

**United Power Generation &
Distribution Company Ltd.
Consolidated financial statements
as at and for the year ended 30 June 2023**

Hoda Vasi Chowdhury & Co

Chartered Accountants

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of United Power Generation & Distribution Company Ltd. (the "Company" or "UPGDCL") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, of the consolidated financial position of the Company as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as explained in note 60.

Basis of Opinion

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

Other Matters

The consolidated financial statements of United Power Generation & Distribution Company Ltd. and its subsidiaries for the year ended 30 June 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 27 October 2022.

Emphasis of matter

We draw attention to Note 50.2 to the consolidated financial statements, wherein the management has explained the status of additional claim by the Company's gas suppliers, After several stages of legal proceedings, where the judgements did not go in favour of the Group, the Group has filed two Civil Review Petitions which are still pending for hearing before the Honourable Appellate Division of the Supreme Court of Bangladesh as of the date of this report. Meanwhile, the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources to consider the gas tariff as IPP category. Pending final outcome of the Court proceedings, management has concluded that a significant uncertainty exists in order to enable any reliable estimation of a potential obligation, if any, and no provision for these claims has been made in the accompanying consolidated financial statements. Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

Revenue recognition	
Description of key audit matters	How the matters were addressed in our audit
Revenue recognition and provision for customer receivables are key areas of judgement for the Group, particularly in relation to energy revenue which is recognised based on the survey of the meter reading. The customer (or government authority) verifies the electrical energy output through physical inspection of meter and/or review of relevant reports generated from the meter. Upon agreement by both parties, the electrical energy delivered for the month is evidenced by the approval of the professional engineers representing the Company and the customer. The meter is calibrated and certified by independent professional engineers on a regular basis. Identification of conflicting issues relating to billing and assessing the prospect of recoverability for revenue that has been billed is hence regarded as a key audit matter.	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • assessing whether revenue recognition policies are applied through comparison with relevant accounting standards and industry practice; • Review of Power Supply/Purchase Agreement terms and recalculate invoice amount as per PSA/PPA; • testing the Group’s controls over revenue recognition; • assessing the assumptions used to calculate the metered accrued income by ensuring that inputs used to the calculation have been derived appropriately; • checking of subsequent collection of revenue. • Discussions with management regarding their communications with customers (e.g. BPDB, BREB) regarding settlement of remaining invoices. • Review of management’s assessment as to recoverability, including the need for any impairment provision.
See note 60 (F) and 32 to the consolidated financial statements	

Additional charges claimed by the gas suppliers to the Company	
Description of key audit matters	How the matters were addressed in our audit
Based on a decision of the Ministry of Power, Energy and Mineral Resources with regard to gas rates applicable for gas-based power plants, the gas suppliers of the Company, namely Titas Gas Transmission & Distribution Company Limited and Karnaphuli Gas Distribution Company Limited have claimed additional amounts of BDT to BDT 3,844,873,992 (for the period January 2018 to January 2023) and BDT 2,476,564,935	<p>Our substantive procedures in this area included:</p> <ul style="list-style-type: none"> • discussion of material legal cases with the Company’s Legal Department; • review of legal documents pertaining to the case; • inquiry with management and review and analysis of managements detailed

<p>(for the period May 2018 to January 2023 for Dhaka Export Processing Zone (DEPZ) and Chittagong Export Processing Zone (CEPZ) plants, respectively.</p> <p>The Company had filed two separate writ petitions, dated 23 May 2019 and 1 July 2019, with the Honorable High Court Division of the Supreme Court of Bangladesh against the above decision. Judgement was given against the Company and the Company then appealed to the Honorable Supreme Court which was also discharged by the Court. The Company has now filed two review petitions which are still pending for hearing before the Honorable Appellate Division of the Supreme Court of Bangladesh as of the date of this report.</p> <p>Pending final outcome of the Court proceedings, management has concluded that a significant uncertainty exists in order to enable any reliable estimation of a potential obligation, and no provision for these claims has been made in the accompanying consolidated financial statements. As the amount is considered material for the consolidated financial statements of the Group we considered this as a key audit matter.</p>	<p>assessment of the probability of outcome of the case;</p> <ul style="list-style-type: none"> • directly obtaining assessment and legal opinion from the Company’s external legal counsel with regard to the outcome of the case; • assessment of disclosures in the consolidated financial statements of material contingencies, nature and their measurement.
See note 60 (H) and 50.2 to the consolidated financial statements	

Accuracy and completeness of disclosure of related party transactions	
Description of key audit matters	How the matters were addressed in our audit
<p>The Company and the Group has undertaken various related party transactions as part of its operational activities. We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the consolidated financial statements as a key audit matter. Furthermore, the Company being a listed entity such related party transactions are subject to certain regulatory directives. Accordingly we consider this as a key audit matters.</p>	<p>Our procedures in relation to the accuracy and completeness of disclosure of related parties’ transactions included:</p> <ul style="list-style-type: none"> • obtained an understanding of the Group’s policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been accurately disclosed in the consolidated financial statements; • agreed the amounts disclosed to underlying documentation and reviewing relevant agreements, on a sample basis, as part of our evaluation of the disclosure; and • evaluated the disclosures through review of statutory information, books and records and other documents obtained during the course of our audit.

	<ul style="list-style-type: none">• Checked the compliance with regulatory directives regarding related party transactions.
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Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as explained in note 60, the Companies Act 1994, Securities and Exchange Rules 2020, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

Dhaka, 26 October 2023



**Sabbir Ahmed FCA, Partner
ICAB Enrolment Number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants**



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

In Taka	Note	As at	
		30 June 2023	30 June 2022
Assets			
Property, plant and equipment	5	36,387,094,719	38,553,574,856
Capital Work In Progress (CWIP)	6	2,003,363,856	1,804,307,076
Right of use assets	7	161,088,918	183,790,779
Investment in subsidiaries	8	-	-
Non-current assets		38,551,547,494	40,541,672,711
Inventories	9	3,449,474,931	4,265,343,282
Trade and other receivables	10	17,933,527,471	24,501,517,713
Receivable from related parties	11	18,712,224,278	15,343,171,161
Advances, deposits and prepayments	12	891,960,800	173,724,377
Investment in marketable securities	13	137,876,106	148,085,596
Advance income tax	14	9,147,670	6,664,589
Cash and cash equivalents	15	1,501,799,518	1,230,174,686
Current assets		42,636,010,774	45,668,681,403
Total assets		81,187,558,268	86,210,354,114
Equity			
Share capital	16	5,796,952,700	5,796,952,700
Share premium	17	2,046,000,000	2,046,000,000
Share Money Deposit			
Revaluation reserve	18	55,443,307	56,115,299
Retained earnings	19	22,951,409,252	24,786,447,118
Equity attributable to the owners of the Company		30,849,805,259	32,685,515,117
Non-controlling interests	20	503,021,021	512,166,162
Total equity		31,352,826,280	33,197,681,279
Liabilities			
Preference Share Capital	21	1,200,000,000	2,100,000,000
Long term loan	22	3,020,168,488	3,883,160,052
Security money received	24	15,700,000	700,000
Land lease Liability	25	22,545,443	24,677,455
Non-current liabilities		4,258,413,931	6,008,537,507
Deferred revenue	26	190,480,383	234,267,429
Trade and other payables	27	8,448,367,534	14,411,833,578
Unclaimed dividend	28	12,944,121	13,322,090
Accrued expenses	29	155,924,417	119,105,149
Long term loan - Current portion	22	1,343,970,681	1,266,361,806
Short term loan	23	5,496,172,222	6,210,000,000
Preference Share Capital	21	400,000,000	900,000,000
Land lease Liability	25	2,132,012	1,980,622
Payable to related parties	30	29,520,486,041	23,845,523,399
Current Tax liability	31	5,840,645	1,741,255
Current liabilities		45,576,318,057	47,004,135,328
Total liabilities		49,834,731,988	53,012,672,835
Total equity and liabilities		81,187,558,268	86,210,354,114
Net asset value per share	41	53.22	56.38

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

See the annexed report of even date

Hoda Vasi Chowdhury & Co
Chartered Accountants

Sabbir Ahmed FCA, Partner
Enrolment Number: 0770
Dhaka, 26 October 2023

Managing Director

Director

Masfak Ahmed
Company Secretary



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

In Taka	Note	For the year ended	
		30 June 2023	30 June 2022
Revenue	32	41,309,112,151	49,435,163,297
Cost of sales	33	(30,656,188,645)	(37,079,389,766)
Gross profit		10,652,923,506	12,355,773,531
General and administrative expenses	34	(443,815,489)	(98,733,440)
Other income/(Expenses)	35	154,692,723	95,132,864
Operating profit		10,363,800,740	12,352,172,955
Finance income	36	555,417,608	826,961,563
Foreign exchange gain/(loss)	37	(1,468,391,168)	(2,511,086,094)
Finance expense	38	(1,204,422,000)	(510,727,599)
Profit before tax		8,246,405,181	10,157,320,826
Income tax (expense)/income	39	(4,099,390)	(2,024,428)
Profit for the period		8,242,305,791	10,155,296,398
Other comprehensive income		-	-
Total comprehensive income		8,242,305,791	10,155,296,398
Total comprehensive income attributable to:			
Owners of the Company		8,019,109,732	9,974,411,005
Non-controlling interests	20	223,196,059	180,885,393
Total comprehensive income		8,242,305,791	10,155,296,398
Earnings per share	40.1	13.83	17.21

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

See the annexed report of even date

Hoda Vasi Chowdhury & Co
Chartered Accountants

Sabbir Ahmed

Sabbir Ahmed FCA, Partner
Enrolment Number: 0770
Dhaka, 26 October 2023

[Signature]
Managing Director

[Signature]
Director

Mostak Ahmed
Company Secretary



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

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

In Taka	For the year ended 30 June 2022					Total
	Attributable to the owners of the Company					
	Share capital	Share premium	Retained earnings	Revaluation reserve	Non-controlling interests	
Balance at 1 July 2021	5,796,952,700	2,046,000,000	24,666,183,710	56,787,291	525,075,969	33,090,999,670
Profit for the year	-	-	9,974,411,005	-	180,885,393	10,155,296,399
Dividend	-	-	(9,854,819,590)	-	(193,795,200)	(10,048,614,790)
Depreciation on revalued assets	-	-	671,992	(671,992)	-	-
Balance at 30 June 2022	5,796,952,700	2,046,000,000	24,786,447,118	56,115,299	512,166,162	33,197,681,279
Note	16	17	19	18	20	

