

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


Un-audited Consolidated financial statements
as at and for the period ended 30 September 2020

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

		30 September 2020		30 June 2020	
<i>In Taka</i>	<i>Note</i>	Consolidated	Separate	Consolidated	Separate
Assets					
Property, plant and equipment	5	42,329,607,125	7,941,493,024	19,097,479,899	8,021,031,738
Capital Work In Progress (CWIP)	6	1,650,077,071		1,615,721,811	-
Right of use assets	7	218,711,304	24,381,490	224,133,730	24,747,212
Investment in subsidiary	8	-	5,317,935,192	-	3,297,000
Non-current assets		44,198,395,500	13,283,809,706	20,937,335,440	8,049,075,950
Inventories	9	2,358,539,683	698,378,169	1,331,234,455	734,840,489
Trade and other receivables	10	9,869,594,833	1,287,775,648	2,726,449,063	1,407,646,707
Receivable from related party	11	12,880,191,186	6,955,728,666	10,417,707,665	5,176,876,020
Advances, deposits and prepayments	12	195,547,873	67,018,260	139,556,570	71,814,584
Investment in marketable securities	13	112,176,482	112,176,482	92,817,221	92,817,221
Advance income tax	14	16,324,478	-	15,459,522	-
Cash and cash equivalents	15	317,453,729	61,398,464	417,010,048	323,879,180
Current assets		25,749,828,265	9,182,475,689	15,140,234,544	7,807,874,201
Total assets		69,948,223,765	22,466,285,395	36,077,569,984	15,856,950,151
Equity					
Share capital	16	5,269,957,000	5,269,957,000	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	57,291,285	-	57,459,283	-
Retained earnings	19	24,859,320,321	9,566,966,684	21,933,085,610	8,305,986,678
Equity attributable to the owners of the Company		32,232,568,606	16,882,923,684	29,306,501,893	15,621,943,678
Non-controlling interests	20	653,966,926		544,709,204	-
Total equity		32,886,535,532	16,882,923,684	29,851,211,097	15,621,943,678
Liabilities					
Borrowings	21	12,777,329,068	-	4,081,869,702	-
Security money received	22	700,000	700,000	700,000	700,000
Land lease Liability	23	24,912,609	24,912,609	24,449,893	24,449,893
Non-current liabilities		12,802,941,677	25,612,609	4,107,019,595	25,149,893
Deferred revenue	24	263,191,682	-	263,191,682	-
Trade and other payables	25	10,240,003,515	5,508,046,847	266,775,089	156,313,540
Accrued expenses	26	233,406,220	19,231,847	25,688,770	18,988,856
Borrowings	21	5,413,107,938	-	782,948,179	-
Land lease Liability	23	221,511	221,511	905,739	905,739
Payable to related party	27	8,078,817,385	30,248,897	750,470,660	33,648,445
Current Tax liability	28	29,998,306	-	29,359,173	-
Current liabilities		24,258,746,556	5,557,749,102	2,119,339,292	209,856,580
Total liabilities		37,061,688,233	5,583,361,711	6,226,358,887	235,006,473
Total equity and liabilities		69,948,223,765	22,466,285,395	36,077,569,984	15,856,950,151

The annexed notes 1 to 56 form an integral part of these financial statements.


 Company Secretary & CFO


 Director


 Managing Director


 Chairman

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

In Taka	Note	For the First Quarter (Q1) ended			
		30 September 2020		30 September 2019	
		Consolidated	Separate	Consolidated	Separate
Revenue	29	9,224,771,503	1,703,730,799	2,765,041,135	1,681,207,898
Cost of sales	30	(6,095,053,060)	(590,891,996)	(1,127,240,324)	(598,283,581)
Gross profit		3,129,718,443	1,112,838,803	1,637,800,811	1,082,924,317
General and administrative expenses	31	(17,330,246)	(9,331,322)	(15,218,882)	(13,171,672)
Other income	32	41,565,441	41,553,471	3,655,580	3,637,310
Operating profit		3,153,953,638	1,145,060,952	1,626,237,509	1,073,389,955
Finance income	33	116,816,789	116,291,019	171,560,067	171,281,683
Foreign exchange (gain)/loss	34	(75,517)	100	(16,053,602)	-
Finance expense	35	(288,878,926)	(372,065)	(134,060,552)	-
Profit before tax		2,981,815,984	1,260,980,006	1,647,683,422	1,244,671,638
Income tax expense	36	(174,765)	-	(103,829)	-
Profit for the year		2,981,641,219	1,260,980,006	1,647,579,593	1,244,671,638
Other comprehensive income		-	-	-	-
Total comprehensive income		2,981,641,219	1,260,980,006	1,647,579,593	1,244,671,638


Total comprehensive income attributable to:

Owners of the Company		2,926,066,712	-	1,614,553,064	-
Non-controlling interests	20	55,574,508	-	33,026,529	-
Total comprehensive income		2,981,641,220	-	1,647,579,593	-

Earnings per share (Basic)	37	5.55	2.39	3.06	2.36
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The annexed notes 1 to 56 form an integral part of these financial statements.


 Company Secretary & CFO


 Director


 Managing Director


 Chairman

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

For the period ended 30 September 2020						
In Taka	Attributable to the owners of the Company					
	Share capital	Share premium	Retained earnings	Revaluation reserve	Minority Interest	Total
Balance at 1 July 2020	5,269,957,000	2,046,000,000	21,933,085,610	57,459,283	544,709,204	29,851,211,097
Profit for the year	-	-	2,926,066,712	-	55,574,508	2,981,641,220
Depreciation on revalued assets	-	-	167,998	(167,998)	-	-
Minority interest added during the period	-	-	-	-	53,683,214	53,683,214
Balance at 30 September 2020	5,269,957,000	2,046,000,000	24,859,320,320	57,291,285	653,966,926	32,886,535,532
Note	16	17	19	18	20	

For the period ended 30 September 2019						
In Taka	Attributable to the owners of the Company					
	Share capital	Share premium	Retained earnings	Revaluation reserve	Minority Interest	Total
Balance at 1 July 2019	4,790,870,000	2,046,000,000	22,704,577,678	58,131,275	488,158,794	30,087,737,747
Profit for the year	-	-	1,614,553,064	-	33,026,529	1,647,579,593
Minority interest added during the period	-	-	167,998	(167,998)	1,000,000	1,000,000
Depreciation on revalued assets	-	-	-	-	(88,183,200)	(88,183,200)
Dividend paid by subsidiary company	-	-	-	-	434,002,123	434,002,123
Balance at 30 September 2019	4,790,870,000	2,046,000,000	24,319,298,740	57,963,277	434,002,123	31,648,134,140
Note	16	17	19	18	20	

The annexed notes 1 to 56 form an integral part of these financial statements.



Company Secretary & CFO



Director



Managing Director



Chairman

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

<i>In Taka</i>	For the period ended 30 September 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 year	-	-	1,260,980,006	1,260,980,006
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,260,980,006	1,260,980,006
Transactions with owners of the Company				
Contributions and distributions				
Issue of bonus shares	-	-	-	-
Cash dividend paid	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 30 September 2020	5,269,957,000	2,046,000,000	9,566,966,684	16,882,923,684

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<i>In Taka</i>	For the year ended 30 June 2019			
	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 year	-	-	1,244,671,638	1,244,671,638
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,244,671,638	1,244,671,638

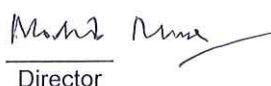
Transactions with owners of the Company

Contributions and distributions				
Issue of bonus shares		-		-
Cash dividend paid	-	-		-
Total transactions with owners of the Company	-	-	-	-
Balance at 30 September 2019	4,790,870,000	2,046,000,000	11,909,109,397	18,745,979,397

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The annexed notes 1 to 56 form an integral part of these financial statements.


