas Gas Transmission & Distribution Com. Ltd.	11 Dec. 2022	6,628,382	6,628,382
Karnaphuli Gas Distribution Company Limited	23 Jan. 2023	34,897,650	34,897,650
Karnaphuli Gas Distribution Company Limited	20 June 2023	8,647,617	8,647,617
Karnaphuli Gas Distribution Company Limited	2 March 2024	71,724,353	71,724,353
Chattogram Customs House	Unconditional & Continuous	16,880,331	20,421,244
		217,568,733	221,109,646

Notes to the Un-audited consolidated financial statements (Continued)

United Energy Ltd

Beneficiary

<i>In Taka</i>	<i>Expiry date</i>	<i>31 March 2021</i>	<i>30 June 2020</i>
Jalalabad Gas Transmission and Distribution Systems Limited	12 October 2022	48,396,019	48,396,019
Bangladesh Power Development Board (BPDB)	31 August 2019		128,790,000
		48,396,019	48,396,019

United Ashuganj Energy Ltd

Beneficiary

<i>In Taka</i>	<i>Expiry date</i>	<i>31 March 2021</i>	<i>30 June 2020</i>
Bangladesh Power Development Board	7 June 2021	380,000,000	380,000,000
Bakhrabad Gas Distribution Company Limited	13 June 2021	287,472,356	287,472,356
		667,472,356	667,472,356

Leviathan Global BD Ltd

Beneficiary

<i>In Taka</i>	<i>Expiry date</i>	<i>31 March 2021</i>	<i>30 June 2020</i>
Karnaphuli Gas Distribution Company Limited	10-Sep-23	53,688,716	53,688,716
		53,688,716	53,688,716

United Anwara Power Ltd

Beneficiary

<i>In Taka</i>	<i>Expiry date</i>	<i>31 March 2021</i>	<i>30 June 2020</i>
Dhaka Bank Ltd.	30 Sep 2021	463,150,000	463,150,000
		463,150,000	463,150,000

United Jamalpur Power Ltd

Beneficiary

<i>In Taka</i>	<i>Expiry date</i>	<i>31 March 2021</i>	<i>30 June 2020</i>
Dhaka Bank Ltd.	10 April 2021	280,000,000	280,000,000
		280,000,000	280,000,000

48.2 In line with the provisions of its gas supply agreements, the Company has historically been charged for gas consumption 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 resolved in a meeting that gas based power plants will be charged for gas consumption in the following manner:

- Gas consumed for generating power supplied to the national grid will be charged at the rate set for IPPs.
- Gas consumed for generating power supplied to private customers will be charged at the rate set for captive power producers.

Accordingly, in May 2019, the Company's gas suppliers, Titas Gas Transmission & Distribution Company Limited and Karnaphuli Gas Distribution Company Limited, have claimed additional charges amounting to BDT 1,776,734,152.53 (for the period January 2018 to June 2020) and BDT 491,063,484 (for the period May 2018 to June 2019) respectively.

The Company has filed two separate writ petitions, dated 23 May 2019 and 1 July 2019, with the Honorable High Court Division of the Supreme Court of Bangladesh against the above decision. The Honorable High Court issued a stay order of 4 months, dated 26 May 2019 and 4 July 2019, respectively, on the operation of this decision.

Notes to the Un-audited consolidated financial statements (Continued)

49 Bank facilities

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

31 March 2021

United Power Generation & Distribution Company Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Overdraft limit	Bank guarantee facilities - limit
Dutch Bangla Bank Limited		-	-	-
Dhaka Bank Limited	350,000,000	300,000,000	300,000,000	221,109,646
Jamuna Bank Limited	1,000,000,000	250,000,000	50,000,000	300,000,000
Total	1,350,000,000	550,000,000	350,000,000	521,109,646

United Energy Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Overdraft limit	Bank guarantee facilities - limit
Dhaka Bank Limited	50,000,000	-	-	48,396,019
Dutch Bangla Bank Limited		-	-	-
Pubali Bank Limited	600,000,000	-	1,500,000,000	1,000,000,000
Jamuna Bank Limited	1,000,000,000	250,000,000		300,000,000
Total	1,650,000,000	250,000,000	1,500,000,000	1,348,396,019

United Ashuganj Energy Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Overdraft limit	Bank guarantee facilities - limit
Dutch Bangla Bank Limited	100,000,000	-	-	-
Dhaka Bank Limited	500,000,000	-	-	667,472,356
Total	600,000,000	-	-	667,472,356

Leviathan Global BD Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Overdraft limit	Bank guarantee facilities - limit	Term Loan
Dhaka Bank Limited	670,000,000	-	-	148,201,261	-
HSBC	-	-	-	-	-
Dutch-Bangla Bank Ltd.	-	-	-	-	950,000,000
Total	670,000,000	-	-	148,201,261	950,000,000