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



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

In Taka	Note	For the year ended	
		30 June 2023	30 June 2022
Cash flows from operating activities			
Cash received from customers		47,527,707,277	30,057,000,670
Cash received from other sources		99,050,073	98,103,059
Cash paid to suppliers and others		(34,228,706,427)	(28,548,577,683)
Tax paid		(1,057,153)	(2,715,565)
Financial charges paid	38	(1,204,421,999)	(510,727,598)
Foreign exchange loss		(944,762,106)	-
Net cash generated from operating activities		11,247,809,666	1,093,082,883
Cash flows from investing activities			
Acquisition of property, plant and equipment		(384,148,812)	(99,793,875)
Cash paid for liabilities against capital machinery		-	(288,110,196)
Cash received/(paid) for related party loan		(2,652,922,424)	(848,449,466)
Dividend from subsidiary company		12,704,409,514	7,568,179,964
Net cash generated from/(used in) investing activities		9,667,338,277	6,331,826,426
Cash flows from financing activities			
Dividend paid		(22,791,948,274)	(17,616,627,814)
Preference Share Capital	21	(1,400,000,000)	1,500,000,000
Insurance claim received		89,332,181	
Lease payment	25	(1,980,622)	(1,840,434)
Inter company loan received/(paid)		5,468,447,801	5,376,982,142
Security Money Received		15,000,000	
Short term loan received/(paid)		(713,827,778)	3,723,678,897
Long term loan received/(paid)		(1,308,546,419)	(659,760,349)
Net cash generated from/(used in) financing activities		(20,643,523,111)	(7,677,567,558)
Net increase in cash and cash equivalents		271,624,832	(252,658,249)
Opening cash and cash equivalents	15	1,230,174,686	1,482,743,529
Effect of movements in exchange rates on cash held		-	89,405
Cash and cash equivalents as at 30 June		1,501,799,518	1,230,174,686
Net operating cash flow per share	42	19.40	1.89

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



Notes to the consolidated financial statements

1 Reporting entity

1.1 Company profile

United Power Generation & Distribution Company Ltd. (UPGDCL) (hereinafter referred to as "the Company"), a public limited company, was incorporated in Bangladesh on 15 January 2007 under the Companies Act (#18) 1994 under registration no. C-65291(2783)/07 with its corporate office at United House, Madani Avenue, United City, Dhaka-1212. The Company was initially registered as a private limited company, formerly known as Malancha Holdings Ltd. (MHL) and subsequently converted into a public limited company on 22 December 2010.

The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chattogram Stock Exchange Limited (CSE).

1.2 Investment in subsidiaries

Consolidated financial statements of the Group as at and for the year ended 30 June 2023 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) the former name of Shajahanullah Power Generation Company Limited (SPGCL) (hereinafter referred to as "the Company") a Public Limited Company in Bangladesh was incorporated vide registration no.-C-75168/09 on 04 March 2009 under the Companies Act (#18) 1994 having its present corporate office at United House, Madani Avenue, United City, Dhaka 1212. The company has developed a power plant of 28 MW capacity in Sylhet in order to produce and supply electricity through BPDB and BREB. The Sylhet power plant came into commercial operational on 21 October 2013.

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.

The authorized capital of the company is Tk. 100,000,000 divided into 10,000,000 ordinary shares of Tk. 10 each. The company has acquired in the year 2017-18 a power plant of 53 MW capacity through Amalgamation of United Ashuganj Power Limited (UAPL) in B. Baria Ashuganj in order to produce and supply electricity through BPDB.

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. UEL is a power generation company established under the Private Sector Power Generation Policy of Bangladesh. It operates two power plants 28 MW plant at Sylhet and 53 MW plant at Ashuganj.

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



Notes to the consolidated financial statements

1.2.2 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 the Company is BDT 7,000,000,000 only divided into 500,000,000 ordinary shares of BDT 10 each and 200,000,000 redeemable preference shares of BDT 10 each.

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

1.2.3 Leviathan Global BD Ltd.

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

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

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

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 United House, Madani Avenue, United City, Dhaka-1212. The company has developed 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.

On 15 September 2020, the Board of Directors of the Company, resolved to acquire 99% shares (9,900,000 shares) of United Anwara 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).



Notes to the consolidated financial statements

1.2.5 United Jamalpur power Limited

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

The power plant consists of Wartsila engine generators with 20 years expected useful life, which form the major part of the power generation. The power plant came into commercial operation on 21 February 2019 with capacity of 115 MW. This HFO based generating sets 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.

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).

Details of holding structure in subsidiaries are described in Note 60A and note 8.

1.3 Nature of the business

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

1.4 Power plant

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

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

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

Notes to the consolidated financial statements

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

Name of entity	Location	Plant capacity (MW)	Fuel Component	Commercial Operation Date (COD)	End of Contract year
United Power Generation & Distribution Company Ltd.	DEPZ	82	Gas	26 December 2008	2038
	CEPZ	72	Gas	12 August 2009	2039
United Energy Ltd	Ashuganj	53	Gas	22 June 2011	2027
	Sylhet	28	Gas	21 October 2013	2043
United Ashuganj Energy Ltd	Ashuganj	195	Gas	8 May 2015	2030
Leviathan Global BD Ltd.	KEPZ	40/50	Gas	-	2048
United Anwara Power Limited	Anwara	300	HFO	22-Jun-19	2034
United Jamalpur Power Limited	Jamalpur	115	HFO	21-Feb-19	2034

2 Basis of accounting

2.1 Statement of compliance

The 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 60.

2.2 Date of authorisation

The consolidated financial statements were authorised for issue by the Board of Directors on 26 October 2023.

2.3 Reporting period

The current financial period of the Group covers twelve months from 1 July 2022 to 30 June 2023.

3 Functional and presentation currency

These consolidated financial statements have been presented in Bangladeshi Taka (Taka/Tk/BDT), which is both the functional and presentation currency of the 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 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.



Notes to the consolidated financial statements

4.1 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2022 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 60B	Property, plant and equipment
Note 9 and 60C	Inventories
Note 10 and 60D	Trade and other receivables
Note 31 and 60J	Current Tax liability
Note 48, 50, and 60H	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.





Notes to the consolidated financial statements (Continued)

5 Property, plant and equipment
See accounting policy in Note 60B

Reconciliation of carrying amount

<i>In Taka</i>	Plant and machinery	Gas line	Building and civil construction	Land and development	Office equipment	Furniture and fixture	Motor vehicle	Total
Cost								
Balance at 1 July 2022	50,554,485,445	484,468,180	2,708,580,809	321,929,079	29,466,632	16,455,464	204,135,898	54,319,521,507
Additions	135,465,661	47,334,685	3,918,590	-	4,316,029	355,691	114,000	191,504,656
Disposals/transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2023	50,689,951,106	531,802,865	2,712,499,400	321,929,079	33,782,661	16,811,155	204,249,898	54,511,026,163
Balance at 1 July 2021	50,360,525,262	483,716,045	2,697,067,990	321,929,079	27,534,786	16,417,214	187,675,898	54,094,866,273
Additions	193,960,183	752,135	11,512,819	-	1,931,847	38,250	16,460,000	224,655,234
Disposals/transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2022	50,554,485,445	484,468,180	2,708,580,809	321,929,079	29,466,632	16,455,464	204,135,898	54,319,521,507
Accumulated depreciation								
Balance at 1 July 2022	14,712,586,382	159,054,973	635,382,222	145,790,312	19,049,203	10,412,791	83,670,768	15,765,946,650
Depreciation for the year	2,186,172,642	9,599,134	129,518,446	9,387,678	1,988,847	1,424,239	19,893,806	2,357,984,794
Adjustment for disposal/transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2023	16,898,759,024	168,654,107	764,900,668	155,177,990	21,038,050	11,837,030	103,564,575	18,123,931,444
Balance at 1 July 2021	12,407,487,664	149,956,125	506,099,783	136,402,634	17,187,861	9,000,253	64,650,862	13,290,785,182
Depreciation for the year	2,305,098,718	9,098,848	129,282,438	9,387,678	1,861,342	1,412,537	19,019,906	2,475,161,468
Adjustment for disposal/transfers	-	-	-	-	-	-	-	-
Balance at 30 June 2022	14,712,586,382	159,054,973	635,382,222	145,790,312	19,049,203	10,412,791	83,670,768	15,765,946,650
Carrying amounts								
Balance at 30 June 2023	33,791,192,082	363,148,759	1,947,598,732	166,751,088	12,744,611	4,974,124	100,685,323	36,387,094,719
Balance at 30 June 2022	35,841,899,063	325,413,207	2,073,198,588	176,138,767	10,417,430	6,042,673	120,465,130	38,553,574,856
Allocation of depreciation								
<i>In Taka</i>								
Cost of sales								
General and administrative expenses								
					Note			
					33			
					34			
						30 June 2023	30 June 2022	
						2,339,612,291	2,455,389,348	
						18,372,503	19,772,122	
						2,357,984,794	2,475,161,470	

Notes to the consolidated financial statements (Continued)

6 Capital Work In Progress (CWIP)

<i>In Taka</i>	30 June 2023	30 June 2022
Capital Machinery	1,395,108,058	1,332,487,527
Building and civil Construction	84,941,211	79,653,910
Office Furniture	1,324,462	157,607
Office and Electrical equipment	567,411	314,606
Gas Line	5,000,000	5,000,000
Interest during construction period	516,422,713	386,693,426
	2,003,363,856	1,804,307,076

7 Right of use assets

See accounting policy in Note 60S

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Land lease rent	7.1	159,064,609	180,754,316
Office rent	7.2	2,024,309	3,036,463
Balance at		161,088,918	183,790,779

7.1 Land lease rent

<i>In Taka</i>	30 June 2023	30 June 2022
Cost		
Balance as at 01 July 2022	245,823,435	245,823,435
Addition	-	-
Disposals	-	-
Balance at 30 June 2023	245,823,435	245,823,435

Accumulated depreciation

Balance as at 01 July 2022	65,069,119	43,379,412
Amortisation for the year	21,689,707	21,689,707
Adjustment for disposal/transfers	-	-
	86,758,826	65,069,119

Carrying amount

Balance at 30 June	159,064,609	180,754,316
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7.2 Office rent

<i>In Taka</i>	30 June 2023	30 June 2022
Cost		
Balance as at 01 July 2022	4,048,617	-
Addition	-	4,048,617
Disposals	-	-
	4,048,617	4,048,617

Accumulated depreciation

Balance as at 01 July 2022	1,012,154	-
Amortisation for the year	1,012,154	1,012,154
Adjustment for disposal/transfers	-	-
	2,024,308	1,012,154

Carrying amount

Balance at 30 June	2,024,309	3,036,463
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Amortisation on right of use asset (land) has been charged to cost of sales and amortisation on right of use asset (office rent) has been charged to general and administrative expenses.

