

Khulna Power Company Ltd.

Financial statements
as at and for the period ended 31 March 2024
(Unaudited)

Khulna Power Company Ltd.
Statement of financial position(Unaudited)

	<u>Notes</u>	31 March 2024 BDT	30 June 2023 BDT
Assets			
Property, plant and equipment	4	4,250,169,144	4,410,615,753
Right of use asset	5	4,409,682	7,716,942
Investment in Associate-Accounted for equity method	6	1,377,738,372	1,435,001,901
Deferred tax asset	14	1,691,186	1,691,186
Non-current assets		5,634,008,384	5,855,025,782
Inventories	8	506,984,582	647,614,324
Trade and other receivables	9	2,147,581,761	3,058,256,044
Advance income tax	10	68,627,294	55,298,997
Advances, deposits and prepayments	11	41,180,068	53,502,238
Cash and cash equivalents	12	147,950,325	710,879,472
Current assets		2,912,324,030	4,525,551,075
Asset held for sale	7	-	-
Total assets		8,546,332,415	10,380,576,857
Equity			
Share capital	13	3,974,131,790	3,974,131,790
Retained earnings		3,233,690,503	3,653,527,577
Total equity		7,207,822,293	7,627,659,367
Liabilities			
Employee benefits	15	11,787,132	11,787,132
Lease liability	20	2,317,416	3,936,599
Asset retirement obligation (ARO)	16	45,475,574	45,475,574
Non-current liabilities		59,580,122	61,199,305
Loans and borrowings	17	-	2,396,592,238
Intercompany Payable	18	655,000,000	-
Trade and other payables	19	220,409,062	240,015,623
Lease liability	20	2,914,063	4,208,942
Unclaimed and undistributed dividend	21	385,606,874	35,901,381
Provision for income tax	22	15,000,000	15,000,000
Current liabilities		1,278,929,999	2,691,718,185
Total liabilities		1,338,510,121	2,752,917,490
Total equity and liabilities		8,546,332,415	10,380,576,857

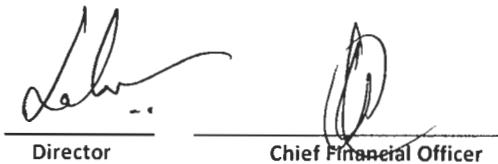
The annexed notes 1 to 46 are an integral part of these financial statements.



Chairman



Managing Director



Director



Chief Financial Officer



Company Secretary

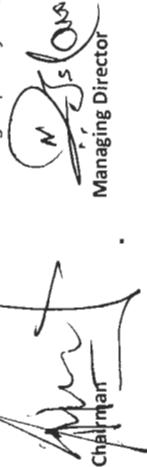
Place: Dhaka
Date: 30 April 2024

Khulna Power Company Ltd.

Statement of profit or loss and other comprehensive income(Unaudited)

	Notes	Third quarter ended			Quater ended		
		31 March 2024 BDT	31 March 2023 BDT	31 March 2024 BDT	31 March 2023 BDT	31 March 2024 BDT	31 March 2023 BDT
Revenue from contract with customer	23	2,321,584,385	2,796,239,125	130,044,978	1,019,839,552		
Cost of sales	24	(2,349,084,556)	(2,768,833,291)	(212,534,286)	(1,057,994,853)		
Gross profit		(27,500,171)	27,405,834	(82,489,308)	(38,155,301)		
Other income	25	3,834,700	12,324,570				
Gain/(loss) from disposal of assets(110 MW plant)	25A		(855,285,510)				
General and administrative expenses	26	(21,561,296)	(28,221,706)	(7,568,693)	(10,058,071)		
Operating profit		(45,226,767)	(843,776,812)	(90,058,001)	(48,213,372)		
Foreign exchange gain/(loss)	27	(29,377,784)	(129,947,424)	(55,775)	(45,227,296)		
Finance income	28	7,643,926	8,525,456	866,883	5,871,839		
Share of profit from associate	29	174,506,471	227,314,451	81,143,427	89,461,968		
Finance costs	30	(129,969,741)	(79,373,996)	(30,633,915)	(24,942,994)		
Profit before tax		(22,423,895)	(817,258,324)	(38,737,381)	(23,049,855)		
Income tax expense			(118,848)		(118,848)		
Profit for the year		(22,423,895)	(817,377,172)	(38,737,381)	(23,168,703)		
Other comprehensive income							
Total comprehensive income		(22,423,895)	(817,377,172)	(38,737,381)	(23,168,703)		
Earnings per share	32	(0.06)	(2.06)	(0.10)	(0.06)		

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Managing Director


Director


Chief Financial Officer

Company Secretary

Place: Dhaka
Date: 30 April 2024

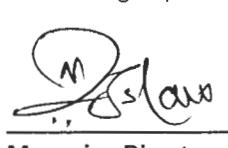
Khulna Power Company Ltd.
Statement of changes in equity(Unaudited)