United Anwara Power Limited

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Short Term Loan	Bank guarantee facilities - limit	Term Loan
Standard Chartered Bank Ltd.	4,250,000,000	-	2,000,000,000	-	2,975,000,000
HSBC	3,400,000,000	-	250,000,000	-	-
Dhaka Bank Limited	1,418,000,000	-	-	463,150,000	-
Pubali Bank Ltd.	2,700,000,000	500,000,000	-	1,000,000,000	-
City Bank Ltd	6,000,000,000	-	2,600,000,000	-	-
Bank Asia Ltd.	2,125,000,000	-	-	-	-
Dutch-Bangla Bank Ltd.	-	-	1,500,000,000	-	-
Mutual Trust Bank Ltd.	2,000,000,000	-	-	-	-
Prime Bank Ltd.	1,000,000,000	-	1,500,000,000	-	-
UCBL	2,000,000,000	-	500,000,000	-	-
One Bank Ltd.	1,700,000,000	-	-	-	-
Total	26,593,000,000	500,000,000	8,350,000,000	1,463,150,000	2,975,000,000

Notes to the Un-audited consolidated financial statements (Continued)

United Jamalpur Power Limited

Name of the bank	Letter of credit - limit	Short Term Loan	Overdraft limit	Bank guarantee facilities - limit	Long Term Loan
HSBC	1,700,000,000	250,000,000	-	-	-
Dhaka Bank Ltd.	1,215,000,000	500,000,000	-	280,000,000	-
City Bank Ltd.	3,500,000,000	-	-	-	-
Bank Asia Ltd	488,380,746	-	-	-	-
Standard Chartered Bank	1,530,000,000	800,000,000	-	-	-
Eastern Bank Ltd.	7,937,300	1,000,000,000	-	-	-
Dutch Bangla Bank Ltd.	1,300,000,000	700,000,000	-	-	-
Total	9,741,318,046	3,250,000,000	-	280,000,000	-

50 Expenditure in equivalent foreign currency

<i>In Taka</i>	31 March 2021	30 June 2020
Foreign travel for business purpose	-	-
	-	-

Notes to the Un-audited consolidated financial statements (Continued)

51 Other disclosures

51.1 Capacity and production

United Power Generation & Distribution Company Ltd

Location of plant	Installed capacity (MWH)	31 March 2021		31 March 2020	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Dhaka EPZ	508,000	369,307	73%	390,476	77%
Chattogram EPZ	432,000	388,684	90%	381,536	88%
Total	940,000	757,991		772,012	

United Energy Ltd

Location of plant	Installed capacity (MWH)	31 March 2021		31 March 2020	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Sylhet	168,000	117,150	70%	150,588	90%
Ashuganj	318,000	-	0%	-	0%
Total	486,000	117,150		150,588	

United Ashuganj Energy Ltd

Location of plant	Installed capacity (MWH)	31 March 2021		31 March 2020	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Ashuganj	1,170,000	103,224	9%	288,507	25%

United Anwara Power Ltd

Location of plant	Installed capacity (MWH)	31 March 2021		31 March 2020	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Anwara	1,800,000	1,197,163	67%	561,619.63	31%

United Jamalpur Power Ltd

Location of plant	Installed capacity (MWH)	31 March 2021		31 March 2020	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Jamalpur	690,000	356,238	52%	324,694	47%

51.2 Number of employees

The Group has no employees. Operation and maintenance activities are managed by 172 personnel for UPGDCL, 92 personnel for UAEL, 35 personnel for UEL, 66 personnel for UJPL and 128 personnel for UAnPL provided by United Engineering and Power Services Ltd under separate O&M contracts.

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.

Board of Directors of the company in its 28th meeting held on 25 April 2021 recommended Interim Cash Dividend of Taka 250,000 per share, aggregating Tk. 7,500,000,000 (Seven Hundred and Fifty Crore) for the period ended 31 March 2021. The dividend is subject to final approval by the shareholders at the annual general meeting of the Company.

Board of Directors of the company in its 30th meeting held on 22 April 2021 recommended Interim Cash Dividend of Taka 150 per share, aggregating Tk. 1,500,000,000 (One Hundred Fifty Crore) for the period ended 31 March 2021. The dividend is subject to final approval by the shareholders at the next annual general meeting of the Company.

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

Notes to the Un-audited consolidated financial statements (Continued)

54 Basis of measurement

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

55 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise (see also Note 4.2).

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

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

A Basis of consolidated financial statements

The un-audited consolidated financial statements comprise the consolidated financial position and the consolidated results of operation of United Power Generation and Distribution Company Ltd. (the "Company") and its subsidiaries United Energy Ltd., United Ashuganj Energy Ltd., Leviathan Global BD Ltd., United Anwara Power Limited, United Jamalpur Power Limited (collectively referred to as the 'Group').

Subsidiary is an enterprise controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of the subsidiary are included in the consolidated financial statements on a line by-line basis and the interest of non-controlling shareholders, if any, in results and net assets of the subsidiary are stated separately. The financial statements of the subsidiary are included in consolidated financial statement of the Group from the date of control achieved until the date of control ceased. The consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS)- 27 "Separate Financial Statements" and International Financial Reporting Standard (IFRS)- 10: "Consolidated Financial Statements".