 Secretary & CFO


 Director


 Managing Director



 Chairman

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

<i>In Taka</i>	For the First Quarter (Q1) ended			
	30 September 2020		30 September 2019	
	Consolidated	Separate	Consolidated	Separate
Cash flows from operating activities				
Cash received from customers	6,099,505,698	1,823,848,199	2,769,745,380	1,565,515,764
Cash received from other sources	22,204,553	21,666,813	5,070,291	4,773,637
Cash paid to suppliers and others	(3,651,710,965)	(433,364,061)	(728,799,136)	(485,550,788)
Tax paid	(655,373)		(1,799,481)	-
Financial charges paid	(286,130,933)	(372,065)	(134,060,552)	-
Net cash generated from operating activities	2,183,212,980	1,411,778,887	1,910,156,502	1,084,738,613
Cash flows from investing activities				
Acquisition of property, plant and equipment	(72,740,826)	(11,386,918)	(186,796,952)	(4,850,404)
Cash received/(paid) for related party loan	1,399,006,029	(1,662,561,626)	209,517,340	(1,060,013,178)
Net cash generated from/(used in) investing activities	1,326,265,203	(1,673,948,544)	22,720,388	(1,064,863,582)
Cash flows from financing activities				
Dividend paid	(1,387,783,825)	(89,546)	(46,425)	(46,425)
Land lease payment	(221,511)	(221,511)	-	-
Cash paid for related party loan	(2,069,477,643)		-	-
Short term loan received/(paid)	(99,043,459)			
Long term loan received/(paid)	(221,499,553)	-	(3,900,829,339)	-
Net cash generated from/(used in) financing activities	(3,778,025,991)	(311,057)	(3,900,875,763)	(46,425)
Net increase in cash and cash equivalents	(268,547,808)	(262,480,716)	(1,967,998,873)	19,828,606
Opening cash and cash equivalents	586,001,537	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 30 June	317,453,729	61,398,464	1,354,181,569	1,029,700,098

The annexed notes 1 to 56 form an integral part of these financial statements.


 Company Secretary & CFO


 Director


 Managing Director


 Chairman

Notes to the consolidated financial statements

1 Reporting entity

1.1 Company profile

United Power Generation & Distribution Company Ltd. (UPGDCL) (hereinafter referred to as "the Company"), a public limited company, was incorporated in Bangladesh on 15 January 2007 under the Companies Act (#18) 1994 under registration no. C-65291(2783)/07 with its corporate office at 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 consolidated financial statements of the Group as at and for the period ended 30 June 2020 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 Enter Prises & 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.

1.2.4 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 54A.

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 86 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, Rolls Royce and MTU 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.

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)	Commercial Operation Date (COD)	End of Contract year
United Power Generation & Distribution Company Ltd.	DEPZ	86	26 December 2008	2038
	CEPZ	72	12 August 2009	2039
United Energy Ltd	Ashuganj	53	22 June 2011	Expired. Negotiation in Progress.
	Sylhet	28	21 October 2013	2043
United Ashuganj Energy Ltd	Ashuganj	195	8 May 2015	2030
Leviathan Global BD Ltd.	KEPZ	50	-	2048
United Anwara Power Limited	Anwara	300	22-Jun-19	2034
United Jamalpur Power Limited	Jamalpur	115	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 54.

2.2 Date of authorisation

The un-audited consolidated financial statements were authorised for issue by the Board of Directors on 28 October 2020.

2.3 Reporting period

The current financial period of the Group covers half year from 1 July 2020 to 30 September 2020.

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 54B	Property, plant and equipment
Note 9 and 54C	Inventories
Note 10 and 54D	Trade and other receivables
Note 28 and 54J	Current Tax liability
Note 45, 47, and 54H	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 consolidated financial statements (Continued)

Property, plant and equipment

See accounting policy in Note 54B

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
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	-	886,397	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	21,933,596,341	677,480	1,804,977,804	41,976,954	8,358,665	3,235,547	86,457,078	23,879,279,870
Disposals/transfers	-	-	-	-	-	-	-	-
Balance at 30 September 2020	48,744,307,200	484,393,525	2,557,761,500	321,929,079	25,380,239	15,448,905	181,975,793	52,331,196,240
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
Depreciation for the period	601,690,014	3,713,731	34,001,844	2,346,920	466,232	389,273	4,544,630	647,152,645
Adjustment for disposal/transfers	-	-	-	-	-	-	-	-
Balance at 30 September 2020	9,362,956,040	140,595,264	300,199,896	129,361,875	15,035,875	7,575,127	45,865,041	10,001,589,117
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 30 September 2020	39,381,351,160	343,798,282	2,257,561,604	192,567,204	10,344,384	7,873,778	136,110,752	42,329,607,125
Allocation of depreciation								
<i>In Taka</i>						Note	30 September 2020	'30 June 2020
Cost of sales						30	641,853,751	326,816,174
General and administrative expenses						31	5,298,894	2,091,579
							647,152,645	328,907,753

Notes to the financial statements (Continued)

5 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 2019	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	10,709,438	677,480	-	-	-	11,386,918
Disposals/transfers	-	-	-	-	-	-
Balance at 30 September 2020	10,523,795,652	354,964,115	11,583,530	3,102,923	62,493,836	10,955,940,055
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 year	87,606,916	1,773,096	43,607	72,462	1,429,550	90,925,631
Adjustment for disposals/transfers	-	-	-	-	-	-
Balance at 30 September 2020	2,912,971,991	60,508,112	11,175,431	1,892,414	27,899,083	3,014,447,031
Carrying amounts						
At 30 June 2019	7,687,721,139	295,551,619	451,706	1,282,971	36,024,303	8,021,031,738
At 30 June 2020	7,610,823,661	294,456,003	408,099	1,210,509	34,594,753	7,941,493,024

a) Allocation of depreciation

<i>In Taka</i>	Note	2020	2,019
Cost of sales	24.1	90,016,375	357,406,568
General and administrative expenses	26	909,256	3,610,167
		90,925,631	361,016,735

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 consolidated financial statements (Continued)

6 Capital Work In Progress (CWIP)

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Capital Machinery	1,580,310,758	-	1,555,743,277	-
Gas Line	64,676,706	-	5,000,000	-
Building and Civil construction	89,607	-	54,888,927	-
Furniture and Fixture	5,000,000	-	89,607	-
	1,650,077,071	-	1,615,721,811	-

7 Right of use assets

See accounting policy in Note 54Q

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cost				
Balance as at 01 July	225,596,620	26,210,102	-	-
Recognition of right-of-use assets on initial application of IFRS 16	-	-	245,823,435	26,210,102
Addition	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June	225,596,620	26,210,102	245,823,435	26,210,102
Accumulated depreciation				
Balance as at 01 July	1,462,890	1,462,890	-	-
Amortisation for the year	5,422,426	365,722	21,689,705	1,462,890
Adjustment for disposal/transfers	-	-	-	-
Balance at 30 June	6,885,316	1,828,612	21,689,705	1,462,890
Carrying amounts				
As At 30 June	218,711,304	24,381,490	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. (APSCL) 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

	30 September 2020		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 Leviathan Global BD Ltd. (LGBDL) from United Enterprises & Co. Ltd. (UECL). A share transfer agreement was also signed on the same date stating the acquisition to be effective from 1 July 2019.