8 Investment in subsidiaries

See Note 1.2

<i>In Taka</i>	30 June 2023	30 June 2022
United Energy Ltd	-	-
Leviathon Global BD Ltd.	-	-
United Anwara power Limited	-	-
United Jamalpur power Limited	-	-
	-	-

Notes to the consolidated financial statements (Continued)

9 Inventories

See accounting policy in Note 60C

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Spare parts	9.1	2,115,873,065	1,856,457,857
Lube oil and chemicals	9.2	120,101,359	73,240,160
Heavy fuel oil	9.3	1,002,830,393	2,055,813,661
Light fuel oil	9.4	5,959,568	6,656,092
Materials in transit		204,710,546	273,175,512
		3,449,474,931	4,265,343,282

9.1 Spare parts

<i>In Taka</i>	30 June 2023	30 June 2022
Opening balance	1,856,457,857	1,610,163,572
Purchase during the year	1,039,253,045	1,039,461,693
Transfer during the year	(15,218,772)	(70,587,083)
Consumption during the year	(764,619,065)	(722,580,325)
	2,115,873,065	1,856,457,857

9.2 Lube oil and chemicals

<i>In Taka</i>	30 June 2023	30 June 2022
Opening balance	73,240,159	107,433,366
Purchase during the year	511,707,608	517,247,962
Transfer during the year	(12,483,237)	(19,037,225)
Consumption during the year	(452,363,171)	(532,403,944)
	120,101,359	73,240,159

9.3 Heavy fuel oil

<i>In Taka</i>	30 June 2023	30 June 2022
Opening balance	2,055,813,660	2,296,494,562
Purchase during the year	21,421,384,488	32,736,518,627
Consumption during the year	(22,474,367,756)	(32,977,199,529)
	1,002,830,393	2,055,813,661

9.4 Light fuel oil

<i>In Taka</i>	30 June 2023	30 June 2022
Opening balance	6,656,091	8,827,451
Purchase during the year	-	1,125,180
Consumption during the year	(696,524)	(3,296,540)
	5,959,568	6,656,092

10 Trade and other receivables

See accounting policy in Note 60D

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Trade receivables	10.1	18,229,305,119	24,491,687,290
Other receivables	10.2	10,294,420	9,830,423
Provision for impaired receivables		(306,072,068)	-
		17,933,527,471	24,501,517,713

10.1 Trade receivables

<i>In Taka</i>	30 June 2023	30 June 2022
BREB	254,776,648	230,862,774
BPDB	17,227,587,887	23,583,589,589
BEPZA	385,683,340	401,305,424
Private customers	361,257,244	275,929,503
	18,229,305,119	24,491,687,290



Notes to the consolidated financial statements (Continued)

10.2 Other receivables

<i>In Taka</i>	30 June 2023	30 June 2022
Wartsila Bangladesh Ltd	7,861,216	5,832,334
Bergen Engine BD (Pvt.) Ltd	1,053,791	2,535,813
Precision Energy Ltd.	-	47,818
ABB Ltd.	936,609	936,609
Weber Power Solution Ltd.	109,641	109,641
EVP Chittagong Ltd.	333,162	368,209
	10,294,420	9,830,423

10.3 Out of the total receivable from BREB, an amount of BDT 177,171,835 for the year from 2009 to 2012 was under arbitration in Bangladesh Energy Regulatory Commission (BERC) for determination. In May 2018, the arbitration panel awarded in favor of BREB. The Company has filed a writ petition with the BERC against the arbitration award. Judgment has been given against UPGDCL on 3 July 2022. Management has created provision for impaired receivables on the disputed amount due from BREB.

10.4 Out of the total receivable from BPDB, an amount of BDT 128,900,233 is disputed by BPDB dating back to the year 2009 to 2012. Being these two matters are the same and the verdict goes against UPGDCL, management has created a provision for impaired receivables on disputed amount due from BPDB.

11 Receivable from related parties

See accounting policy in Note 60D

<i>In Taka</i>	30 June 2023	30 June 2022
United Mymensingh Power Ltd	18,705,073,339	15,335,924,161
United Payra Power Ltd.	2,891,219	3,818,012
United Engineering and Power Services Ltd	3,051,595	3,051,595
United Lube Oil Ltd	377,392	377,392
United Hospital Ltd.	556,964	-
United Sulpho-Chemicals Limited	273,767	-
	18,712,224,278	15,343,171,161

12 Advances, deposits and prepayments

See accounting policy in Note 60D

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Advances	12.1	93,882,278	100,335,160
Deposits	12.2	55,556,467	53,949,707
Prepayments	12.3	742,522,055	19,439,510
		891,960,800	173,724,377

12.1 Advances

<i>In Taka</i>	30 June 2023	30 June 2022
Advance against LC charges	2,660,547	705,690
Advance against HFO	15,421,198	15,423,345
Advance against expenses	75,800,532	84,206,125
	93,882,278	100,335,160

12.2 Deposits

<i>In Taka</i>	30 June 2023	30 June 2022
Karnaphuli Gas Distribution Company Ltd.	44,293,183	44,293,183
Bank guarantee margin	5,850,000	5,850,000
BEPZA	2,794,286	1,112,518
Balance in BO account	-	75,007
Central Depository Bangladesh Ltd.	500,000	500,000
Chattagram Palli Biddut Shamity-1	1,913,998	1,913,998
BPDB	205,000	205,000
	55,556,467	53,949,707

12.3 Prepayments

<i>In Taka</i>	30 June 2023	30 June 2022
Insurance premium	8,367,382	14,495,662
BERC license fees	540,723	2,048,836
Prepayment against LC Margin	15,851,126	-
Bank guarantee commission	717,762,822	2,895,012
	742,522,055	19,439,510

Notes to the consolidated financial statements (Continued)

13 Investment in marketable securities
See accounting policy in Note 60D

<i>In Taka</i>	30 June 2023	30 June 2022
Cash available for share purchase	31,346	31,796
Financial assets classified as fair value through profit and loss	137,844,760	148,053,800
	137,876,106	148,085,596

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 2023	Cost price	Changes in fair value	Market value at 30 June 2022
BEXIMCO	511,000	115.60	59,071,600	82,238,736	(23,167,136)	66,327,800
SHAHJABANK	865,200	18.30	15,833,160	18,117,047	(2,283,887)	16,716,000
Square Pharmaceuticals Ltd	300,000	209.80	62,940,000	71,664,681	(8,724,681)	65,010,000
			137,844,760	172,020,464	(34,175,704)	148,053,800



Notes to the consolidated financial statements (Continued)

14 Advance income tax

<i>In Taka</i>	30 June 2023	30 June 2022
Opening balance	6,664,589	6,086,350
Paid during the year	2,483,081	4,428,696
Adjustment for completion of assessment	-	(3,850,457)
	9,147,670	6,664,589

15 Cash and cash equivalents

See accounting policy in Note 60D

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Cash in hand	15.1	1,062,999	1,030,472
Fixed deposits	15.2	-	33,423,718
Cash at bank	15.3	1,500,736,519	1,195,720,496
		1,501,799,518	1,230,174,686

15.1 Cash in hand

<i>In Taka</i>	30 June 2023	30 June 2022
Cash in hand	1,062,999	1,030,472
	1,062,999	1,030,472

15.2 Fixed deposits

<i>In Taka</i>	30 June 2023	30 June 2022
AB Bank Limited	-	33,423,718
	-	33,423,718

15.3 Cash at bank

<i>In Taka</i>	30 June 2023	30 June 2022
Dhaka Bank Limited	878,838,418	1,035,030,306
Dutch Bangla Bank Limited	69,883,522	30,917,222
Shahjalal Islami Bank Limited	8,200	8,200
Eastern Bank Limited	27,669,023	24,404,113
Jamuna Bank Limited	24,992,411	2,220,584
Brac Bank Limited	11,202,404	14,419,446
The City Bank Limited-Dividend distribution A/C 2016	14,838,147	24,059,296
The Hongkong and Shanghai Banking Corp. Ltd	326,167,958	22,471,423
Standard Chartered Bank	62,905,950	11,555,182
The City Bank Limited	25,417,393	8,582,628
Bank Asia Ltd.	24,234,742	3,050,681
Citibank N.A	14,348,488	9,235,210
United Commercial Bank Ltd.	4,964	6,044
Mutual Trust Bank Ltd.	655,733	4,276,534
Prime Bank Ltd.	17,120,947	4,500,273
One Bank Ltd.	6,899	7,925
Pubali Bank Limited	2,441,320	975,428
	1,500,736,519	1,195,720,496



Notes to the consolidated financial statements (Continued)

16 Share capital

See accounting policy in Note 600

<i>In Taka</i>	30 June 2023	30 June 2022
Authorised		
800,000,000 ordinary shares of Tk. 10 each	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
	10,000,000,000	10,000,000,000
Ordinary shares issued, subscribed and paid up		
Opening balance	5,796,952,700	5,796,952,700
Bonus shares issued	-	-
Closing balance	5,796,952,700	5,796,952,700