For the Nine month ended 31 March 2024			
	Amount in BDT		
	Share capital	Retained earnings	Total
Balance at 1 July 2023	3,974,131,790	3,653,527,577	7,627,659,367
Total comprehensive income for the year			
Profit for the period	-	(22,423,895)	(22,423,895)
Other comprehensive income	-	-	-
Total comprehensive income for the period	3,974,131,790	(22,423,895)	(22,423,895)
Transaction with owners of the Company			
Contributions and distributions			
Cash dividend for the year 2022-2023	-	(397,413,179)	(397,413,179)
Total contributions and distributions	-	(397,413,179)	(397,413,179)
Total transaction with owners of the Company	-	(397,413,179)	(397,413,179)
Balance at 31 March 2024	3,974,131,790	3,233,690,503	7,207,822,293
For the Nine month ended 31 March 2023			
	Amount in BDT		
	Share capital	Retained earnings	Total
Balance at 1 July 2022	3,974,131,790	4,659,836,443	8,633,968,233
Total comprehensive income for the year			
Profit for the year	-	(817,377,172)	(817,377,172)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(817,377,172)	(817,377,172)
Transaction with owners of the Company			
Contributions and distributions			
Cash dividend for the year 2021-2022	-	(341,782,953)	(341,782,953)
Total contributions and distributions	-	(341,782,953)	(341,782,953)
Total transaction with owners of the Company	-	(341,782,953)	(341,782,953)
Balance at 31 March 2023	3,974,131,790	3,500,676,318	7,474,808,108

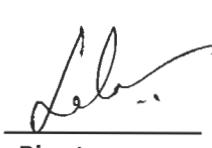
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Chairman



Managing Director



Director



Chief Financial Officer



Company Secretary

Place: Dhaka
Date: 30 April 2024

Khulna Power Company Ltd.
Statement of cash flows(Unaudited)

	<u>Notes</u>	31 March 2024 BDT	31 March 2023 BDT
Cash flows from operating activities			
Cash received from customer (BPDB)		3,217,193,263	3,413,025,275
Cash paid to suppliers and others		(1,787,125,092)	(3,062,479,878)
Received from/(paid to) other sources		3,834,700	12,124,571
Interest and other financial charges paid		(144,767,417)	(87,746,335)
Income tax paid	10	(13,328,297)	(37,378,045)
Net cash generated from operating activities		1,275,807,157	237,545,588
Cash flows from investing activities			
Payment for property, plant and equipment	4	-	(76,569,765)
Proceeds from disposal of fixed assets		-	1,212,555,610
Dividend received		231,770,000	312,889,500
Interest received		7,643,926	8,525,456
Net cash generated from investing activities		239,413,926	1,457,400,801
Cash flows from financing activities			
Proceeds from short-term borrowings		598,195,475	1,943,563,761
Repayment of short-term borrowings		(3,280,272,939)	(3,020,150,203)
Intercompany loan received		655,000,000	-
Payment of lease liability		(3,365,080)	(3,491,644)
Dividend paid to ordinary shareholders		(47,707,686)	(339,065,391)
Net cash used in financing activities		(2,078,150,230)	(1,419,143,477)
Net increase/(decrease) in cash and cash equivalents		(562,929,147)	275,802,912
Opening cash and cash equivalents	12	710,879,472	174,323,014
Effects of currency translation		-	2,327
Closing cash and cash equivalents	12	147,950,325	450,128,253

The annexed notes 1 to 46 are an integral part of these financial statements.



Chairman



Managing Director



Director



Chief Financial Officer



Company Secretary

Place: Dhaka
Date: 30 April 2024

Khulna Power Company Ltd.
Notes to the financial statements(Unaudited)
For the period ended 31 March 2024

1 Reporting entity

1.1 Company profile

Khulna Power Company Ltd. ("the Company") was incorporated in Bangladesh on 15 October 1997 as a private limited company under the Companies Act 1994 and has subsequently been converted into a public limited company on 19 July 2009. The plant came into operation on 13 October 1998 for 15 years and after successful completion of that tenor the Company was awarded extension for another 5 years starting from 12 October 2013. The address of the company's registered office is Landmark, 3rd floor, 12-14 Gulshan North C/A, Gulshan-2, Dhaka-1212, Bangladesh.

On 18 April 2010, the Company listed its shares with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The authorised capital of the company is BDT 7,000,000,000 divided into 500,000,000 ordinary shares of BDT 10 each and 2,000,000 redeemable preference shares of BDT 1,000 each. Out of 2,000,000 redeemable preference shares, 1,100,000 were issued and fully paid up. These were redeemed on 14 May 2014. In 2010, the company took majority interest in two companies named Khulna Power Company Unit II Ltd. (KPCL-II) and Khanjahan Ali Power Company Ltd. (KPCL-III). Both companies were amalgamated with Khulna Power Company Ltd. with effect from 30 September 2014 pursuant to a Scheme of Amalgamation approved by the Honourable High Court Division of Bangladesh Supreme Court on 22 March 2015.