Notes to the 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 54C

<i>In Taka</i>	<i>Note</i>	30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Spare parts	9.1	1,472,635,016	660,744,700	1,162,763,960	603,771,077
Lube oil and chemicals	9.2	49,287,306	15,393,946	45,811,875	20,906,529
Heavy fuel oil	9.3	718,882,387	-	-	-
Light fuel oil	9.4	12,707,298	-	-	-
Materials in transit		105,027,677	22,239,523	122,658,620	110,162,883
		2,358,539,683	698,378,169	1,331,234,455	734,840,489

9.1 Spare parts

<i>In Taka</i>	30 September 2020		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	365,273,846	163,468,732	606,886,635	509,768,425
Transfer during the period	1,211,307	(4,344,398)	9,781,993	9,781,993
Consumption during the period	(143,217,216)	(102,150,710)	(476,290,297)	(372,896,354)
	1,472,635,016	660,744,700	1,162,763,960	603,771,077

9.2 Lube oil and chemicals

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	62,942,659	20,906,529	38,646,978	8,619,479
Purchase during the period	104,025,189	7,893,588	88,335,849	54,907,753
Transfer during the period	(9,390,162)	-	-	-
Consumption during the period	(108,290,380)	(13,406,171)	(81,170,952)	(42,620,704)
	49,287,306	15,393,946	45,811,875	20,906,529

9.3 Heavy fuel oil

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	906,282,916	-	-	-
Purchase during the period	4,449,136,567	-	-	-
Consumption during the period	(4,636,537,096)	-	-	-
	718,882,387	-	-	-

9.4 Light fuel oil

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	12,879,012	-	-	-
Purchase during the period	-	-	-	-
Consumption during the period	(171,714)	-	-	-
	12,707,298	-	-	-

Notes to the consolidated financial statements (Continued)

10 Trade and other receivables See accounting policy in Note 54D

<i>In Taka</i>	<i>Note</i>	30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Trade receivables	10.1	9,864,110,503	1,282,932,702	2,721,688,325	1,403,050,102
Other receivables	10.2	5,484,330	4,842,946	4,760,738	4,596,605
		9,869,594,833	1,287,775,648	2,726,449,063	1,407,646,707

10.1 Trade receivables

<i>In Taka</i>	<i>Note</i>	30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
BREB		250,412,884	233,494,079	251,478,856	231,669,177
BPDB		8,928,465,607	366,478,504	1,775,388,896	478,612,516
BEPZA		380,822,047	380,822,047	386,377,099	386,377,099
Other private customers		304,409,966	302,138,072	308,443,474	306,391,311
		9,864,110,503	1,282,932,702	2,721,688,325	1,403,050,102

10.2 Other receivables

<i>In Taka</i>		30 September 2020		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		81,492	-	-	-
Kaltimex Energy Bangladesh (Pvt) Ltd.		559,892	-	164,133	-
Others		442,803	442,803	194,851	194,851
		5,484,330	4,842,946	4,760,738	4,596,605

11 Receivable from related party See accounting policy in Note 54D

<i>In Taka</i>		30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
United Enterprises & Co. Ltd		5,915,109,050	-	5,240,109,050	-
United Energy Ltd		-	987,188	-	944,922
United Mymensingh Power Ltd		6,960,393,343	6,947,004,435	5,169,415,253	5,168,213,416
United Jamalpur Power Ltd		-	68,114	133,889	68,114
United Anowara Power Ltd		-	7,291,537	7,672,081	7,272,176
United Payra Power Ltd.		1,177,231	-	-	-
United Lube Oil Ltd		3,511,561	377,392	377,392	377,392
		12,880,191,186	6,955,728,666	10,417,707,665	5,176,876,020

12 Advances, deposits and prepayments See accounting policy in Note 54D

<i>In Taka</i>	<i>Note</i>	30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Advances	12.1	83,556,573	36,641,393	71,598,548	37,777,775
Deposits	12.2	53,950,607	24,911,344	52,036,610	24,911,344
Prepayments	12.3	58,040,693	5,465,523	15,921,412	9,125,465
		195,547,873	67,018,260	139,556,570	71,814,584

Notes to the consolidated financial statements (Continued)

12.1 Advances

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Advance against salary and allowances	500,000	500,000	500,000	500,000
Advance against LC charges	269,218		351,125	277,064
Advance against expenses	82,787,354	36,141,393	70,747,422	37,000,711
	83,556,573	36,641,393	71,598,548	37,777,775

12.2 Deposits

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Karnaphuli Gas Distribution Company Ltd.	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 Limited	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>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Insurance premium	55,032,766	4,626,667	13,624,129	8,746,667
Bank guarantee commission	1,204,549	-	1,656,256	-
BERC license fees	1,803,378	838,856	641,027	378,798
	58,040,693	5,465,523	15,921,412	9,125,465

Notes to the consolidated financial statements (Continued)

13 Investment in marketable securities

See accounting policy in Note 54D

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cash available for share purchase	163,538	163,538	789,680	789,680
Financial assets classified as fair value through profit and loss	112,012,944	112,012,944	92,027,541	92,027,541
	112,176,482	112,176,482	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 30 June 2020	Market value at 30 June 2019	Cost price	Changes in fair value
Baximco Pharma Limited	250,000	117.80	29,450,000	6,920,000	27,216,751	2,233,249
GP	70,000	330.00	23,100,000		23,046,689	53,311
Olympic Industries Ltd.	14,500	173.90	2,521,550	4,209,205	2,575,984	(54,434)
Ranata Ltd.	13,000	1,156.20	15,030,600	14,366,800	15,337,521	(306,921)
Shahjalal Islami Bank Limited	759,759	21.60	16,410,794	13,892,736	18,065,677	(1,654,882)
Square Pharmaceuticals Ltd	125,000	204.00	25,500,000	11,212,500	25,476,634	23,366
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		-
			112,012,944	92,027,541	111,719,255	293,690

Notes to the consolidated financial statements (Continued)

14 Advance income tax

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	15,604,860	-	15,869,483	-
Paid during the period	719,618	-	5,544,142	-
Adjustment for completion of assessment	-	-	(5,954,103)	-
	16,324,478	-	15,459,522	-

15 Cash and cash equivalents

See accounting policy in Note 54D

<i>In Taka</i>	Note	30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Cash in hand	15.1	686,980	299,973	226,051	140,534
Fixed deposits	15.2	30,457,500	-	-	-
Cash at bank	15.3	286,309,249	61,098,491	416,783,997	323,738,646
		317,453,729	61,398,464	417,010,048	323,879,180

15.1 Cash in hand

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cash in hand	686,980	299,973	226,051	140,534
	686,980	299,973	226,051	140,534

15.2 Fixed deposits

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
AB Bank Limited	30,457,500	-	-	-
	30,457,500	-	-	-

15.3 Cash at bank

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Dhaka Bank Limited	101,980,143	29,166,098	361,922,440	290,207,455
Dutch Bangla Bank Limited	16,277,045	3,536,370	7,536,739	7,317,281
Shahjalal Islami Bank Limited	32,624	32,624	32,624	32,624
Eastern Bank Limited	14,444,661	79,511	1,073,666	79,511
Jamuna Bank Limited	612,058	21,319	952,255	21,319
Trust Bank Limited	223,753	223,753	223,753	223,753
Brac Bank Limited	13,498,490	13,498,490	13,498,490	13,498,490
Brac Bank Ltd.-Dividend dist. A/C 2013 and 2014	1,398,487	1,398,487	1,398,487	1,398,487
The City Bank Limited-Dividend distribution A/C 2016	14,531,912	8,827,421	8,916,088	8,916,088
Dhaka Bank Limited - Dividend distribution A/C 2017	1,070,967	1,070,967	1,072,191	1,072,191
The Hongkong and Shanghai Banking Corp. Ltd	8,935,140	3,243,452	7,746,743	971,447
Standard Chartered Bank	5,537,595	-	811,739	-
The City Bank Limited	74,932,971	-	11,598,782	-
Bank Asia Ltd.	25,877,067	-	-	-
Janata Bank Ltd.	38,620	-	-	-
United Commercial Bank Ltd.	14,145	-	-	-
Mutual Trust Bank Ltd.	30,000	-	-	-
Prime Bank Ltd.	30,000	-	-	-
Southeast Bank	7,577	-	-	-
Pubali Bank Limited	6,835,996	-	-	-
	286,309,249	61,098,491	416,783,997	323,738,646

16 Share capital

See accounting policy in Note 54N

<i>In Taka</i>	30 September 2020		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