16.1 Particulars of shareholding

<i>In Taka</i>	30 June 2023		30 June 2022
	No. of shares	Value (Tk)	Value (Tk)
United Mymensingh Power Ltd	521,716,902	5,217,169,020	5,217,169,020
Investment Corporation of BD	16,356,447	163,564,470	161,780,790
General investors	41,621,921	416,219,210	418,002,890
	579,695,270	5,796,952,700	5,796,952,700

16.2 Percentage of shareholdings

Name of shareholders	30 June 2023	30 June 2022
United Mymensingh Power Ltd	90.00%	90.00%
Investment Corporation of Bangladesh	2.82%	2.79%
General investors	7.18%	7.21%
	100%	100%

16.3 Classification of shareholders by holding

Range of holding in number of shares	30 June 2023	30 June 2022
	No. of shareholders	No. of shareholders
01 to 5000 shares	12,589	12,685
5,001 to 20,000 shares	385	391
20,001 to 50,000 shares	112	110
50,001 to 1,000,000 shares	90	94
1,000,001 to 10,000,000 shares	7	7
over 10,000,001 shares	1	1
	13,184	13,288

17 Share premium

<i>In Taka</i>	30 June 2023	30 June 2022
Share premium	2,046,000,000	2,046,000,000
	2,046,000,000	2,046,000,000

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

18 Revaluation reserve

<i>In Taka</i>	30 June 2023	30 June 2022
Revaluation reserve	55,443,307	56,115,299
	55,443,307	56,115,299

Notes to the consolidated financial statements (Continued)

19 Retained earnings

<i>In Taka</i>	30 June 2023	30 June 2022
Opening balance	24,786,447,118	24,666,183,710
Net profit during the period	8,019,109,732	9,974,411,006
	32,805,556,850	34,640,594,716
Cash dividend for the year 2020-21	-	(9,854,819,590)
Cash dividend for the year 2021-22	(9,854,819,590)	-
Depreciation on revalued assets	671,992	671,992
	22,951,409,252	24,786,447,118

20 Non-controlling interests

<i>In Taka</i>	30 June 2023	30 June 2022
Opening balance	512,166,162	525,075,969
Addition during the period:	-	-
Dividend to minority shareholders	(232,341,200)	(193,795,200)
Profit during the period	223,196,059	180,885,393
Non-Controlling interest added on acquisition	-	-
	503,021,021	512,166,162

21 Preference Share Capital

<i>In Taka</i>	30 June 2023	30 June 2022
Preference Share Capital (non-current portion)	1,200,000,000	2,100,000,000
Preference Share Capital (current portion)	400,000,000	900,000,000
	1,600,000,000	3,000,000,000

22 Long term loan

See accounting policy in Note 60D

<i>In Taka</i>	30 June 2023	30 June 2022
Non-current portion	3,020,168,488	3,883,160,052
Current portion	1,343,970,680	1,266,361,805
	4,364,139,168	5,149,521,857

Non-current liabilities

<i>In Taka</i>	30 June 2023	30 June 2022
Investment Promotion and Financing Facility (IPFF) loan	2,353,501,820	2,549,826,717
Preference share	-	-
Standard Chartered Bank Ltd.	333,333,333	666,666,667
Dutch Bangla Bank Ltd.	333,333,335	666,666,668
	3,020,168,488	3,883,160,052

Current liabilities

<i>In Taka</i>	30 June 2023	30 June 2022
Investment Promotion and Financing Facility (IPFF) loan	677,304,015	599,695,140
Standard Chartered Bank Ltd.	666,666,665	333,333,333
Dutch Bangla Bank Ltd.	-	333,333,332
	1,343,970,681	1,266,361,806





Notes to the consolidated financial statements (Continued)

22.1 United Ashugani Energy Limited

Terms and repayment schedule

a) The following loans were obtained under Investment Promotion and Financing Facility (IPFF) for procurement of capital machineries, civil construction and local procurement 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% (IPPF 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% (IPPF 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% (IPPF 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 nominated by United Enterprises & Co. Ltd.
- Corporate guarantees by the United Enterprises & Co. Ltd and Ashugani Power Station & Co. Ltd.

b) Preference share

Nature of loan	Lender	Limit	Dividend rate	Tenure	Year of maturity	Repayment terms
Preference share	Dhaka Bank Limited	BDT 2,000 million	8%	3 years	Nov' 2024	Yearly redemption. i) 1st year 20% ii) 2nd year 20% iii) 3rd year 60%.

The Preference share is secured by:

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

22.2 United Jamalpur Power Limited

Preference share

The following preference share and loan were obtained by United Jamalpur Power Ltd. (UJPL) to repay high-cost existing liability

Nature of loan	Lender	Limit	Dividend rate	Tenure	Year of maturity	Repayment terms
Preference share	Mutual trust bank Ltd.	BDT 1,500 million	5.5% p. a	3 years	Nov' 2024	Yearly redemption. i) 1st year 20% ii) 2nd year 20% iii) 3rd year 60%.

The Preference share is secured by:

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



Long term loan (LTL) facility

The following term loan was obtained by United Jamalpur Power Ltd. (UJPL) for refinancing against already incurred expenses for settlement of accepted liabilities.

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
Term Loan	DBBL	BDT 100 Crore	6.75% p.a	3 years	2025	6 equal Half-Yearly instalments

The term loan is secured by:

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

Short term loan (STL) facility

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
STL	DBBL	BDT 200 million	7.50%	Six months	2023	29 Nov '23

The STL is secured by:

- Post dated cheque covering the subject facility.
- Usual charge documents.
- Corporate guarantee by the corporate guarantor.

22.3 United Anwara Power Limited

Long terms loan and repayment schedule

The following term loan was obtained by United Anwara Power Ltd. (UANPL) for refinancing against already incurred expenses for settlement of accepted liabilities.

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
Term Loan	DBBL	BDT 100 Crore	6.75% p.a	3 years	2025	6 equal Half-Yearly instalments

The term loan is secured by:

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

Short term loan (STL) facility

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Maturity
STL	Standard Chartered Bank	200	8.25%	4 months	2023	8/31/2023
	HSBC	50	4.50%	12 months	2023	5/1/2023
	Bank Asia Ltd.	235	8.25%	6 months	2023	12/23/2023
	Prime Bank Ltd.	150	9.00%	6 months	2023	10/29/2023
	United Commercial Bank Ltd.	50	9.00%	9 months	N/A	N/A
	Brate Bank Ltd	5	7.00%	O/D	N/A	N/A

The STL is secured by:

- Post dated cheque covering the subject facility.
- Usual charge documents.
- Corporate guarantee by the corporate guarantor.

Notes to the consolidated financial statements (Continued)

23 Short term loan

<i>In Taka</i>	30 June 2023	June 2022
Dutch Bangla Bank Ltd.	199,950,000	-
Public Bank Ltd.	-	1,500,000,000
The City Bank Ltd.	-	1,000,000,000
Prime Bank Ltd.	996,222,222	2,500,000,000
Standard Chartered Bank Ltd.	2,300,000,000	-
HSBC	-	710,000,000
Bank Asia	2,000,000,000	-
Dhaka Bank Ltd.	-	500,000,000
	5,496,172,222	6,210,000,000

24 Security money received
See accounting policy in Note 60D

<i>In Taka</i>	30 June 2023	30 June 2022
Lilac Fashion Wear Ltd	700,000	700,000
Huaxin Textile industries Limited	15,000,000	-
	15,700,000	700,000

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

25 Lease Liability
See accounting policy in Note 60S

<i>In Taka</i>	30 June 2023	30 June 2022
Land lease rent	22,472,123	23,489,811
Office rent	2,205,332	3,168,266
Balance at	24,677,455	26,658,077

25.1 Land lease rent

<i>In Taka</i>	30 June 2023	30 June 2022
Balance as at 01 July	23,489,811	24,449,894
Add: Addition during the year	-	-
Add: Interest charged during the year	1,356,615	1,414,220
Less: Payment made during the year	(2,374,303)	(2,374,303)
Balance as at	22,472,123	23,489,811

25.2 Office rent

<i>In Taka</i>	30 June 2023	30 June 2022
Balance as at 01 July	3,168,266	-
Add: Addition during the year	-	4,048,617
Add: Interest charged during the year	237,066	319,649
Less: Payment made during the year	(1,200,000)	(1,200,000)
Balance as at	2,205,332	3,168,266

Segregation of Land lease liability:

<i>In Taka</i>	30 June 2023	30 June 2022
Non-current portion	22,545,443	24,677,455
Current portion	2,132,012	1,980,622
	24,677,455	26,658,077



Notes to the consolidated financial statements (Continued)

26 Deferred revenue

<i>In Taka</i>	30 June 2023	30 June 2022
Deferred revenue	190,480,383	234,267,429
	190,480,383	234,267,429

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

27 Trade and other payables

See accounting policy in Note 60D

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Trade payables	27.1	8,376,212,553	14,380,904,335
Other payables	27.2	72,154,981	30,929,243
		8,448,367,534	14,411,833,578

27.1 Trade payables

<i>In Taka</i>	30 June 2023	30 June 2022
Gas bill	774,102,760	229,012,792
Liabilities for HFO purchase	7,602,109,793	14,151,891,542
	8,376,212,553	14,380,904,335

27.2 Other payables

<i>In Taka</i>	30 June 2023	30 June 2022
Share application money	919,597	919,597
Service charge on gas bill	16,232,083	13,003,547
Other operating expenses	15,531,576	15,242,649
TDS payable	11,209	9,783
VAT Payable	1,331,224	-
Bergen Engines Bangladesh Pvt.Ltd.	810,000	810,000
Wartsila Bangladesh Ltd	565,844	943,202
Payable against C&F bill	105,431	464
LC Liability-HSBC	36,648,017	-
	72,154,981	30,929,243

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

28 Unclaimed dividend

<i>In Taka</i>	30 June 2023	30 June 2022
Unclaimed cash dividend for the year 2018	-	1,072,116
Unclaimed cash dividend for the year 2019	-	2,747,534
Unclaimed cash dividend for the year 2020	3,914,680	3,950,608
Unclaimed cash dividend for the year 2021	5,406,305	5,551,834
Unclaimed cash dividend for the year 2022	3,623,136	-
	12,944,121	13,322,090

Unclaimed cash dividend for the year from 2018 to 2019 BDT 3,670,236 has been transferred to Capital Market Stabilization Fund.