1.2 Nature of business

The principal activity of the Company is to generate electricity, to sell such generated electricity to Bangladesh Power Development Board (BPDB) and to acquire fuel required for such electricity generation from home and abroad. For this purpose, the Company has set up a nominally rated 110 MW (KPCL-I) liquid fuel-fired, convertible to dual fuel-fired (liquid gas), barge mounted power plant in Khulna, Bangladesh. Since inception the Company has been supplying electricity to the national grid of Bangladesh through selling the same to BPDB under Power Purchase Agreement (PPA) between the Company and BPDB.

The Company has two other units, KPCL-II and KPCL-III, which were awarded two separate contracts by BPDB to supply electricity under the Contract for Supply of Electricity on Rental Basis. KPCL-II and KPCL-III have set up the nominally rated 115 MW and 40 MW liquid fuel-fired, rental power plant respectively in Khulna and Jessore, Bangladesh for generation of electricity. The principal activity of the units is to supply electric power and energy to BPDB on rental basis for a period of five years (extended for further five years as explained in note 1.4). KPCL-II commenced commercial operation from 1 June 2011 and KPCL-III from 29 May 2011.

1.3 Amalgamation of Khulna Power Company Unit II Ltd. and Khanjahan Ali Power Company Ltd.

On 22 March 2015, the Honourable High Court Division of the Supreme Court of Bangladesh issued an order giving effect to a Scheme of Amalgamation under Company Matter No. 322 of 2014. The High Court ordered that under the amalgamation scheme, the entire undertaking of Khulna Power Company Unit II Ltd. and Khanjahan Ali Power Company Ltd. (the transferor companies) as going concerns will be transferred to and vested in the Khulna Power Company Ltd. (the transferee company) with an effective date of 30 September 2014.

Accordingly both subsidiaries, Khulna Power Company Unit II Ltd. (KPCL-II) and Khanjahan Ali Power Company Ltd. (KPCL-III), have been merged with Khulna Power Company Ltd. with the sanction of the Honourable High Court Division of the Supreme Court of Bangladesh in terms of an application submitted by both the transferor and transferee companies as per Section 228 read with Section 229 of the Companies Act, 1994. Though the Scheme of Amalgamation became effective from 2 April 2015, the day of the certified copy of the court order was submitted to the Registrar of Joint Stock Companies (RJSC), Dhaka, Bangladesh, and both Khulna Power Company Unit II Ltd. and Khanjahan Ali Power Company Ltd. ceased to exist since then, for financial reporting purposes the recording of all transactions on an amalgamated basis is effective from 30 September 2014.

1.4 Extension of Contract for Supply of Electricity on Rental Basis for KPCL-II and KPCL-III

After successful completion of 10 years of Contract for Supply of Electricity on Rental Basis, KPCL-II and KPCL-III were awarded extension for further 2 years starting from 24th March 2022 under "No Electricity, No Payment" basis which were signed on 28th April 2023 and that contract expired on 23rd March 2024. Again the Company has applied to BPDB for further 5 years of extension which is under active discussion to renew.

2 Summary of significant accounting policies and basis of preparation of the financial statements

2.1 Statement of compliance

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

Details of the Company's accounting policies are included in Note 43.

a Accounting convention and assumptions

The elements of financial statements have been prepared on "Historical Cost" convention in a going concern assumption and on accrual basis of accounting in accordance with generally accepted accounting principles and practices.

b Use of estimates and judgments

In preparing the financial statements, management has applied judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

c Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31 March 2024 is included in the following notes:

Note 4 and 43C	Property, plant and equipment
Note 8 and 43B	Inventories
Note 15 and 43K	Employee
Note 16 and 43J	Asset retirement
Note 14,22,31 and Note 39 and 43G	Provision for income tax Contingencies and commitments

2.2 Authorisation for issue

The financial statements were authorised for issue by the Board of Directors on 30th April 2024 .

2.3 Functional and presentational currency and level of precision

The financial statements have been presented in Bangladesh Taka (BDT), which is the Company's functional currency. All amounts have been rounded to the nearest integer, unless otherwise indicated.

2.4 Reporting period

These financial statements cover three-month period from 1 July to 31 March 2024. But the comparative figures stated in the financial statements cover twelve month period from 1 July 2022 to 30 June 2023. As a result, the related notes are not comparable.

3 Changes in significant accounting standard

The table below lists the recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning on or after 1 January 2020:

- Amendments to References to Conceptual Framework in IFRS Standards.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on Definition of Material.
- Amendments to IFRS 3 Business Combinations on Definition of a Business.
- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement (superseded by IFRS 9), IFRS 7 Financial Instruments: Disclosures on Interest Rate Benchmark Reform.
- Amendment to IFRS 16 Leases on COVID-19-Related Rent Concessions.

The amendments in standards listed above do not have any or material effect on the Company's financial statements.