Notes to the consolidated financial statements (Continued)

Ordinary shares issued, subscribed and paid up				
Opening balance	4,790,870,000	4,790,870,000	4,790,870,000	4,790,870,000
Bonus shares issued	479,087,000	479,087,000	479,087,000	479,087,000
Closing balance	5,269,957,000	5,269,957,000	5,269,957,000	5,269,957,000

16.1 Particulars of shareholding		30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>	No. of shares	Value (Tk)	Value (Tk)	Value (Tk)	Value (Tk)
United Mymensingh Power Ltd	474,288,093	4,742,880,930	4,742,880,930	4,742,880,930	4,742,880,930
Investment Corporation of Bangladesh	14,395,420	143,953,600	143,953,600	143,953,600	143,953,600
General investors	38,312,187	383,122,470	383,122,470	383,122,470	383,122,470
	526,995,700	5,269,957,000	5,269,957,000	5,269,957,000	5,269,957,000

16.2 Percentage of shareholdings		30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Name of shareholders					
United Mymensingh Power Ltd		90.00%	90.00%	90.00%	90.00%
Investment Corporation of Bangladesh		2.73%	2.73%	2.73%	2.73%
General investors		7.27%	7.27%	7.27%	7.27%
		100%	100%	100%	100%

16.3 Classification of shareholders by holding		30 September 2020		30 June 2020	
		No. of shareholders	No. of shares	No. of shareholders	No. of shares
Range of holding in number of shares					
01 to 5000 shares		6,864	3,378,514	6,864	3,378,514
5,001 to 20,000 shares		332	3,066,727	332	3,066,727
20,001 to 50,000 shares		94	2,952,245	94	2,952,245
50,001 to 1,000,000 shares		80	16,610,169	80	16,610,169
1,000,001 to 10,000,000 shares		9	26,699,952	9	26,699,952
over 10,000,001 shares		1	474,288,093	1	474,288,093
		7,380	526,995,700	7,380	526,995,700

17 Share premium		30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>					
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		30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>					
Revaluation reserve		57,291,285	-	57,459,283	-
		57,291,285	-	57,459,283	-

19 Retained earnings		30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>					
Opening balance		21,933,085,610	8,305,986,678	22,704,577,678	10,664,437,759
Net profit during the period		2,926,066,712	1,260,980,006	5,935,053,939	4,348,766,919
		24,859,152,322	9,566,966,684	28,639,631,617	15,013,204,678
Issue of bonus shares		-	-	(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		167,998	-	671,992	-
		24,859,320,321	9,566,966,684	21,933,085,610	8,305,986,678

Notes to the consolidated financial statements (Continued)

20 Non-controlling interests

<i>In Taka</i>	30 September 2020		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	-	-	(88,183,200)	-
Profit during the period	55,574,508	-	143,733,610	-
Non-Controlling interest added during the period	53,683,214	-	-	-
	653,966,926	-	544,709,204	-

21 Borrowings

See accounting policy in Note 54D

Non-current liabilities

<i>In Taka</i>	30 September 2020		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	7,052,009,798	-	-	-
City bank Limiyed	1,643,449,569	-	-	-
Dutch Bangla Bank Limited	661,430,051	-	661,430,051	-
	12,777,329,068	-	4,081,869,702	-

Current liabilities

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Investment Promotion and Financing Facility (IPFF) loan	365,979,742	-	494,378,230	-
Short term loan	4,735,100,115	-	-	-
City Bank Limited	93,025,447	-	-	-
Dutch Bangla Bank Limited	219,002,633	-	288,569,949	-
	5,413,107,938	-	782,948,179	-

Notes to the consolidated financial statements (Continued)

21.1 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:

- 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
- Registered hypothecation (first charge) over all floating assets, both present and future, of the borrower along with notarised IGPA to sell the same
- Sponsors' undertaking to inject necessary equity funds to finance any cost overrun of the project
- Personal guarantees by the personal guarantors
- Corporate guarantees by the corporate guarantors

21.2 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 maturity	Repayment terms
	DBBL	BDT 95 crore	9% 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

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

Nature of Term Loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
	CBL	BDT 186 Crore	9% p.a	5 years	2025	60 equal quarterly instalments

The term loan is secured by:

- Registered mortgage with IGPA of project land and building of UJPL covering term loan limit
- 1st ranking floating charge with RJSC over plant & machinery of the company against Term Loan financing
- 1st ranking floating charge with RJSC over stocks & receivables of the company by way of Pari Passu Security Sharing Agreement (PPSSA)
- Corporate Guarantee from United Enterprises & Co. Ltd. (UECL) supported by Board Resolution.
- Insurance coverage incorporating CBL as loss payee
- Standard charge documents

Notes to the consolidated financial statements (Continued)

22 Security money received

See accounting policy in Note 54D

<i>In Taka</i>	30 September 2020		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.

23 Land lease Liability

See accounting policy in Note 54Q

<i>In Taka</i>	30 September 2020		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 year	372,065	372,065	1,519,833	1,519,833
Less: Payment made during the year	(593,477)	(593,477)	(2,374,303)	(2,374,303)
Balance as at 30 June	25,134,219	25,134,219	25,355,632	25,355,632

Segregation of Land lease liability:

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Non-current portion	24,912,609	24,912,609	24,449,893	24,449,893
Current portion	221,511	221,511	905,739	905,739
	25,134,120	25,134,120	25,355,632	25,355,632

24 Deferred revenue

<i>In Taka</i>	30 September 2020		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 Eneygy 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).

25 Trade and other payables

See accounting policy in Note 54D

<i>In Taka</i>	Note	30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Trade payables	25.1	238,212,469	146,612,419	217,705,551	121,372,274
Other payables	25.2	10,001,791,046	5,361,434,428	49,069,538	34,941,266
		10,240,003,515	5,508,046,847	266,775,089	156,313,540

25.1 Trade payables

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Gas bill	238,212,469	146,612,419	217,705,551	121,372,274
	238,212,469	146,612,419	217,705,551	121,372,274

Notes to the consolidated financial statements (Continued)

25.2 Other payables

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Share application money	6,452,280	6,452,280	6,452,280	6,452,280
Unclaimed dividend	9,587,006	9,587,006	9,676,552	9,676,552
Service charge on gas bill	22,383,339	22,383,339	14,109,483	14,109,483
Other operating expenses	80,433,720	8,373,612	4,702,951	4,702,951
TDS payable	2,193,039	-	1,800,360	-
Wartsila Bangladesh Ltd	510,949	-	338,251	-
Liabilities for Imported Materials	4,565,295,255	-	11,766,771	-
Payable against C&F bill	297,268	-	222,891	-
Share purchase consideration payable	5,314,638,192	5,314,638,192	-	-
	10,001,791,046	5,361,434,428	49,069,538	34,941,266

Unclaimed dividend

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Unclaimed cash dividend for the year 2013 & 2014	1,405,987	1,405,987	1,405,987	1,405,987
Unclaimed interim & final cash div. for the period ended 30 June 2016	3,372,146	3,372,146	3,373,574	3,373,574
Unclaimed cash dividend for the year 2017	824,460	824,460	825,684	825,684
Unclaimed cash dividend for the year 2018	1,075,076	1,075,076	1,076,059	1,076,059
Unclaimed cash dividend for the year 2019	2,909,336	2,909,336	2,995,247	2,995,247
	9,587,006	9,587,006	9,676,552	9,676,552

26 Accrued expenses

See accounting policy in Note 54D

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Interest expense payable	198,455,581	-	-	-
Provision for expenses	9,025,456	-	3,442,938	-
Service charge on gas bill	3,703,451	3,156,500	8,273,856	8,273,856
VAT payable	11,425,590	9,755,955	5,995,272	4,831,160
Other operating expenses	4,988,023	2,722,500	2,286,948	2,286,948
Directors' remuneration	1,000,000	1,000,000	1,000,000	1,000,000
Audit fees	2,304,500	800,000	2,074,500	800,000
Utility bill	691,153	691,153	691,153	691,153
Security expenses	326,343	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
Bergen Engines Bangladesh Pvt. Ltd.	810,000	810,000	1,501,705	810,000
TDS	591,967	-	-	-
	233,406,220	19,231,847	25,688,770	18,988,856

27 Payable to related party

See accounting policy in Note 54D

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
United Engineering & Power Services Ltd	35,309,385	11,262,230	21,207,517	9,882,230
United Ashuganj Energy Ltd	-	18,986,667.00	-	23,766,215
United Enterprises & Co. Ltd	8,043,508,000	-	729,263,143	-
	8,078,817,385	30,248,897	750,470,660	33,648,445

Notes to the consolidated financial statements (Continued)

28 Current Tax liability

See accounting policy in Note 54J

<i>In Taka</i>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	29,823,541	-	184,150,547	-
Provision during the year	174,765	-	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)	-
	29,998,306	-	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.