Name of subsidiaries	% of controlling interest	% of non-controlling interest
United Energy Ltd	99	1
United Ashuganj Energy Ltd	91.49	8.51
Leviathan Global BD Ltd.	75	25
United Anwara Power Limited	99	1
United Jamalpur Power Limited	99	1

United Power Generation & Distribution Company Ltd. (UPGDCL) hold 99% Shares in each of United Energy Ltd. (UEL), United Anwara Power Ltd. (UANPL) United Jamalpur Power Ltd. (UJPL) and 75% Shares in Leviathan Global BD Ltd. (LGBD). Moreover UEL hold 92.41% Shares of United Ashuganj Energy Ltd. (UAEL) which is effectively owned by UPGDCL of 91.49% Shares in UAEL.

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

Notes to the Un-audited consolidated financial statements (Continued)

ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees (that means in any company wherein UPGDCL has made investments, if any) are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. However, on 31 March 2021, there are no such investments.

B Property, plant and equipment

Recognition and measurement

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

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation

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

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

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

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

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

Retirements and disposals

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

C Inventories

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

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

D Financial instruments

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

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Financial assets – Business model assessment:

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

Notes to the Un-audited consolidated financial statements (Continued)

- how the performance of the portfolio is evaluated and reported to the Group's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

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

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	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.
Debt investments at FVOCI	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.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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

(a) Cash and cash equivalents

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

(b) Trade and other receivables

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

iii. Financial liability

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

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include trade and other payables, related party payables, borrowings, accrued expenses etc.

(a) Trade and other payables

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

(b) Loans and borrowings

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

(c) Accrued expenses

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

E Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The Group assesses yearly whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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.

F Revenue

Revenue is recognised, upon supply of electricity, quantum of which is determined by survey of meter reading. It excludes value added tax and other government levies, on the basis of net units of energy generated and transmitted to the authorised customer's transmission systems and invoiced on a monthly basis upon transmission to the customers. Revenue is valued using rates in effect when service is provided to customers.

G Provisions

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

H Contingencies

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

(i) Contingent liability

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

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

(ii) Contingent asset

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

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

I Foreign currency

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

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

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

J Income tax

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

Notes to the Un-audited consolidated financial statements (Continued)

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Power generation companies in the Group are given tax exemptions for certain years beginning with the month of Commercial Date of Operation ("COD"). The summary of tax exemptions for the power plants operated in the Group are as below:

Entity	Plant	Tax provision status	Period	Expiry
UPGDCL	86 MW plant at DEPZ	Tax exemption on all income	15 years	2023
	72 MW plant at CEPZ	Tax exemption on all income	15 years	2024
UEL	53 MW plant at Ashuganj	Tax exemption on business income	8 years	2019
	28 MW plant at Sylhet	Tax exemption on business income	15 years	2028
UAEL	195 MW plant at Ashuganj	Tax exemption on business income	15 years	2030
UAnPL	300 MW plant at Anwara	Tax exemption on business income	15 years	2034
UJPL	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 31 March 2021, 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 accounting depreciation charge to be equal to the tax depreciation charge, implying that there were no temporary differences between accounting net book value and tax written down value of property, plant and equipment at that point in time. On this basis, in the preparation of these financial statements, the Company has not considered any deferred tax relating to property, plant and equipment as the Company is still under tax exemption as at the reporting date.

K Employee benefits

Workers profit participation fund (WPPF)

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

L Statement of cash flows

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

M Finance income and finance expenses

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

N 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 Group 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 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

Policy applicable from 1 July 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 July 2019.

i) The Company as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

ii) The Company as a lessor

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

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

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

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

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Policy applicable before 1 July 2019

For contracts entered into before 1 July 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- i. fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- ii. the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- iii. the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the;
- iv. the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- iv. facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i) The Company as a lessee

In comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii) The Company as a lessor

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the statement of financial position as property and equipment. Lease income is recognised over the term of the lease on a straight-line basis. This implies the recognition of deferred income when the contractual day rates are not constant during the initial term of the lease contract.

Notes to the Un-audited consolidated financial statements (Continued)

56 Name of auditors of the Group companies

Name of subsidiary	Status	Name of auditors
United Energy Ltd	Subsidiary	Hussain Farhad & Co.
United Ashuganj Energy Ltd	Subsidiary	Rahman Rahman Huq
Leviathan Global BD Ltd.	Subsidiary	Hussain Farhad & Co.
United Anwara Power Limited	Subsidiary	ARTISAN
United Jamalpur Power Limited	Subsidiary	ARTISAN

57 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 July 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Effective for year beginning 1 January 2020	• Amendments to references to conceptual framework in IFRS standards
	• Amendments to IFRS 3: <i>Business Combinations</i> of definition of business
	• Amendments to IAS 1: <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> of definition of material.
Effective for year beginning 1 January	• IFRS 17: <i>Insurance Contracts</i>
Effective date deferred indefinitely / available for optional adoption	• Amendments to IFRS 10: <i>Consolidated Financial Statements</i> and IAS 28: <i>Investments in Associates and Joint Ventures</i> on sale or contribution of assets between an investor and its associate or joint venture

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Company's financial statements.