4 Property, plant and equipment
See accounting policy in Note 43C

Reconciliation of carrying amount

	Amount in BDT							
	Land	Power plant	Motor vehicles	Building and construction	Furniture and fixtures	Office equipment	Office renovation	Total
Cost								
Balance at 1 July 2022	35,674,749	6,879,525,917	29,489,267	10,215,381	1,636,707	12,318,901	2,177,158	6,971,038,080
Additions	-	85,118,256	-	-	-	483,584	-	85,601,840
Adjustments/disposal	-	(1,376,629)	-	-	-	-	-	(1,376,629)
Balance at 30 June 2023	35,674,749	6,954,644,173	28,112,638	10,215,381	1,636,707	12,802,485	2,177,158	7,055,263,290
Balance at 1 July 2023	35,674,749	6,954,644,173	28,112,638	10,215,381	1,636,707	12,802,485	2,177,158	7,055,263,290
Additions	-	-	-	-	-	-	-	-
Adjustments/disposal	-	-	-	-	-	-	-	-
Balance at 31 March 2024	35,674,749	6,954,644,173	28,112,638	10,215,381	1,636,707	12,802,485	2,177,158	7,055,263,290
Accumulated depreciation								
Balance at 1 July 2022	-	2,365,675,473	29,267,259	10,097,348	1,636,654	11,181,988	2,177,143	2,420,035,865
Depreciation for the period	-	225,205,187	74,000	78,678	-	630,436	-	225,988,302
Adjustment for disposal	-	(1,376,629)	-	-	-	-	-	[1,376,629]
Balance at 30 June 2023	-	2,590,880,660	27,964,630	10,176,026	1,636,654	11,812,424	2,177,143	2,644,647,537
Balance at 1 July 2023	-	2,590,880,660	27,964,630	10,176,026	1,636,654	11,812,424	2,177,143	2,644,647,537
Depreciation for the period	-	160,008,453	55,500	39,333	-	343,323	-	160,446,609
Adjustment for disposal	-	-	-	-	-	-	-	-
Balance at 31 March 2024	-	2,750,889,113	28,020,130	10,215,359	1,636,654	12,155,747	2,177,143	2,805,094,146
Carrying amounts								
At 30 June 2023	35,674,749	4,373,763,513	148,008	39,355	53	990,061	15	4,410,615,753
At 31 March 2024	35,674,749	4,213,755,060	92,508	22	53	655,738	15	4,250,169,144
Note								
31 March 2024	24	160,008,453	438,156	438,156	438,156	170,229,936	532,928	170,762,864
31 March 2023	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT

Mode of disposal of PPE worth BDT1,376,629,00
As the asset was not in usable condition, the management of KPCL resolved its disposal issue by passing resolution in the Board. Once decided, KPCL put on advertisement in the online platform (Bikroy.com) for prospective customer and finally sold it off through negotiation.

4.1 Allocation of depreciation

	31 March 2024	31 March 2023
Cost of sales	24	160,008,453
General and administrative expenses	26	438,156
		532,928
		170,762,864

	31 March 2024 BDT	30 June 2023 BDT
5 Right of use asset		
Cost(Office building)		
Balance at 1 July 2022	24,543,569	
Balance at 1 July 2021	-	11,314,527
Initial recognition of IFRS 16 at July 2019	-	
Addition/Adjustments	-	13,229,042.00
Closing Balance	<u><u>24,543,569</u></u>	<u><u>24,543,569</u></u>
Accumulated depreciation		
Opening Balance at 1 July	16,826,627	12,416,947
Depreciation from July-23 to March 2024	3,307,260	
Depreciation from July to June 2023		4,409,680
Depreciation from July to June 2020	-	
Disposal	-	
Closing Balance	<u><u>20,133,887</u></u>	<u><u>16,826,627</u></u>
Carrying amounts	<u><u>4,409,682</u></u>	<u><u>7,716,942</u></u>

Depreciation on right of use asset has been charged to general & administrative expenses.

6 Investment in Associate-Accounted for equity method

Initial Investment in United Payra Power Ltd.	1,158,850,000	1,158,850,000.00
Share of profit of previous years'	276,151,901	476,445,216.00
Add: Share of profit in this period	174,506,471	263,246,685.45
Less: Dividend received for the year 2020-2021	-	(150,650,500.00)
Less: Dividend received for the year 2021-2022	-	(312,889,500.00)
Less: Dividend received for the year 2022-2023	(231,770,000)	-
'Closing balance	<u><u>1,377,738,372</u></u>	<u><u>1,435,001,901</u></u>

The Khulna Power Company Ltd acquires of 35% shares in United Payra Power Ltd with effect from January 2020 as investment.

7 Asset held for sale

The Khulna Power Company Ltd. consists of three Power Producing units (KPCL 110MW, KPCL 115MW, KPCL 40 MW) in different commercial operations dates (CODs) out of which 110MW Power Plant has discontinued its operations from 13 October 2018. The Management of the entity has agreed/committed in a meeting to sell 110 MW Plant. As such the non-current assets(Power plant) are classified as held for sale complying IFRS 5.Non-Current assets classified as held for sale are not depreciated since 13 October 2018 . The management is actively searching for a buyer and,it is probable that a buyer will be found in near future, i.e. within 12 months from the reporting period. Any change to the disposal plan is unlikely. As part of concrete plan to sell the assets are valued(FV) BDT 3,336,738,400 which is higher than the carrying value in the statement of financial position BDT 2,173,277,904. As a result no adjustment is needed. Non-current assets classified as held for sale are disclosed separately from the other assets in the statement of financial position as below:

As per paragraph 17 of IFRS 5 the Khulna Power Company Ltd has revalued the cost to sell and the value has not increased(revalued amount is BDT 2,972,740,300) so there is no profit or losses arises.