29 Revenue

See accounting policy in Note 54F

<i>In Taka</i>	Note	September 2020		September 2019	
		Consolidated	Separate	Consolidated	Separate
Electricity supply	29.1	9,215,399,612	1,694,358,908	2,758,028,061	1,674,194,824
Steam supply	29.2	9,371,891	9,371,891	7,013,074	7,013,074
		9,224,771,503	1,703,730,799	2,765,041,135	1,681,207,898

29.1 Electricity supply

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Bangladesh Power Devt. Board (BPDB)	7,647,626,893	178,905,167	1,210,581,176	181,102,547
Bangladesh Export Processing Zone Auth.(BEPZA)	1,072,627,225	1,072,627,225	1,053,784,168	1,053,784,168
Bangladesh Rural Electrification Board (BREB)	195,234,899	149,326,007	201,289,886	146,935,277
Other private customers	299,910,594	293,500,508	292,372,832	292,372,832
	9,215,399,612	1,694,358,908	2,758,028,061	1,674,194,824

Break up of revenue from electricity supply

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Capacity payment	2,165,499,050	-	710,544,209	-
Energy payment	7,017,848,400	1,694,358,908	2,026,697,085	1,674,194,824
Supplemental Bill	24,244,125	-	20,786,767	-
True-up Bill	7,808,038	-	-	-
Deferred income	-	-	-	-
	9,215,399,612	1,694,358,908	2,758,028,061	1,674,194,824

29.2 Steam supply

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Gunze United Ltd	6,725,289	6,725,289	5,224,060	5,224,060
Global Labels (Bangladesh) Ltd	967,507	967,507	1,101,144	1,101,144
Croydon-Kowloon Designs Ltd	1,478,143	1,478,143	530,578	530,578
Talisman Ltd	200,953	200,953	157,292	157,292
	9,371,891	9,371,891	7,013,074	7,013,074

Notes to the consolidated financial statements (Continued)

30 Cost of sales

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Fuel and energy	5,071,151,704	325,078,126	573,041,636	353,530,882
Spare parts and lube oil	244,433,568	115,556,882	125,186,623	95,959,496
Depreciation	641,853,751	90,016,375	326,816,174	89,719,443
Minimum load charge	8,627,303	8,627,303	7,854,180	7,854,180
Direct overhead	79,532,290	26,411,108	37,327,209	29,107,352
Repair and maintenance	6,676,887	10,860,455	26,069,312	7,898,102
Distribution Expenses	3,196,823	3,196,823	5,151,806	5,151,806
Entertainment	2,125,028	1,613,366	2,438,352	1,860,248
Utility bill	1,658,709	1,646,449	3,365,245	3,308,782
Security expense	1,605,006	763,426	1,921,888	980,108
Carrying charge	645,792	422,792	205,320	179,820
Land lease rent	-	-	586,670	586,670
Advertisement expense	-	-	154,422	154,422
Travelling and conveyance	117,044	100,641	204,016	161,693
Labour and wages	617,532	136,145	139,935	106,985
Vehicle running and maintenance	829,392	550,447	375,626	375,626
Environmental expenses	674,658	489,318	117,539	76,983
Printing and stationery	115,784	20,567	139,035	117,719
Site office expense	106,958	3,983	966,151	966,151
Telephone, mobile and internet	179,088	83,060	90,150	72,750
BERC license and others	886,787	444,695	52,015	52,015
Worker welfare fund	51,124	51,124	50,820	50,820
Postage and courier	30,038	12,260	17,215	4,820
Automation and IP expense	23,015	23,015	6,708	6,708
Insurance premium	24,041,177	4,120,000	9,859,504	-
Depreciation of lease rent	129,000	-	5,067,999	-
Gardening and beautification	34,633	18,870	7,974	-
Depreciation of right of use assets	5,422,426	365,722	-	-
Safety material	8,500	-	-	-
Computer maintenance	-	-	26,800	-
Damage Inventory	279,043	279,043	-	-
	6,095,053,060	590,891,996	1,127,240,324	598,283,581

- 30.1 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.

31 General and administrative expenses

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Directors' remuneration	3,000,000	3,000,000	3,000,000	3,000,000
Office maintenance	2,722,500	2,722,500	2,872,500	2,872,500
Advertisement	1,050,870	1,050,870	5,331,915	5,331,915
Depreciation	5,298,894	909,256	2,091,579	906,257
Bank charge and commission	353,299	65,344	392,087	55,338
Office rent	345,000	345,000	690,000	345,000
Office expenses	75,279	-	42,274	31,724
Board meeting fees	1,037,550	432,000	300,000	300,000
Consultancy fees	203,831	-	-	-
Entertainment	79,359	43,646	142,729	120,901
Traveling and conveyance	149,814	112,004	184,845	139,169
Postage, telephone and telex	6,095	5,457	19,013	17,928
Printing and stationery	15,450	14,090	8,615	4,840
Trade license and others	634,369	-	19,325	11,100
RJSC expenses	908,631	-	89,000	-
Legal expense	-	-	35,000	35,000
Brokerage commission	281,155	281,155	-	-
Business Promotional Expenses	1,168,150	350,000	-	-
	17,330,246	9,331,322	15,218,882	13,171,672

Notes to the consolidated financial statements (Continued)

32 Other income

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Realised gain from marketable securities	-	-	-	-
Realised gain/(loss) from marketable securities	19,346,727	19,346,727		
Unrealised gain/(loss) from marketable securities	293,690	293,690		
Sale of used lube oil and drums	14,040,819	14,040,819	3,093,870	3,093,870
Scrap sale	7,884,206	7,872,236	561,710	543,440
	41,565,441	41,553,471	3,655,580	3,637,310

33 Finance income

See accounting policy in Note 54M

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Interest on related party loan	116,291,019	116,291,019	171,281,683	171,281,683
Interest income on bank balance and fixed deposits	525,770		278,384	
	116,816,789	116,291,019	171,560,067	171,281,683

34 Foreign exchange (gain)/loss

See accounting policy in Note 54I

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Foreign exchange loss - realised	(75,617)	-	(16,053,602)	
Foreign ex. gain/(loss) on USD A/C- realised	100	100		
	(75,517)	100	(16,053,602)	-

35 Finance expense

See accounting policy in Note 54M

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Interest on IPFF loan	26,483,676			
Interest on short term & Long term loan	146,198,606		134,060,552	
Interest on liabilities for capital machinery	109,995,663			
Bank guarantee commission	3,576,571			
Interest on leasehold land	372,065	372,065		
Syndication fee	2,252,346			
	288,878,926	372,065	134,060,552	-

As per syndicated international loan agreements between lenders and United Ashuganj Energy Ltd. (UAEL), yearly agency fees are paid to lenders. Last year UAEL made a provision of Tk. 3,250,750 against agency fees payable to SCB. Following the repayments of the entire loan in August 2019, the agency fees for the remaining of the year was not incurred. Accordingly, the remaining provision has been reversed this year.