Notes to the consolidated financial statements (Continued)

29 **Accrued expenses**
See accounting policy in Note 60D

<i>In Taka</i>	30 June 2023	30 June 2022
Interest expense payable	605,115	3,229,481
Provision for expenses	3,548,471	13,084,582
Service charge on gas bill	23,907,090	11,460,230
VAT payable	5,182,597	1,950,516
Other operating expenses	31,224,068	7,639,160
Directors' remuneration	1,000,000	1,000,000
Office Maintenance	-	10,890,000
Audit fees	3,317,750	2,970,000
Utility bill	691,153	691,153
Security expenses	588,558	463,683
Medical expenses	50,970	50,970
Welfare fund	16,985	16,985
Environmental expenses	16,200	16,200
Liabilities against LC in Dhaka Bank	1,926,627	-
O&M expense	8,736,234	-
Preference shares dividend accrued	75,046,575	65,057,860
TDS	66,025	584,329
	155,924,417	119,105,149

30 **Payable to related parties**
See accounting policy in Note 60D

<i>In Taka</i>	30 June 2023	30 June 2022
United Engineering & Power Services Ltd	23,437,351	17,748,622
United Enterprises & Co. Ltd	29,496,418,890	23,812,884,602
United Mymensingh Power Ltd	616,068	616,068
United Payra Power Ltd.	13,733	12,894,108
Neptune Land Development Ltd.	-	1,380,000
	29,520,486,041	23,845,523,399

31 **Current Tax liability**
See accounting policy in Note 60J

<i>In Taka</i>	30 June 2023	30 June 2022
Opening balance	1,741,254	5,282,865
Provision during the year	4,099,391	1,741,255
Charged AY 2020-2021	-	11,375
Tax paid AY 2020-2021 as per demand	-	(238,875)
Tax paid AY 2021-2022 as per demand	-	(35,043)
Excess provision AY 2021-2022 as per audit repopr	-	(718,693)
Adjustment for completion of assessments	-	(3,661,211)
Paid during the period	-	(640,419)
	5,840,645	1,741,255

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), United Ashuganj Energy Ltd. (UAEL), United Anwara Power Ltd. (UAnPL) and United Jamalpur Power Ltd (UJPL) as the companies have received exemption from income from power generation under the private sector power generation policy for a period of 15 years from the start of their commercial operation, vide SRO ref: 211-Ain/Aykor/2013-Income Tax ordinance (#36) 1984 dated 1 July 2013 for UEL, UAEL and SRO ref: 246-Ain/Aykor/2016-Income Tax ordinance (#36) 1984 dated 26 July 2016 for UAnPL,UJPL. Such exemption of UEL (Sylhet power plant), UAEL (Ashuganj 195 MW power plant) UAnPL (300 MW power plant) and UJPL (115 MW power plant) will expire on 2028, 2030, 2034, 2034 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 the subsidiaries companies..

Notes to the consolidated financial statements (Continued)

32 Revenue
See accounting policy in Note 60F

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Electricity supply	32.1	41,192,203,249	49,386,530,557
Steam supply	32.2	116,908,902	48,632,740
		41,309,112,151	49,435,163,297

32.1 Electricity supply

<i>In Taka</i>	30 June 2023	30 June 2022
Bangladesh Power Devt. Board (BPDB)	36,056,549,257	43,095,888,176
Bangladesh Exp. Proce. Zone Auth.(BEPZA)	3,881,813,482	4,535,849,302
Bangladesh Rural Elect. Board (BREB)	214,298,793	575,445,478
Private customers	1,039,541,718	1,179,347,601
	41,192,203,249	49,386,530,557

Break up of revenue from electricity supply

<i>In Taka</i>	30 June 2023	30 June 2022
Capacity payment	10,130,165,085	8,514,968,314
Energy payment	29,459,874,862	40,378,437,522
Supplimental Bill	823,404,111	458,007,022
True-up Bill	778,759,191	35,117,700
	41,192,203,249	49,386,530,557

The actual revenue billed by United Ashuganj Energy Ltd. is BDT 2,954,111,736, recognition of BDT 243,488,794 with this has been accrued due to the Company's implementation of IFRS 16 from the year 2020 from lessor's perspective, for which capacity payment element of revenue is straight-lined over the remaining period of the PPA.

32.2 Steam supply

<i>In Taka</i>	30 June 2023	30 June 2022
Gunze United Ltd	28,026,201	34,048,054
Global Labels (Bangladesh) Ltd	5,404,578	4,994,183
Croydon-Kowloon Designs Ltd	4,091,230	5,916,271
Talisman Ltd	3,891,680	1,579,130
Sewtech Fashions Limited	6,834,358	2,095,101
Universal Jeans Limited	65,011,733	-
Pacific Jeans Ltd.	3,649,121	-
	116,908,902	48,632,740



Notes to the consolidated financial statements (Continued)

33 Cost of sales

<i>In Taka</i>	30 June 2023	30 June 2022
Fuel and energy	26,260,399,044	32,742,814,725
Spare parts and lube oil	1,194,683,514	1,258,206,175
Depreciation	2,339,612,291	2,455,389,348
Minimum load charge	87,321,523	48,385,390
Direct overhead	360,692,835	323,404,042
VAT Expenses	57,042,621	
Repair and maintenance	96,096,292	75,739,899
Entertainment	6,483,608	11,168,404
Utility bill	17,808,672	16,060,126
Rent, rates and taxes	427,270	
Security expense	8,743,480	7,149,213
Carrying charge	2,051,392	2,110,639
Travelling and conveyance	768,396	1,336,691
Wages	2,678,560	2,812,108
Vehicle running and maintenance	7,115,697	6,941,438
Environmental expenses	743,434	1,020,787
Electricity Bill	3,393,059	-
Printing and stationery	1,015,701	1,066,641
Site office expense	2,819,026	3,798,175
Telephone, mobile and internet	729,892	824,197
Worker welfare fund	248,734	211,133
Postage and courier	458,752	222,425
Automation and IP expense	102,600	89,466
Insurance premium	45,678,481	79,745,268
Gardening and beautification	149,919	548,980
Amortisation of right of use assets	21,689,707	21,689,707
Safety material	3,056,254	1,997,837
Medical Fees	752,292	1,211,236
HFO storage rent	10,867,512	10,808,449
HFO cargo inspection cost	140,903	-
Survey fee	-	182,324
HFO Transportation Cost	106,730,706	-
BERC License and others	727,250	2,477,443
Consultation fees	6,496,389	982,500
Land rent	920,000	920,000
Gift donation and other	6,128,682	-
Royalty fee	1,400,000	-
Computer Maintenance	14,158	75,000
	30,656,188,645	37,079,389,766

- 33.1** 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.



Notes to the consolidated financial statements (Continued)

34 General and administrative expenses

<i>In Taka</i>	30 June 2023	30 June 2022
Directors' remuneration	26,005,500	15,621,375
Office maintenance	18,542	10,909,541
Advertisement	7,122,461	5,477,063
Depreciation	18,372,503	19,772,122
Bad debt expenses	306,072,068	-
AGM expenses	233,683	845,085
Vehicle running expenses	2,272,148	462,929
Bank charge and commission	6,023,516	4,838,110
Office rent	180,000	180,000
Office expenses	46,287	16,450
Board meeting fees	5,659,635	5,204,310
Consultancy fees	1,871,946	673,729
Auditor's fee	3,287,750	3,045,000
Entertainment	767,294	2,115,055
Traveling and conveyance	1,710,173	1,270,608
Postage, telephone and telex	51,991	65,980
Printing and stationery	1,246,115	27,620
License, fees and others	5,247,880	8,307,442
Capital raising fee	-	626,480
Overseas travelling	107,093	-
RJSC expenses	337,061	1,296,910
IRC expenses	87,000	-
CDBL and listing fee	1,412,000	5,044,678
Legal expense	6,889,889	1,969,910
Medical Fees	-	25,800
Brokerage commission	-	9,925,090
Royalty fees	900,000	-
Fine & penalties	100,000	-
EGM Expenses	344,750	-
Software expenses	224,700	-
Impairment loss on trade receivables	46,211,350	-
Amortisation of right of use assets- Office rent	1,012,154	1,012,154
	443,815,489	98,733,440

35 Other income/(Expenses)

<i>In Taka</i>	30 June 2023	30 June 2022
Realised gain from marketable securities	23,966,214	30,093,542
Dividend income from marketable securities	3,626,400	3,545,443
Unrealised gain/(loss) from marketable securities	(34,175,704)	(23,966,665)
Sale of used lube oil and drums	25,658,898	49,068,204
Scrap sale	46,284,733	36,392,339
Insurance Claim received	89,332,181	-
	154,692,723	95,132,864

36 Finance income
See accounting policy in Note 60M

<i>In Taka</i>	30 June 2023	30 June 2022
Interest on related party loan	528,816,863	817,076,832
Interest on short term deposits	23,539,109	4,438,994
Interest income on bank balance and fixed deposits	3,061,635	5,445,736
	555,417,608	826,961,563

Notes to the consolidated financial statements (Continued)

37 Foreign exchange gain/(loss)

See accounting policy in Note 60I

<i>In Taka</i>	30 June 2023	30 June 2022
Foreign exchange loss - realised	(1,274,414,298)	(2,477,975,318)
Foreign exchange gain/(loss) - unrealised	(193,976,870)	(33,200,182)
Foreign ex. gain/(loss) on USD A/C- realised	-	89,405
	(1,468,391,168)	(2,511,086,094)

38 Finance expense

See accounting policy in Note 60M

<i>In Taka</i>	30 June 2023	30 June 2022
Interest on IPPF loan	209,229,209	79,240,516
Interest on short term & Long term loan	852,623,020	261,158,834
Preference share dividend paid	130,560,938	156,837,027
Bank charges and others	973,166	1,105,714
Bank guarantee and commission	7,516,043	7,516,043
Interest on leasehold land	1,690,338	1,766,364
Arrangement fee	-	1,150,000
Interest on UPAS LC	17,342	
Syndication fee	1,811,944	1,953,101
	1,204,422,000	510,727,599