N.B: Finally asset has been sold out to Albania thru Excelerate Energy L.P (USA)and delivered on 3rd July 2022	-	5,319,310,476
Cost of non-current asset(power plant)	-	(3,146,032,572)
Less: Accumulated depreciation	-	207,107,853
Add: Asset Ready for sale	-	2,380,385,757
Carrying value	<u><u>-</u></u>	<u><u>(2,380,385,757)</u></u>
Less: Asset sold out on 3rd July 2022	-	-
Closing Carrying value	<u><u>-</u></u>	<u><u>-</u></u>

8 Inventories

See accounting policy in Note 43B

	31 March 2024 BDT	30 June 2023 BDT
Inventories in hand		
Inventories in transit		
Inventories in hand		

Heavy fuel oil (HFO)	250,239,792	384,202,019
Light fuel oil (LFO)	1,595,849	2,413,205
Lube oil	24,317,731	20,809,836
Chemical	145,448	158,484
Spare parts for plant maintenance	230,460,904	233,954,965
506,759,724	641,538,509	

Inventories in transit

Material-in-transit (HFO)	224,858	1,655,155
Material-in-transit (Spare parts)	224,858	4,420,660
		6,075,815

		31 March 2024 Notes	BDT	30 June 2023 BDT
9 Trade and other receivables				
See accounting policy in Note 43H				
Trade receivables	9.1	2,140,878,743	3,010,182,707	
Other receivables	9.2	<u>6,703,018</u>	<u>48,073,337</u>	
		<u>2,147,581,761</u>	<u>3,058,256,044</u>	
9.1 Trade receivables				
Non-fuel payment/other monthly tariff		419,368,650	528,075,490	
Energy payment (fuel payment)		<u>1,721,510,093</u>	<u>2,482,107,217</u>	
		<u>2,140,878,743</u>	<u>3,010,182,707</u>	
9.2 Other receivables				
Bashundhara Oil & Gas Co. Ltd		2,000,000	21,000,000	
Interest receivable from FDR		-	10,600,000	
Income tax authority (corporate tax deposition at the time of appeal)		4,018,887	4,018,887	
Others		<u>684,131</u>	<u>12,454,450</u>	
		<u>6,703,018</u>	<u>48,073,337</u>	
10 Advance income tax				
See accounting policy in Note 43G				
Opening balance		55,298,997	70,383,766	
Paid during the year		<u>13,328,297</u>	<u>55,326,226</u>	
Adjustment of advance tax on completion of assessment		-	(70,410,995)	
		<u>68,627,294</u>	<u>55,298,997</u>	
11 Advances, deposits and prepayments				
See accounting policy in Note 43H				
Advances				
Bangladesh Inland Water Transport Authority		3,006,377	1,500,000	
Khulna Power Operations & Services Ltd		207,084	41,718	
Loan to employees		722,717	791,467	
Anowara Enterprise		2,658,400	2,658,400	
Shiry Technology		2,522,000	866,667	
Wartsila Bangladesh Ltd		64,196	64,196	
PGCL		6,000,000	6,000,000	
Alif International Agency		250,000	250,000	
Accelleron		-	-	
Others		<u>20,553,435</u>	<u>17,775,699</u>	
		<u>35,984,209</u>	<u>29,948,147</u>	

Notes	31 March 2024		30 June 2023	
	BDT	BDT	BDT	BDT
Deposits				
Bangladesh Telecommunications Company Limited	16,000	16,000		
Grameenphone Ltd	89,006	89,006		
Central Depository Bangladesh Ltd	500,000	500,000		
Office rent	258,880	258,880		
C&F license	250,000	250,000		
Security deposit for leasehold land to BPDB	3,416,564	3,416,564		
LPG auto gas station	50,000	50,000		
Others	380,539	24,000		
	4,960,989	4,604,450		
Prepayments				
Insurance premium	234,870	14,898,924		
BERC license fee	-	77,512		
Prepaid expense for leasehold land to BPDB	-	3,973,205		
BPC royalty fee	-	-		
	234,870	18,949,641		
	41,180,068	53,502,238		
12 Cash and cash equivalents				
See accounting policy in Note 43H				
Cash in hand	181,160	63,749		
Cash at bank	12.1 147,769,165	710,815,723		
	147,950,325	710,879,472		
12.1 Cash at bank				
Current account				
Standard Chartered Bank	507,746	299,795,342		
Bank Al Falah Limited	2,473,573	1,173,834		
Bengal Commercial Bank	148,345	9,205		
BRAC Bank Limited	2,646,368	1,636,769		
Citibank N.A.	-	144,857		
Sonali Bank Limited	21,469	21,926		
Exim Bank Limited	62,220,637	79,658,722		
Jamuna Bank Limited	508,401	1,345,952		
	68,526,539	383,786,607		
Special notice deposit (SND) account				
Bank Al Falah Limited	4,267,759	19,213,719		
BRAC Bank Limited	-	-		
Bengal Commercial Bank	73,635,737	5,174,974		
Dutch-Bangla Bank Limited	251,724	251,724		
Prime Bank Limited	873,316	872,146		
The City Bank Limited	28,695	28,575		
Southeast Bank Limited	27,446	1,330,407		
Trust Bank Limited	157,949	157,571		
	79,242,626	27,029,116		
	147,769,165	410,815,723		
Fixed deposit account (FDR)				
EXIM Bank Limited	-	300,000,000		
	-	300,000,000		
	-	710,815,723		