36 Income tax expenses

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Current year enpenses	174,765		103,829	
Reversal of excess provision for completion of assessment of 2017	-			
Reversal of excess provision for completion of assessment of 2018	-			
	174,765	-	103,829	-

Notes to the consolidated financial statements (Continued)

- 37 Earnings per share
See accounting policy in Note 54O

37.1 Earnings per share

<i>In Taka</i>	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Profit attributable to the ordinary shareholders	2,926,066,712	1,260,980,006	1,614,553,064	1,244,671,638
Weighted average number of shares outstanding	526,995,700	526,995,700	526,995,700	526,995,700
Earnings per share	5.55	2.39	3.06	2.36

38 Net asset value per share

	September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Net assets	32,886,535,532	16,882,923,684	29,851,211,097	15,621,943,678
Weighted average number of shares outstanding	526,995,700	526,995,700	526,995,700	526,995,700
Net asset value per share	62.40	32.04	56.64	29.64

38.1 Net assets

<i>In Taka</i>	September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Total assets	69,948,223,765	22,466,285,395	36,077,569,984	15,856,950,151
Total liabilities	37,061,688,233	5,583,361,711	6,226,358,887	235,006,473
Net assets	32,886,535,532	16,882,923,684	29,851,211,097	15,621,943,678

39 Net operating cash flow per share (Basic)

	September 2020		30 September 2019	
	Consolidated	Separate	Consolidated	Separate
Net cash generated from operating activities	2,183,212,980	1,411,778,887	1,910,156,502	1,084,738,613
Weighted average number of shares outstanding (Ba:	526,995,700	526,995,700	526,995,700	526,995,700
Net operating cashflow per share	4.14	2.68	3.62	2.06

Notes to the consolidated financial statements (Continued)

40 Reconciliation of net profit with cash flow from operating activities

<i>In Taka</i>	September 2020		30 September 2019	
	Consolidated	Separate	Consolidated	Separate
Profit for the period	2,981,641,219	1,260,980,006	1,647,579,593	1,244,671,638
Adjustment for:				
Depreciation	647,152,646	90,925,631	328,907,753	90,625,700
Amortisation of lease rent	365,722	365,722	5,067,999	-
Depreciation of ROU	5,056,704			
Brokerage commission	281,155	281,155		
Realised gain from marketable securities	-			
Unrealised (gain)/loss from marketable securities	(19,346,727)	(19,346,727)		
Foreign exchange (gain)/loss - un-realised	(293,690)	(293,690)		
Foreign exchange (gain)/loss - realised	75,617		16,302,659	
Interest on related party loan	(116,291,019)	(116,291,019)	(171,281,683)	(171,281,683)
Changes in:				
Inventories	217,779,561	36,462,320	(165,602,876)	(145,968,513)
Trade and other receivables	(3,125,512,147)	119,871,059	5,591,515	(114,555,807)
Advances, deposits and prepayments	(28,665,521)	4,796,324	(6,169,159)	1,139,355
Advance income tax	(655,373)		(1,799,481)	
Trade and other payables	1,485,154,254	37,184,662	228,590,502	184,018,214
Accrued expenses	140,023,366	242,990	24,372,527	(2,874,595)
Provision for tax	174,766		103,828	
Payable to related party	(3,727,555)	(3,399,548)	(1,506,676)	(1,035,696)
Differed income	-			
Net cash generated from operating activities	2,183,212,980	1,411,778,887	1,910,156,502	1,084,738,613

Notes to the consolidated financial statements (Continued)

41 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	September 2020		September 2019	
	Consolidated	Separate	Consolidated	Separate
Directors' remuneration	3,000,000	3,000,000	3,000,000	3,000,000
Board meeting fees	1,037,550	432,000	300,000	300,000
	4,037,550	3,432,000	3,300,000	3,300,000
b) Post employment benefit	-	-	-	-
c) Other long-term benefit	-	-	-	-
d) Termination benefit	-	-	-	-
e) Share-based payment	-	-	-	-
	4,037,550	3,432,000	3,300,000	3,300,000

B Other related party transactions

	Transaction value during the period ended 30 September		Balance outstanding as at	
	2020	2019	30 September 2020	30 June 2020
United Power Generation & Distribution Company Ltd.				
Gunze United Limited	6,725,289	5,224,060	6,725,290	4,057,473
<i>Sale of goods and services</i>				
United Engineering & Power Services Ltd.	25,525,032	29,107,352	8,921,430	7,541,430
United Securities Limited	281,155	-	-	-
<i>Purchase of services</i>				
United Enterprises & Co. Ltd.	-	-	-	-
<i>Loan disbursed</i>				
<i>Loan repaid</i>				
United Mymensingh Power Ltd	-	-	6,830,181,634	5,167,681,634
<i>Loan disbursed during the year</i>	1,662,500,000	1,231,281,683	-	-
<i>Loan repaid during the year</i>			-	-
Transfer of inventory (spare parts)				
United Mymensingh Power Ltd		567,903	531,782	531,782
United Anowara Power Ltd	19,360	7,270,651	7,291,537	7,272,176
United Lube Oil Ltd	-	377,392	377,392	377,392
United Jamalpur Power Ltd	-	68,114	68,114	68,114
United Ashuganj Energy Ltd	4,779,548	11,833,667	18,986,667	23,766,218
United Energy Ltd	42,266	1,779,307	987,188	944,922
United Engineering & Power Service:	-		2,340,800	2,340,800

Notes to the consolidated financial statements (Continued)

	Transaction value during the period ended 30 September		Balance outstanding as at	
	2020	2019	30 September 2020	30 June 2020
United Energy Ltd				
United Engineering & Power Service Ltd				
Purchase of services	(22,419,779)	(36,630,197)	(415,000)	(2,641,394)
Loan		1,770,800		-
Loan:				
United Mymensingh Power Ltd	-	-	-	(3,233,782,573)
Loan disbursed				
Loan repaid	(3,233,782,573)	-	-	
United Enterprises & Co. Ltd			5,240,109,050	7,520,341,623
Loan disbursed	2,772,100,000	9,539,278,243		
Loan repaid	5,052,332,573	3,871,849,120		
United Ashuganj Energy Ltd.				
Dividend	703,118,613	684,575,666	1387694279	684,575,666
Inventory loan	59,956	907,545	967,501	907,545
Neptune Commercial Ltd			-	-
Loan disbursed	-	-		
Loan repaid	-	540,000,000		
UPGDCL-Inventory Loan	4,335,813	3,390,891	944,922	3,390,891

	Transaction value during the period ended 30 September		Balance outstanding as at	
	2020	2019	30 September 2020	30 June 2020
United Ashuganj Energy Ltd				
United Engineering & Power Service Ltd				
Purchase of services	(20,794,146)	(80,969,301)	(22,386,653)	(10,910,287)
Loan:				
United Enterprises & Co. Ltd		-	-	-
Loan disbursed	-	-		
Loan repaid	-	-	-	-
Loan:				
United Energy Ltd				
Loan received	815,000,000	-	815,000,000	-
Loan repaid	-			
Dividend payable	1,387,694,279	703,118,613	-	(1,387,694,279)
Inventory loan	1,974	59,957	969,475	967,501
UPGDCL-Inventory loan	(4,779,546)	13,327,298	18,986,669	23,766,215
United Jamalpur Power Ltd.-Inventory loan	378,285	-	444,060	65,775
United Mymensingh Power Ltd.-Inventory loan	-	98,220	1,201,837	1,201,837
United Anowara Power Ltd.-Inventory loan	-	1,423,264	399,905	399,905
United Lube Oil Ltd.-Inventory loan	3,134,905		3,134,905	-

	Transaction value during the period ended 30 September		Balance outstanding as at	
	2020	2019	30 September 2020	30 June 2020
Leviathan Global BD Ltd				
Loan:				
United Enterprises & Co. Ltd			822,263,143	729,263,143
Loan disbursed	93,000,000	362,692,834		
Loan repaid	-	-		