39 Income tax expenses

<i>In Taka</i>	30 June 2023	30 June 2022
Current year expenses	4,099,390	2,731,746
Charge for AY 2020-2021	-	11,375
Reversal of excess provision for completion of assessment of 2021-22	-	(718,693)
	4,099,390	2,024,428

40 Earnings per share

See accounting policy in Note 60P

40.1 Earnings per share

<i>In Taka</i>	30 June 2023	30 June 2022
Profit attributable to the ordinary shareholders	8,019,109,732	9,974,411,005
Weighted average number of shares outstanding	579,695,270	579,695,270
Earnings per share	13.83	17.21

41 Net asset value per share

<i>In Taka</i>	30 June 2023	30 June 2022
Net assets	30,849,805,259	32,685,515,117
Weighted average number of shares outstanding	579,695,270	579,695,270
Net asset value per share	53.22	56.38



Notes to the consolidated financial statements (Continued)

42 Net operating cash flow per share

<i>In Taka</i>	30 June 2023	30 June 2022
Net cash generated from operating activities	11,247,809,666	1,093,082,883
Weighted average number of shares outstanding (Basic)	579,695,270	579,695,270
Net operating cashflow per share	19.40	1.89

43 Reconciliation of net profit with cash flow from operating activities

<i>In Taka</i>	30 June 2023	30 June 2022
Profit for the year	8,242,305,791	10,155,296,398
Adjustment for:		
Depreciation	2,357,984,794	2,475,161,470
Amortisation of lease rent	2,475,046	2,475,046
Depreciation of ROU	20,226,815	20,226,815
Brokerage commission	-	9,925,090
Realised gain from marketable securities	10,209,490	(30,093,542)
Unrealised (gain)/loss from marketable securities	34,175,704	23,966,665
Foreign exchange (gain)/loss - un-realised	523,163,729	(299,270)
Foreign exchange (gain)/loss - realised	-	-
Interest on related party loan	(528,816,863)	(817,076,832)
Insurance Claim received	(89,332,181)	-
Impairment loss on trade receivables	46,211,350	-
Bad debt expenses	306,072,068	-
Changes in:		
Inventories	822,707,558	(150,168,126)
Trade and other receivables	6,179,297,596	(19,135,554,819)
Advances, deposits and prepayments	(727,732,954)	(29,775,662)
Advance income tax	-	-
Trade and other payables	(5,962,355,958)	8,752,971,099
Accrued expenses	40,673,632	58,548,522
Provision for tax	3,382,356	(1,189,868)
Receivable to related party	-	3,739,913
Payable to related party	10,948,741	(1,581,222)
Deffered income	(43,787,046)	(243,488,794)
Net cash generated from operating activities	11,247,809,666	1,093,082,883



Notes to the consolidated financial statements (Continued)

44 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.

<i>In Taka</i>	30 June 2023	30 June 2022
Directors' remuneration	26,005,500	15,621,375
Board meeting fees	5,659,635	5,204,310
	31,665,135	20,825,685
b) Post employment benefit	-	-
c) Other long-term benefit	-	-
d) Termination benefit	-	-
e) Share-based payment	-	-
	31,665,135	20,825,685

B Other related party transactions

United Power Generation & Distribution Company Ltd.

	Transaction value during the period ended 30 June		Balance outstanding as at	
	2023	2022	30 June 2023	30 June 2022
Gunze United Limited				
<i>Sale of goods and services</i>	28,026,201.21	34,048,054	2,377,690	2,919,823
Brokerage commission				
United Securities Limited	-	(9,925,090)	-	-
Purchase of services				
United Engineering & Power Services Ltd.	(129,374,665.44)	(114,443,501)	-	(8,753,851)
United Mymensingh Power Ltd			18,641,838,057	15,270,771,194
Loan disbursed during the year	20,400,066,863	11,873,576,832	-	-
Loan repaid during the year	(17,029,000,000)	(10,350,700,000)	-	-
Transfer of inventory (spare parts)				
United Mymensingh Power Ltd	-	-	512,355	512,355
United Anwara Power Ltd	(71,071.32)	57,894	-	71,071
United Lube Oil Ltd	-	-	377,392	377,392
United Jamalpur Power Ltd	-	(158,396)	(90,282)	(90,282)
United Ashuganj Energy Ltd	(7,371,531.17)	(2,988,245)	(27,299,124)	(19,927,593)
United Energy Ltd	(1,551,520.18)	(412,734)	-	1,551,520
United Engineering & Power Services Ltd.	-	-	(2,340,800)	(2,340,800)
Leviathan Global Bangladesh Limited	-	253,068,818	(502)	(502)
Office rent				
Neptune Commercial Ltd.	-	(1,380,000)	-	(1,380,000)

Notes to the consolidated financial statements (Continued)

United Energy Ltd

	Transaction value during the period ended 30 June		Balance outstanding as at	
	2023	2022	30 June 2023	30 June 2022
Purchase of services				
United Engineering & Power Services Ltd.	(20,230,117)	(19,118,471)	(3,257,715)	(1,556,467)
Loans				
United Enterprises & Co. Ltd.	-	-	5,100,405,986	3,270,755,986
Loan disbursed	3,554,150,000	1,394,585,036	-	-
Loan repaid	(1,724,500,000)	(3,498,520,000)	-	-
Dividend				
United Ashuganj Energy Ltd.	1,443,159,514	1,628,179,964	-	-
Transfer of inventory				
United Power Generation & Distribution Com	2,795,871	(412,734)	1,244,350	(1,551,521)
United Ashuganj Energy Ltd.	9,653,506	1,732,032	(1,434,790)	(11,088,296)
United Payra Power Ltd.	-	-	119,755	119,755

United Ashuganj Energy Ltd

Nature of transactions and name of the party	Transaction values for the year ended 30 June		Balance outstanding as at	
	2023	2022	2023	2022
<i>In BDT</i>				
Purchase of goods and services				
United Engineering and Power Services Ltd.	(75,713,813)	(77,164,396)	(21,249,297)	(6,653,971)
United Lube Oil Ltd.	(12,456,400)	-	-	-
Others				
United Enterprises & Co. Ltd.				
Interest-free loan received during the year	3,354,027,000	1,825,820,036	(27,000)	-
Interest-free loan repaid during the year	(3,354,000,000)	(1,825,820,036)	-	-
Ashuganj Power Station Co. Ltd.				
Dividend	(118,591,200)	(133,795,200)	-	-
Prepaid lease rent	(20,226,815)	(20,226,815)	138,706,073	158,932,888
United Energy Ltd.				
Dividend	(1,443,159,514)	(1,628,179,964)	-	-
Inventory loan	(9,653,506)	1,732,032	1,434,789	11,088,296
United Power Generation & Distribution Comp.	7,371,531	2,988,244	27,299,124	19,927,592
United Mymensingh Power Ltd. (inventory loan)	(2,057,301)	1,523,601	3,038,664	5,095,965
United Jamalpur Power Ltd. (inventory loan)	355,695	(214,110)	(125,745)	229,950
United Anowara Power Ltd. (inventory loan)	-	341,125	58,780	58,780
United Payra Power Ltd. (inventory loan)	(36,456)	(365,599)	171,515	207,971

Leviathan Global BD Ltd

	Transaction value during the period ended 30 June		Balance outstanding as at	
	2023	2022	2023	2022
Loan:				
United Enterprises & Co. Ltd.				
Loan disbursed	-	-	(2,077,621,274)	(1,845,332,920)
Loan repaid	232,288,354	80,269,777	-	-
United Power Generation and Distribution Company Ltd.				
Loan disbursed	-	(253,068,818)	502	502
Loan repaid	-	-	-	-

Notes to the consolidated financial statements (Continued)

United Anwara Power Ltd

	Transaction value during the period ended 30 June		Balance outstanding as at	
	2023	2022	2023	2022
United Engineering & Power Service Ltd			1,523,689	1,523,689
<i>Purchase of services</i>	-	-		
Loan:				
United Enterprises & Co. Ltd			(14,183,636,167)	(13,661,598,167)
Loan disbursed	(40,527,038,000)	(43,226,499,007)		
Loan repaid	40,005,000,000	34,685,300,500		
Loan:				
United Jamalpur Power Ltd.			9,715,354	158,377
Loan disbursed	(16,388,389)	-		
Loan repaid	25,945,367	-		
Loan:				
United Payra Power Ltd.			2,599,949	3,490,285
Loan disbursed	(890,337)	-		
Loan repaid	-	-		
United power generation and Distribution company Ltd.			1,564,759	-
Loan disbursed	(681,974)	-		
Loan repaid	2,246,732	-		

Inventory loan

United Power Generation & Distribution Company Ltd. (inventory loan)	71,071	(57,894)	-	(71,071)
United Jamalpur Power Ltd. (inventory loan)	8,042,668	23,369,779	-	(8,042,668)
United Payra Power Ltd. (inventory loan)	12,894,108	(12,894,108)	-	(12,894,108)
United Engineering & Power Services Ltd.	-	1,706,367	-	-
United Ashuganj Energy Ltd. (inventory loan)	-	341,125	(58,780)	(58,780)

United Jamalpur Power Ltd

	Transaction value during the period ended 30 June		Balance outstanding as at	
	2023	2022	2023	2022
United Enterprises & Co. Ltd			(8,176,087,530)	(5,035,197,530)
<i>Loan disbursed</i>	(13,726,890,000)	(8,369,452,333)	-	-
<i>Loan repaid</i>	10,586,000,000	9,451,700,000	-	-
United Mymensingh Power Ltd. (inventory loan)	139,616	59,544,647	59,684,264	59,544,647
United Mymensingh Power Ltd. (inventory loan)	-	-	(616,068)	(616,068)
United Anwara Power Ltd. (inventory loan)	(8,042,668)	31,279,653	-	8,042,668
United Anwara Power Ltd. (inventory loan)	(9,556,975)	(23,236,985)	(9,715,352)	(158,377)
United Power Generation & Distribution Company Ltd. (inventory loan)	-	158,396	90,282	90,282
United Ashuganj Energy Ltd.(inventory loan)	355,695	214,110	125,745	(229,950)
United Engineering & Power Services Ltd.- (Inventory loan)	-	20,520	1,527,907	1,527,907