13 Share capital

See accounting policy in Note 43

	31 March 2024 BDT	30 June 2023 BDT
Authorised		
500,000,000 ordinary shares of BDT 10 each	5,000,000,000	5,000,000,000
2,000,000 redeemable preference shares of Tk 1,000 each	2,000,000,000	2,000,000,000
	<u>7,000,000,000</u>	<u>7,000,000,000</u>

Issued, subscribed and paid up

208,593,000 ordinary shares of Tk 10 each	2,085,930,000	2,085,930,000
31,288,950 ordinary shares of Tk 10 each issued as bonus shares in 2010	312,889,500	312,889,500
47,976,390 ordinary shares of Tk 10 each issued as bonus shares in 2011	479,763,900	479,763,900
17,991,150 ordinary shares of Tk 10 each issued as bonus shares in 2012	179,911,500	179,911,500
38,231,186 ordinary shares of Tk 10 each issued as bonus shares in 2013	382,311,860	382,311,860
17,204,033 ordinary shares of Tk 10 each issued as bonus shares in 2014	172,040,330	172,040,330
36,128,470 ordinary shares of Tk 10 each issued as bonus shares in 2017-2018	361,284,700	361,284,700
397,413,179 ordinary shares of Tk 10 each	<u>3,974,131,790</u>	<u>3,974,131,790</u>

13.1 Particulars of shareholding

Name of shareholders	31 March 2024		30 June 2023		Percentage
	No. of shares BDT	Percentage	No. of shares BDT	Percentage	
United Mymensingh Power Ltd.	1,402,164,010	35.28%	140,216,401	1,402,164,010	35.28%
Summit Corporation Limited	67,732,419	17.04%	67,732,419	67,732,419	17.04%
Summit Power Limited	70,108,200	17.64%	70,108,200	70,108,200	17.64%
Other sponsors	94,108	0.02%	94,108	94,108	0.02%
General Investors	119,262,051	30.01%	119,262,051	1,192,520,510	30.01%
	<u>397,413,179</u>	<u>3,974,031,790</u>	<u>100%</u>	<u>397,413,179</u>	<u>3,974,031,790</u>

14 Deferred tax (asset)/liabilities

See accounting policy in Note 43G

<u>At 31 March 2024</u>		<u>Amounts in BDT</u>		
	Note	<u>Carrying amount at reporting date</u>	<u>Tax base</u>	<u>Taxable/(deductible) temporary difference</u>
Property, plant and equipment (excluding land)	14.2	565,908	565,908	-
Gratuity provision		8,455,930	-	(8,455,930)
Taxable/(deductible) temporary difference				(8,455,930)
Applicable tax rate				20.00%
Deferred tax (asset)/liabilities				(1,691,186)

<u>At 30 June 2023</u>		<u>Amounts in BDT</u>		
	Note	<u>Carrying amount at reporting date</u>	<u>Tax base</u>	<u>Taxable/(deductible) temporary difference</u>
Property, plant and equipment (excluding land)		-	-	-
Gratuity provision		8,455,930	-	(8,455,930)
Taxable/(deductible) temporary difference				(8,455,930)
Applicable tax rate				20.0%
Deferred tax (asset)/liabilities				(1,691,186)

14.1 Deferred tax (income)/expense

		<u>31 March 2024</u>	<u>30 June 2023</u>
	Note	<u>BDT</u>	<u>BDT</u>
Deferred tax (asset)/liabilities at the beginning of the year		(1,691,186)	(1,680,025)
Deferred tax (asset)/liabilities at the end of the year	14	(1,691,186)	(1,691,186)
Deferred tax (income)/expense recognised		-	(11,161)

- 14.2** The Company had been enjoying income tax exemption from its inception to 12 October 2013 (exemption expiry date) as an independent power producer. In the absence of specific legislation in connection with companies in such situation with regard to tax depreciation, the Company had taken its tax written down value as at the exemption expiry date to be the same as accounting written down value on that date. From then on, deferred tax was calculated considering temporary differences of KPCL-I only.