Notes to the consolidated financial statements (Continued)

	Transaction value during the period ended 30 September		Balance outstanding as at	
	2020	2019	30 September 2020	30 June 2020
<u>United Anwara Power Ltd</u>				
United Engineering & Power Service Ltd				
Purchase of services	(8,503,523)	(34,576,569)	(3,978,643)	(4,385,923)
Loan:				
United Enterprises & Co. Ltd		-	(3,563,899,660)	(2,672,167,313)
Loan disbursed	(5,921,067,313)	(10,766,467,313)		
Loan repaid	2,357,167,653	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	(545,000,000)	(1,026,570,407)		
Loan repaid	545,000,000	1,076,570,407		
Loan:				
United Payra Power Ltd.			1,057,476	1,057,476
Loan disbursed	-	-		
Loan repaid	-	1,057,476		
Inventory loan				
UPGDCL-Inventory loan	(19,360)	(7,272,176)	(7,291,537)	(7,272,176)
United Jamalpur Power Ltd.-Inventory loan	-	3,742	158,376	3,742
United Ashuganj Energy Ltd.-inventory loan	-	(399,905)	399,905	(399,905)
	Transaction value during the period ended 30 September		Balance outstanding as at	
	2020	2019	30 September 2020	30 June 2020
<u>United Jamalpur Power Ltd</u>				
United Enterprises & Co. Ltd			(3,657,345,197)	(6,507,116,744)
Loan disbursed	589,000,000	4,258,500,000		
Loan repaid	(3,438,771,547)	(5,372,733,692)	-	-
Loan:				
United Mymensingh Power Ltd.			(20,770)	96,352,305
Loan disbursed	(646,452,305)	2,970,801,992		
Loan repaid	550,079,230	(1,573,225,187)		
Loan:				
United Anwara Power Ltd.			-	111,832,347
Loan disbursed	590,000,000	1,466,500,000		
Loan repaid	(478,167,653)	(1,579,020,000)		
Loan:				
Neptune Commercial Ltd.			-	2,007,939,200
Loan disbursed	2,015,878,400			
Loan repaid	(2,015,878,400)			
United Anwara Power Ltd.	(162,118)	3,742	(158,376)	3,742
United Power Gen. & Dist. Com. Ltd. (inventory loan)			(68,114)	(68,114)
United Mymensingh Power Ltd. (inventory loan)	11442998	1,285,496	12,207,841	764,843
United Ashuganj Energy Ltd.(inventory loan)	(378,285)		(444,060)	(65,775)

Notes to the consolidated financial statements (Continued)

42 Financial instruments - Fair values and risk management

Accounting classifications and fair values

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

30 September 2020													
In Taka	Note	Fair value- hedging instruments	Mandatorily at FVTPL – others	Carrying amount			Fair value						
				FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value													
Investment in marketable securities	13	-	112,176,482	-	-	-	-	112,176,482	112,176,482	-	-	-	112,176,482
		-	112,176,482	-	-	-	-	112,176,482	112,176,482	-	-	-	112,176,482
Financial assets not measured at fair value													
Trade and other receivables	10	-	-	-	-	9,869,594,833	-	9,869,594,833	-	-	-	-	-
Receivable from related party	11	-	-	-	-	12,880,191,186	-	12,880,191,186	-	-	-	-	-
Cash and cash equivalents	15	-	-	-	-	317,453,729	-	317,453,729	-	-	-	-	-
		-	-	-	-	23,067,239,748	-	23,067,239,748	-	-	-	-	-
Financial liabilities not measured at fair value													
Borrowings	21	-	-	-	-	-	18,190,437,006	18,190,437,006	-	-	-	-	-
Security money received	22	-	-	-	-	-	700,000	700,000	-	-	-	-	-
Trade and other payables	25	-	-	-	-	-	10,240,003,515	10,240,003,515	-	-	-	-	-
Accrued expenses	26	-	-	-	-	-	233,406,220	233,406,220	-	-	-	-	-
Payable to related party	27	-	-	-	-	-	8,078,817,385	8,078,817,385	-	-	-	-	-
		-	-	-	-	-	36,743,364,125	36,743,364,125	-	-	-	-	-
30 June 2020													
In Taka	Note	Fair value- hedging instruments	Mandatorily at FVTPL – others	Carrying amount			Fair value						
				FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
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	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	21	-	-	-	-	-	4,864,817,881	4,864,817,881	-	-	-	-	-
Security money received	22	-	-	-	-	-	700,000	700,000	-	-	-	-	-
Trade and other payables	25	-	-	-	-	-	266,775,089	266,775,089	-	-	-	-	-
Accrued expenses	26	-	-	-	-	-	25,688,770	25,688,770	-	-	-	-	-
Payable to related party	27	-	-	-	-	-	750,470,660	750,470,660	-	-	-	-	-
		-	-	-	-	-	5,908,452,400	5,908,452,400	-	-	-	-	-

Notes to the consolidated financial statements (Continued)

43 Financial risk management

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

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

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

A Credit risk

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

i) Exposure to credit risk

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

In Taka	Note	30 September 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Trade and other receivables	10	9,869,594,833	1,287,775,648	2,721,688,325	1,407,646,707
Receivable from related party	11	12,880,191,186	6,955,728,666	10,417,707,665	5,176,876,020
Investment in marketable securities	13	112,176,482	112,176,482	92,817,221	92,817,221
Cash and cash equivalents (excluc	15	316,766,749	61,098,491	416,783,997	323,738,646
		23,178,729,251	8,416,779,287	13,648,997,208	7,001,078,594

ii) Ageing of trade and other receivables

In Taka	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Not past due	2,867,572,735	520,099,065	903,457,699	574,600,818
Past due 0-30 days	2,506,597,516	103,837,804	525,357,559	113,784,362
Past due 31-60 days	2,828,963,151	90,782,029	474,897,864	100,729,016
Past due 61-90 days	1,056,794,523	27,392,614	419,469,532	93,428,059
Past due 91-120 days	20,988,626	16,707,298	19,699,011	75,746,331
Past due 121-365 days	91,646,081	68,068,984	91,454,071	113,683,317
Past due 365+ days	497,032,202	460,887,854	329,528,939	335,674,803
	9,869,594,833	1,287,775,648	2,763,864,677	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 consolidated financial statements (Continued)

30 September 2020

30 September 2020

		Contractual cash flows			
<i>In Taka</i>	<i>Note</i>	Carrying amount	Total	6 months or less	Over 6 months
Non-derivative financial liabilities					
Borrowings	21	18,190,437,006	18,190,437,006	335,913,091	17,854,523,915
Trade and other payables	25	10,240,003,515	10,240,003,515	10,240,003,515	-
Accrued expenses	26	233,406,220	233,406,220	233,406,220	-
Payable to related party	27	8,078,817,385	8,078,817,385	8,078,817,385	-
		36,742,664,125	36,742,664,125	18,888,140,211	17,854,523,915
Derivative financial liabilities		-	-	-	-
		36,742,664,125	36,742,664,125	18,888,140,211	17,854,523,915

30 June 2020

30 June 2020

		Contractual cash flows			
<i>In Taka</i>	<i>Note</i>	Carrying amount	Total	6 months or less	Over 6 months
Non-derivative financial liabilities					
Borrowings	21	4,864,817,881	4,864,817,881	532,885,129	4,331,932,752
Trade and other payables	25	266,775,089	266,775,089	266,775,089	-
Accrued expenses	26	25,688,770	25,688,770	25,688,770	-
Payable to related party	27	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:

		Nominal Amount			
		30 September 2020		30 June 2020	
<i>In Taka</i>	<i>Note</i>	Consolidated	Separate	Consolidated	Separate
Fixed rate instruments					
<i>Financial assets</i>					
Receivable from related party	11	12,880,191,186		10,417,707,665	
Fixed deposits	15	30,457,500		-	
<i>Financial liabilities</i>					
Payable to related party	27	(8,078,817,385)		(750,470,660)	
Variable rate instruments					
<i>Financial liabilities</i>					
Borrowings	21	(18,190,437,006)		(4,864,817,881)	
		(13,358,605,705)	-	4,802,419,124	

44 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.