Notes to the consolidated financial statements (Continued)

45 Financial instruments - Fair values and risk management

Accounting classifications and fair values

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

		Carrying amount					Fair value					
	Note	Fair value- hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2023												
Financial assets measured at fair value												
<i>In Taka</i>												
	13	-	137,876,106	-	-	-	-	137,876,106	137,876,106	-	-	137,876,106
									137,876,106	-	-	137,876,106
Financial assets not measured at fair value												
	10	-	-	-	-	17,933,527,471	-	17,933,527,471	-	-	-	-
	11	-	-	-	-	18,712,224,278	-	18,712,224,278	-	-	-	-
	15	-	-	-	-	1,501,799,518	-	1,501,799,518	-	-	-	-
						38,147,551,267	-	38,147,551,267	-	-	-	-
Financial liabilities not measured at fair value												
	22	-	-	-	-	-	4,364,139,169	4,364,139,169	-	-	-	-
	24	-	-	-	-	-	15,700,000	15,700,000	-	-	-	-
	27	-	-	-	-	-	8,448,367,534	8,448,367,534	-	-	-	-
	29	-	-	-	-	-	155,924,417	155,924,417	-	-	-	-
	30	-	-	-	-	-	29,520,486,041	29,520,486,041	-	-	-	-
							42,504,617,161	42,504,617,161	-	-	-	-
30 June 2022												
Financial assets measured at fair value												
<i>In Taka</i>												
	13	-	148,085,596	-	-	-	-	148,085,596	148,085,596	-	-	148,085,596
									148,085,596	-	-	148,085,596
Financial assets not measured at fair value												
	10	-	-	-	-	24,501,517,713	-	24,501,517,713	-	-	-	-
	11	-	-	-	-	15,343,171,161	-	15,343,171,161	-	-	-	-
	15	-	-	-	-	1,230,174,686	-	1,230,174,686	-	-	-	-
						41,074,863,560	-	41,074,863,560	-	-	-	-
Financial liabilities not measured at fair value												
	22	-	-	-	-	-	5,149,521,858	5,149,521,858	-	-	-	-
	24	-	-	-	-	-	700,000	700,000	-	-	-	-
	27	-	-	-	-	-	14,411,833,578	14,411,833,578	-	-	-	-
	29	-	-	-	-	-	119,105,149	119,105,149	-	-	-	-
	30	-	-	-	-	-	23,845,523,399	23,845,523,399	-	-	-	-
							43,526,683,984	43,526,683,984	-	-	-	-

Notes to the consolidated financial statements (Continued)

46 Financial risk management

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

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

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

A Credit risk

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

i) Exposure to credit risk

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

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Trade and other receivables	10	17,933,527,471	24,501,517,713
Receivable from related parties	11	18,712,224,278	15,343,171,161
Investment in marketable securities	13	137,876,106	148,085,596
Cash and cash equivalents (excluding cash in hand)	15	1,500,736,519	1,229,144,214
		38,284,364,374	41,221,918,684

ii) Ageing of trade and other receivables

<i>In Taka</i>	30 June 2023	30 June 2022
Not past due	3,154,339,892	4,726,537,972
Past due 0-30 days	3,113,614,771	5,362,886,920
Past due 31-60 days	3,201,760,578	5,695,030,290
Past due 61-90 days	2,585,180,205	5,269,550,780
Past due 91-120 days	2,564,165,111	2,908,067,348
Past due 121-365 days	3,123,139,691	82,339,304
Past due 365+ days	191,327,221	457,105,097
	17,933,527,471	24,501,517,713

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.



Notes to the consolidated financial statements (Continued)

Exposure to liquidity rate risk

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

30 June 2023

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

30 June 2022

<i>In Taka</i>	Note	Carrying amount	Contractual cash flows		
			Total	6 months or less	Over 6 months
Non-derivative financial liabilities					
Long term loan	22	5,149,521,858	5,149,521,858	1,538,824,482	3,610,697,376
Short term loan	23	7,476,361,806	7,476,361,806	3,248,821,103	4,227,540,703
Trade and other payables	27	14,411,833,578	14,411,833,578	14,411,833,578	-
Accrued expenses	29	119,105,149	119,105,149	119,105,149	-
Payable to related party	30	23,845,523,399	23,845,523,399	23,845,523,399	-
		51,002,345,790	51,002,345,790	43,164,107,711	7,838,238,079
Derivative financial liabilities					
		-	-	-	-
		51,002,345,790	51,002,345,790	43,164,107,711	7,838,238,079

C Market risk

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

i. Currency risk

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

Exposure to currency risk

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

	30 June 2023		30 June 2022	
	USD	GBP	USD	GBP
Cash and cash equivalents	10,510	153	10,540	153
Share application money	(10,510)	(153)	(10,540)	(153)
Borrowings	(27,759,716)	-	(33,702,749)	-
Net exposure	(27,759,716)	-	(33,702,749)	-

The following significant exchange rates have been applied:

<i>In Taka</i>	Year-end spot rate	
	30 June 2023	30 June 2022
USD	109.18	93.45
GBP	141.79	115.72



Notes to the consolidated financial statements (Continued)

Sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies.

A 10% change in foreign currency exchange rates in 2023 and 2022 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>Effect in Taka</i>	Profit/(loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2023	(303,080,579)	303,080,579	(303,080,579)	303,080,579
USD (10% movement)				
30 June 2022	(314,952,186)	314,952,186	(314,952,186)	314,952,186
USD (10% movement)				

ii. Interest rate risk

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

Exposure to interest rate risk

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

<i>In Taka</i>	<i>Note</i>	Nominal Amount	
		30 June 2023	30 June 2022
Fixed rate instruments			
<i>Financial assets</i>			
Receivable from related parties	11	18,712,224,278	15,343,171,161
Fixed deposits	15.2	-	33,423,718
<i>Financial liabilities</i>			
Payable to related parties	30	(29,520,486,041)	(23,845,523,399)
Variable rate instruments			
<i>Financial liabilities</i>			
Long term loan	22	(4,364,139,169)	(5,149,521,858)
		(15,172,400,932)	(13,618,450,378)

47 Operational risk

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

48 Contingent assets

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

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

<i>In Taka</i>	30 June 2023	30 June 2022
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 took the matter to the Court of District Judge, Dhaka. The final Judgment on 7 March 2022 goes in favor of UPGDCL.

Notes to the consolidated financial statements (Continued)

49 Commitments

The Group had the following outstanding letters of credit (LC) as at 30 June 2023 against which it is committed to purchase spare parts.

	Currency	30 June 2023	30 June 2022
		Invoice value	Invoice value
UPGDCL	USD	1,098,690	14,22,046
	EUR	-	4,05,754
UEL	USD	50,029	333,910
	EUR	-	47,320
UAEL	USD	28,485	8,088
	EUR	33,197	18,041
LGDBL	USD	-	-
	EUR	-	-
UAnPL	USD	183,287	12,520,000
	EUR	197,929	-
UJPL	USD	2,356,173	-
	EUR	-	-

50 Contingent liabilities

50.1 Contingent liabilities relating to bank guarantees amounted to:

United Power Generation & Distribution Company Ltd

Beneficiary	Expiry date	30 June 2023	30 June 2022
<i>In Taka</i>			
Titas Gas Transmission & Distribution Com. Ltd.	11 Nov. 2023	78,790,400	78,790,400
Titas Gas Transmission & Distribution Com. Ltd.	11 Dec. 2022	6,628,382	6,628,382
Karnaphuli Gas Distribution Company Limited	23 Jan. 2023	34,897,650	34,897,650
Karnaphuli Gas Distribution Company Limited	20 June 2023	8,647,617	8,647,617
Karnaphuli Gas Distribution Company Limited	2 March 2024	71,724,353	71,724,353
Customs House-Dhaka and Chattogram	Unconditional & Continuous	17,632,152	18,098,475
		218,320,554	218,786,877

United Energy Ltd

Beneficiary	Expiry date	30 June 2023	30 June 2022
<i>In Taka</i>			
Jalalabad Gas Transmission and Distribution Systems Limited	12 October 2023	48,396,019	48,396,019
		48,396,019	48,396,019

United Ashugani Energy Ltd

Beneficiary	Expiry date	30 June 2023	30 June 2022
<i>In Taka</i>			
Bangladesh Power Development Board	7 June 2024	380,000,000	380,000,000
Bakhrabad Gas Distribution Company Limited	13 June 2026	287,472,356	287,472,356
		667,472,356	667,472,356

Leviathan Global BD Ltd

Beneficiary	Expiry date	30 June 2023	30 June 2022
<i>In Taka</i>			
Karnaphuli Gas Distribution Company Limited	10-Sep-23	53,688,716	53,688,716
Dhaka Customs House	Open Ended	-	31,795,876
		53,688,716	85,484,592

United Anwara Power Ltd

Beneficiary	Expiry date	30 June 2023	30 June 2022
<i>In Taka</i>			
Dhaka Bank Ltd.	14 Jul 2023	463,150,000	463,150,000
		463,150,000	463,150,000

United Jamalpur Power Ltd

Beneficiary	Expiry date	30 June 2023	30 June 2022
<i>In Taka</i>			
Dhaka Bank Ltd.	10 April 2022	280,000,000	280,000,000
		280,000,000	280,000,000



Notes to the consolidated financial statements (Continued)

50.2 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:

- a) Gas consumed for generating power supplied to the national grid will be charged at the rate set for IPPs.
- b) Gas consumed for generating power supplied to other customers other than national grid 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 3,844,873,992 (for the period January 2018 to January 2023) and BDT 2,476,564,935 (for the period May 2018 to January 2023) respectively for payment at captive rate although all gas consumptions have been paid at IPP rate in due time as per agreement.