Subsequently, the tax authorities completed the income tax assessment of the Company for the year ended 31 December 2014 whereby the tax depreciation charge on property, plant and equipment was assessed to be the same as the accounting depreciation charge, implying that there were no temporary differences between accounting net book value and tax written down value. The tax authorities took a similar position in the assessments for the following two financial periods also.

Considering the consistent treatment by the tax authorities for three consecutive periods, the Company believes the tax written down value of property, plant and equipment to be the same as the accounting net book value as at 31 December 2020 and hence no temporary differences exist. On this basis, previously recognised deferred tax liability relating to property, plant and equipment has been reversed.

15 Employee benefits

See accounting policy in Note 43K

Staff gratuity	15.1	8,455,930	8,455,930
Earned leave encashment	15.2	3,331,202	3,331,202
		11,787,132	11,787,132

15.1 Staff gratuity

Opening balance		8,455,930	8,400,126
Add: Provision made during the year/period		-	650,044
		8,455,930	9,050,170
Less: Paid during the year/period		-	(594,240)
Closing balance		8,455,930	8,455,930

15.2 Earned leave encashment

Opening balance		3,331,202	3,321,978
Add: Provision made during the year/period		-	9,224
		3,331,202	3,331,202
Less: Paid during the year		-	-
Closing balance		3,331,202	3,331,202

16 Asset retirement obligation (ARO)

See accounting policy in Note 43J

Opening balance		45,475,574	45,475,574
Provision made during the year/period		-	-
Closing balance		45,475,574	45,475,574

17 Loans and borrowings

See accounting policy in Note 43H

Exim Bank Ltd		-	285,000,000
Bengal Commercial Limited		-	298,667,901
Jamuna Bank Limited		-	500,000,000
Standard Chartered Bank		-	1,312,924,337
		-	2,396,592,238

The Company had the following facility arrangements with banks :

Currency	31 March'2024			30 June'2023	
	Interest Rate(%)	Loan limit	Loan outstanding	Loan limit	Loan outstanding
Exim Bank Ltd	BDT	-	-	300,000,000	285,000,000
Standard Chartered	BDT	10.50	1,271,000,000	1,271,000,000	1,312,924,337
Citibank, NA	BDT	-	-	2,992,000,000	-
Jamuna Bank Limite	BDT	10.50	1,500,000,000	2,000,000,000	500,000,000
Bengal Commercial	BDT	10.50	300,000,000	300,000,000	298,667,901
BRAC Bank Limited	BDT	-	-	500,000,000	-
		3,071,000,000	-	7,363,000,000	2,396,592,238

Securities for the facilities mentioned above are as below:

- a) 1st ranking hypothecation charge on paripassu basis with Citibank N.A., Standard Chartered Bank , Bank Alfalah Limited, BRAC Bank Ltd and Jamuna Bank Limited, registered with the Registrar over all present and future floating assets of the Company with irrevocable general power of attorney for working capital facility.
- b) 1st ranking hypothecation charge on paripassu basis with Citibank N.A. and Standard Chartered Bank, registered with the Registrar over plant and machineries of the Company with irrevocable general power of attorney for working capital facility.
- c) 1st pari passu charge over current assets of the Company for BDT 1,740 million.
- d) Hypothecation on plant and machinery for BDT 1,792.5 million.
- e) Hypothecation (floating charge) for BDT 1,792.5 million.
- f) Pari passu security sharing agreement for BDT 2,400 million.
- g) Personal guarantee for BDT 1,820 million.
- h) Corporate guarantee for BDT 1,960 million.
- i) Demand Promissory Note and Letter of continuation for BDT 3,476 million.
- j) Registered hypothecation over all present and future stocks and book debts of the Company on pari-passu basis with other lenders for the Company only. Standard Chartered Bank charge will be BDT 5,643.25 million in line with fifth modification to stock and book debts.
- k) Registered hypothecation for specific charge over plant and machinery and other fixed assets of KPCL-III power plant not less than BDT 1,800 million.
- l) Registered hypothecation over plant and machinery of KPCL-I power plant on pari passu basis with other lenders. Standard Chartered Bank charge will be BDT 2,400 million in line with fifth modification to plant and machinery.

18 Intercompany Payable

United Enterprise & Co. Ltd	375,000,000	-
United Mymensingh Power Ltd	140,000,000	-
Summit Corporation Ltd	140,000,000	-
	655,000,000	-

Kulna Power Company Ltd borrowed from United Enterprise & Co. Ltd, United Mymensingh Power Ltd and Summit Corporation Ltd as short term basis @14.00% p.a to meet up working capital deficit due to delayed payment by BPDB.