Notes to the consolidated financial statements (Continued)

45 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>	30 September 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Service charge deducted by BEPZA ordered to return to the Company	18,733,918		18,733,918	
Loss of warranty	17,424,510		17,424,510	
Total	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.

46 Commitments

The Group had the following outstanding letters of credit (LC) as at 30 September 2020 against which it is committed to purchase spare parts.

	30 September 2020		30 June 2020
	Currency	Invoice value	Invoice value
UPGDCL	USD	336,412	384,881
	EUR	713,284	1,478,941
UEL	USD	55,133	210,668
	EUR	-	60,020
UAEL	USD	158,167	82,936
	EUR	195,526	36,121
LGDBL	USD	-	1,692,700
	EUR	-	8,500
UAnPL	USD	41,424,786	25,500,008
	EUR	19,207	1,245,653
UJPL	USD	12,649,802	1,692,700
	EUR	-	8,500

47 Contingent liabilities

47.1 Contingent liabilities relating to bank guarantees amounted to:

United Power Generation & Distribution Company Ltd

<i>In Taka</i>		Expiry date	30 September	30 June 2020
Beneficiary				
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		17 Dec. 2019	20,421,244	20,421,244
			221,109,646	221,109,646

United Energy Ltd

<i>In Taka</i>		Expiry date	30 September	30 June 2020
Beneficiary				
Jalalabad Gas Transmission and Distribution Systems Limited		12 October 2022	48,396,019	48,396,019
			48,396,019	48,396,019

Notes to the consolidated financial statements (Continued)

United Ashugani Energy Ltd

In Taka

Beneficiary	Expiry date	30 September	30 June 2020
Bangladesh Power Development Board	7 June 2020	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

In Taka

Beneficiary	Expiry date	30 September	30 June 2020
Karnaphuli Gas Distribution Company Limited	10-Sep-23	53,688,716	53,688,716
		53,688,716	53,688,716

United Anwara Power Ltd

In Taka

Beneficiary	Expiry date	30 September	30 June 2020
Dhaka Bank Ltd.	30 Sep 2020	463,150,000	463,150,000
		463,150,000	463,150,000

United Jamalpur Power Ltd

In Taka

Beneficiary	Expiry date	463,150,000	463,150,000
Dhaka Bank Ltd.	30.09.2020	280,000,000	280,000,000
		280,000,000	280,000,000

47.2 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.

48 Bank facilities

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

30 September

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	100,000,000	-	-	-
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	1,450,000,000	550,000,000	350,000,000	521,109,646

Notes to the consolidated financial statements (Continued)

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	-	-	133,160,000
Dutch Bangla Bank Limited	100,000,000	-	-	-
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	1,750,000,000	250,000,000	1,500,000,000	1,433,160,000

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	-	-	-	-
HSBC	1,335,000,000	-	-	-	-
Dutch-Bangla Bank Ltd.	-	-	-	-	950,000,000
Total	2,005,000,000	-	-	-	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.	11,620,000,000	-	-	-	-
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	1,676,000,000	-
City Bank Ltd	6,000,000,000	-	3,600,000,000	-	-
Bank Asia Ltd.	2,125,000,000	-	1,500,000,000	-	-
Dutch-Bangla Bank Ltd.	-	-	500,000,000	-	-
Eastern Bank Ltd.	-	-	1,500,000,000	-	-
Mutual Trust Bank Ltd.	2,000,000,000	-	-	-	-
UCBL	2,000,000,000	-	500,000,000	-	950,000,000
Total	31,263,000,000	500,000,000	8,850,000,000	2,139,150,000	950,000,000

United Jamalpur Power Limited

Name of the bank	Letter of credit - limit	Short Term Loan	Overdraft limit	Bank guarantee facilities - limit	Long Term Loan
Dhaka Bank Limited	1,215,000,000	500,000,000.00	-	280,000,000.00	-
HSBC	20,000,000	250,000,000	-	-	-
Dutch-Bangla Bank Ltd.	1,300,000,000	750,000,000	-	-	-
The City Bank Ltd.	3,500,000,000	-	-	-	2,000,000,000
Bank Asia Ltd.	2,125,000,000	-	-	-	-
Eastern Bank Ltd.	2,100,000,000	1,000,000,000	-	-	-
Total	10,260,000,000	2,500,000,000	-	280,000,000	2,000,000,000

49 Expenditure in equivalent foreign currency

In Taka	30 September 2020	30 June 2020
Foreign travel for business purpose	-	-
	-	-

Notes to the consolidated financial statements (Continued)

50 Other disclosures

50.1 Capacity and production

United Power Generation & Distribution Company Ltd

Location of plant	Installed capacity (MWH)	30 September 2020		30 September 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Dhaka EPZ	172,000	131,579	76%	133,306	78%
Chattogram EPZ	144,000	129,984	90%	130,480	91%
Total	316,000	261,563		263,786	

United Energy Ltd

Location of plant	Installed capacity (MWH)	30 September 2020		30 September 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Sylhet	56,000	46,753	83%	50,676	90%
Ashuganj	106,000	-	0%	-	0%
Total	162,000	46,753		50,676	

United Ashuganj Energy Ltd

Location of plant	Installed capacity (MWH)	30 September 2020		30 September 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Ashuganj	390,000	38,468	10%	137,361	35%

United Anwara Power Ltd

Location of plant	Installed capacity (MWH)	30 September 2020		30 September 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Anwara	600,000	534,233	89%	266,825	44%

United Jamalpur Power Ltd

Location of plant	Installed capacity (MWH)	30 September 2020		30 September 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Jamalpur	230,000	153,618	67%	210,419	91%

50.2 Number of employees

The Group has no employees. Operation and maintenance activities are managed by 194 personnel for UPGDCL, 101 personnel for UAEL and 44 personnel for UEL, provided by United Engineering and Power Services Ltd under separate O&M contracts.

51 Events after the reporting period

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

The Board of Directors of the Company, resolved in its 94th meeting to acquire 99% shares of United Anowara Power Limited (UAnPL) and United Anowara Power Limited (UAnPL) from Sponsor Shareholders at Net Asset Value based on audited Financial Statements as at 30 June 2020 effective from 1 July 2020. Subsequently General shareholders approved the acquisition scheme in the EGM held on 28 October 2020.

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

Following the declaration of COVID-19 as a pandemic by the World Health Organization (WHO) in early March 2020, like many other governments, the Government of Bangladesh introduced restrictive measures to contain further spread of the virus, affecting free movement of people and goods. These measures included imposing nationwide general holidays from 26 March until 30 June 2020. Though demand of BEPZA fell in April 2020 only, BPDB and REB bought low price electricity from UPGDCL as UPGDCL electricity price is lower for them. On the other hand, United Ashuganj Energy Limited (UAEL) the demand for electricity by BPDB decrease during these restrictions, given that a large portion of the Company's revenue is capacity payment and the fuel payment is a pass-through, UAEL revenue and gross profit was not significantly impacted. So, there was no material impact of ("COVID-19") during the reporting period as well as after the reporting period.

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.

52 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 consolidated financial statements (Continued)

53 Basis of measurement

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

54 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 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 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 December 2019, 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.

Notes to the consolidated financial statements (Continued)

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 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.

Notes to the consolidated financial statements (Continued)

(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 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 30 September 2020, 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.

Notes to the consolidated financial statements (Continued)

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.

Notes to the consolidated financial statements (Continued)

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 consolidated financial statements (Continued)

55 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

56 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.