Having been aggrieved, the Company has filed two separate writ petitions, dated 22 May 2019 and 23 June 2019 respectively, with the Honorable High Court Division of the Supreme Court of Bangladesh against the above decision of Energy & Mineral Resources Division, and claim from the Gas Suppliers. As the Judgments from the High Court Division and subsequently from the Supreme Court Division were not in its favour UPGD filed a review petition in the Supreme Court which has been pending for hearing. Management strongly believe that, this time, the review petition will be considered by the Hon'ble court.

Afterwards, in 2023, Energy & Mineral Resources Division, acknowledging the rightful entitlement of UPGD for an IPP gas consumer, issued a letter dated 18 September 2023 to Bangladesh Energy Regulating Commission (BERC), with copies to gas suppliers, to issue IPP licences to UPGD giving effect from February 2023 for supplying gas to UPGD at IPP gas rate.

Accordingly, no provision for these additional claim have been made in the consolidated financial statements as management consider that at present there exist significant uncertainty regarding the ultimate outcome about this matters upon completion of all legal review process.

51 Bank facilities

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

30 June 2023

United Power Generation & Distribution Company Ltd

Name of the bank	Letter of Loan against Trust		Short Term Loan	Overdraft limit	Bank guarantee facilities - limit
	credit - limit	Receipt - limit			
Dutch Bangla Bank Limited	-	-	-	-	-
Dhaka Bank Limited	350,000,000	300,000,000	-	150,000,000	50,000,000
Jamuna Bank Limited	1,000,000,000	250,000,000	-	-	300,000,000
HSBC, Bangladesh	425,000,000	-	-	51,000,000	-
Total	1,775,000,000	550,000,000	-	201,000,000	350,000,000

United Energy Ltd

Name of the bank	Letter of Loan against Trust		Short Term Loan	Overdraft limit	Bank guarantee facilities - limit
	credit - limit	Receipt - limit			
Dhaka Bank Limited	400,000,000	-	-	-	48,396,019
Jamuna Bank Limited	1,000,000,000	-	-	-	-
Total	1,400,000,000	-	-	-	48,396,019

United Ashuganj Energy Ltd

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

Leviathan Global BD Ltd

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



Notes to the consolidated financial statements (Continued)

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	8,900,000,000	-	2,000,000,000	-	-
HSBC	3,094,000,000	-	500,000,000	-	-
Citi Bank NA	2,000,000,000	-	-	-	-
Dhaka Bank Ltd.	1,418,000,000	-	-	463,150,000	-
Pubali Bank Ltd.	2,100,000,000	500,000,000	-	1,000,000,000	-
City Bank Ltd.	6,000,000,000	-	-	-	-
Bank Asia Ltd.	2,125,000,000	-	2,350,000,000	-	-
Dutch Bangla Bank Ltd.	-	-	-	-	1,000,000,000
Mutual Trust Bank Ltd.	2,000,000,000	-	-	-	-
Prime Bank Ltd.	1,000,000,000	-	1,500,000,000	-	-
United Commercial Bank L	2,000,000,000	-	500,000,000	-	-
Brac Bank Ltd	3,500,000,000	-	50,000,000	-	-
One Bank Ltd.	1,700,000,000	-	-	-	-
	35,837,000,000	500,000,000	6,900,000,000	1,463,150,000	1,000,000,000

United Jamalpur Power Limited

Name of the bank	Letter of credit limit	Long term Loan	Bank guarantee facilities limit	Short term loan limit
HSBC	1,770,000,000	200,000,000	-	250,000,000.00
Dhaka Bank Ltd.	1,215,000,000	-	280000000	500,000,000
City Bank Ltd.	3,500,000,000	-	-	-
Bank Asia Ltd	2,125,000,000	-	-	-
Standard Chartered Bank	1,600,000,000	-	-	800,000,000
Eastern Bank Ltd.	2,100,000,000	-	-	2,200,000,000
Dutch Bangla Bank Ltd.	1,300,000,000	1,000,000,000	-	200,000,000
Citibank, N.A	1,600,000,000	-	-	-
Brac Bank	1,750,000,000	-	-	-
MTBL	-	-	-	-
	16,960,000,000	1,200,000,000	280,000,000	3,950,000,000

52 Expenditure in equivalent foreign currency

<i>In Taka</i>	30 June 2023	30 June 2022
Foreign travel for business purpose	107,093	-
	107,093	-



Notes to the consolidated financial statements (Continued)

53 Capacity and production

United Power Generation & Distribution Company Ltd

Location of plant	30 June 23			30 June 2022	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Dhaka EPZ	656,000	303,725	46%	473,878	72%
Chattogram EPZ	576,000	417,449	72%	517,737	90%
Total	1,232,000	721,174		991,615	

United Energy Ltd

Location of plant	30 June 23			30 June 2022	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Sylhet	224,000	95,509	43%	177,474	79%
Ashuganj	424,000	-	0%	-	0%
Total	648,000	95,509		177,474	

United Ashuganj Energy Ltd

Location of plant	30 June 23			30 June 2022	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Ashuganj	1,560,000	368,711	24%	268,543	17%

United Anwara Power Ltd

Location of plant	30 June 23			30 June 2022	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Anwara	2,400,000	1,040,743	43%	1,715,204	71%

United Jamalpur Power Ltd

Location of plant	30 June 23			30 June 2022	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Jamalpur	920,000	514,218	56%	637,860	69%

54 Number of employees

The Group has no employees. Operation and maintenance activities are managed by 171 personnel for UPGDCL, 86 personnel for UAEL, 36 personnel for UEL, 71 personnel for UJPL and 125 personnel for UAnPL provided by United Engineering and Power Services Ltd under separate O&M contracts.

55 Comparatives and rearrangement

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

Notes to the consolidated financial statements (Continued)

56 Events after the reporting period

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

The Board of Directors in its 107th meeting held on 26 October 2023 recommended cash dividend @80% per share equivalent to Taka 8.00 of Face Value Taka 10.00 per share aggregating Tk.4,637,562,160 for the year ended 30 June 2023. The dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

The Board of Directors in its 102nd meeting held on 24 August 2022 has approved the amalgamation scheme of UPGDCL with UAnPL a 300 MW HFO-based power plant at Anwara, UJPL a 115 MW HFO-based power plant at Jamalpur and UEL 28 MW gas based at Sylhet and 53 MW gas based power plant at Ashuganj. The company made an application to the High Court division of the Honourable Supreme Court regarding the approval of the scheme of amalgamation. The Court admitted the application and passed an order on 1 September 2022 for further compliance. The company submitted the compliance on 15 January 2023 to the Honourable Court. The Honourable High Court by its Judgement and Order dated 05.06.2023 approved the amalgamation Scheme. By a subsequent Order dated 01.08.2023, the Honourable High Court determined 1 July 2023 as the "Appointment Date" under the scheme.

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.

57 Going concern

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

58 Basis of measurement

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

59 Macro-economic conditions

The Russian-Ukrainian conflict has brought about global economic uncertainty and volatility, in particular giving rise to energy supply shortages and significant price volatility. In addition, the Bangladesh Taka has undergone rapid devaluation.

Bangladesh Government has for the time being reduced import of liquified natural gas and diesel and is thus focusing on procuring electricity from gas fired plants (by providing them locally sourced natural gas) like that of the Company and from HFO fired power plants. Management is closely monitoring these global and local factors and the impact it may have on electricity demand by the off-taker going forward.



Notes to the consolidated financial statements (continued)

60 Significant accounting policies

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

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

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

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 controlling interest
United Energy Ltd	99.00	1.00
United Ashuganj Energy Ltd	91.49	8.51
Leviathan Global BD Ltd.	75.00	25.00
United Anwara Power Limited	99.00	1.00
United Jamalpur Power Limited	99.00	1.00

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 30 June 2021, there are no such investments.

B Property, plant and equipment

Recognition and measurement

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

Subsequent costs

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

Depreciation

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

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

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

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

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

Retirements and disposals

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

C Inventories

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

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



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;
- 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.

Notes to the consolidated financial statements (continued)

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

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

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

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

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

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

Financial assets – Subsequent measurement and gains and losses

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

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

(a) Cash and cash equivalents

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

(b) Trade and other receivables

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

iii. Financial liability

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

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

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

Notes to the consolidated financial statements (continued)

(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.

Notes to the consolidated financial statements (continued)

I Foreign currency

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

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

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

J Income tax

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

(i) Current tax

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

Ent	Plant	Tax	Period	Expiry
UPGDCL	82	MW Tax exemption on all income	15 years	2023
	72	MW Tax exemption on all income	15 years	2024
UEL	53	MW Tax exemption on business income	5 years	2027
	28	MW Tax exemption on business income	15 years	2028
UAEL	195	MW Tax exemption on business income	15 years	2030
UAnPL	300	MW Tax exemption on business income	15 years	2034
UJPL	115	MW Tax exemption on business income	15 years	2034

(ii) Deferred tax

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

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

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

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

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

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

As of 30 June 2023, the Company's power plant operated under tax exemption regime. It has examined the precedent of tax assessment completed of a power generation company for the year when its tax exemption ended, which shows the accounting depreciation charge to be equal to the tax depreciation charge, implying that there were no temporary differences between accounting net book value and tax written down value of property, plant and equipment at that point in time. On this basis, in the preparation of these financial statements, the Company has not considered any deferred tax relating to property, plant and equipment as the Company is still under tax exemption as at the reporting date.



Notes to the consolidated financial statements (continued)**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 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

O Share capital

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

P Earnings per share

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

Q Dividends

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

R Materiality and aggregation

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

S Leases**i) The Company as a lessee**

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

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

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

Notes to the consolidated financial statements (continued)

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

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

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

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

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

Short-term leases and leases of low-value assets

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

ii) The Company as a lessor

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

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

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

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

61 Name of auditors of the Group companies

Name of subsidiary	Status	Name of auditors
United Energy Ltd.	Subsidiary	Hoda Vasi Chowdhury & Co
United Ashuganj Energy Ltd.	Subsidiary	Rahman Rahman Huq
Leviathan Global BD Ltd.	Subsidiary	Hoda Vasi Chowdhury & Co
United Anwara Power Ltd.	Subsidiary	Hoda Vasi Chowdhury & Co
United Jamalpur Power Ltd.	Subsidiary	Hoda Vasi Chowdhury & Co