19 Trade and other payables

See accounting policy in Note 43H

Trade payable	19.1	168,355,212	170,370,229
Payable for expenses and others	19.2	12,479,406	15,273,274
Payable for interest on loan	19.4	39,574,444	54,372,120
		220,409,062	240,015,623

19.1 Trade payable

Summit Oil & Shipping Co. Ltd. (Fuel carrying)	5,032,472	16,062,339
United Shipping & Logistic Services Ltd.	23,245,452	17,553,587
United Tank Terminal Ltd.	11,293,863	3,208,863
United Engineering & Power Services Ltd.	13,402,955	22,440,555
United Anowara Power Ltd.	357,857	108,474,581
Meghna Insurance Ltd.	2,754	-
Mobil Jamuna Lubricants Limited	7,472,850	210,936
United Mymensingh Power Ltd	717,600	717,600
Alif International Agency	-	15,139
Various parties	106,789,200	1,670,701
Fuel/spares Cost-others	40,209	15,928
	168,355,212	170,370,229

19.2 Payable for expenses and others

Withholding tax and VAT	3,282,612	2,003,291
Auditor's fee	573,750	675,000
Telephone, fax and e-mail	57,597	57,597
Employee expenses	2,092,976	5,417,609
Falcon Securities Ltd.	326,718	326,718
Employees' provident fund	168,233	90,367
Anowara Enterprise	2,189,970	2,189,970
Electricity, Gas & water	-	244,873
Others	3,787,550	4,267,849
	12,479,406	15,273,274

19.4 Payable for interest on loan

Standard Chartered Bank	-	22,418,035
Exim Bank Ltd	-	7,077,500
Bengal Commercial Bank	-	9,002,072
Jamuna Bank Limited	-	11,374,513
Summit Corporation Ltd	762,222	-
United Mymensingh Power Ltd	762,222	-
United Enterprise & Co.Ltd	38,050,000	4,500,000
	39,574,444	54,372,120

20 Lease liability

Non-current:		
Lease liability	5,231,479	8,145,542
Less: current portion of lease liability	(2,914,063)	(4,208,942)
	2,317,416	3,936,599
Current:		
Current portion of lease liability	2,914,063	4,208,942

Lease liability schedule for office building

Year	Opening Bal.	lease payment	Addition	Interest Expenses	Closing balance
2021-2022	3,459,376	(4,659,840)	13,229,042	325,906	12,354,484
2022-2023	12,354,484	(5,048,160)	(97,080)	936,298	8,145,542
2023-2024	8,145,542	(3,365,080)	-	451,017	5,231,479
2024-2025	5,231,479	(3,786,120)	-	138,162	1,583,521

21 Unclaimed and undistributed dividend

See accounting policy in Note 43Q

Final cash dividend for the year 2009	7,459,271	7,459,271
Final cash dividend for the year 2012	1,673,441	1,673,441
Final cash dividend for the year 2013	5,829,292	5,829,292
Final cash dividend for the period ended 30 June 2016	1,395,349	1,395,349
Final cash dividend for the year ended 30 June 2017	-	-
Final cash dividend for the year ended 30 June 2018	2,995,075	2,995,075
Final cash dividend for the year ended 30 June 2019	6,220,776	6,220,776
Final cash dividend for the year ended 30 June 2020	5,608,467	5,615,692
Final cash dividend for the year ended 30 June 2021	2,735,566	2,741,410
Final cash dividend for the year ended 30 June 2022	1,889,132	1,971,075
Final cash dividend for the year ended 30 June 2023(Undistributed)	349,800,505	-
	385,606,874	35,901,381

The above amount represents cash dividend for the years 2009, 2012, 2013, 2015-2016, 2017-2018, 2018-2019, 2019-2020, 2020-2021 and 2021-2022 that has remained unclaimed by the shareholders, which is deposited in dedicated bank accounts and is payable on demand.

22 Provision for income tax

See accounting policy in Note 43G

Opening balance		15,000,000	28,733,117
Provision for the year	31	-	10,000,000
		15,000,000	38,733,117
Adjustment made for completion of assessment (AY 2020-21)		-	(23,733,117)
Closing balance		15,000,000	15,000,000

Provision for income tax consists of the following:			
Income year 2022-2023		-	10,000,000
Income year 2021-2022		-	5,000,000
Balance at end of the period		-	15,000,000

22.1 KPCL-I was allowed tax exemption for a period of 15 years with effect from commencement of commercial production, vide SRO no. 114-Law/99 dated 26 May 1999 and amended time to time issued by Government of Bangladesh, under private sector power generation policy. This expired on 12 October 2013. Though after successful completion of the tenor the Company (KPCL-I) has been granted an extension for a further five-year term, no tax exemption facility has been given. Therefore, due income tax provision for the accounting year/period has been made in the accounts on the net profit of this unit (KPCL-I).

However, no provision is made for income tax for other two units (KPCL-II and KPCL-III), amalgamated with KPCL-I, as BPDB is responsible for payment of income taxes, other taxes, VAT, duties, levies and all other charges imposed inside Bangladesh on any payments made by BPDB to the Company from the start of its commercial operation.

23 Revenue from contract with customer

See accounting policy in Note 43A

Revenue from BPDB			
Non-fuel payment		418,927,823	483,236,972
Energy payment - fuel payment		1,902,656,562	2,313,002,153

Third quarter ended	
31 March 2024	31 March 2023
BDT	BDT
418,927,823	483,236,972
1,902,656,562	2,313,002,153
2,321,584,385	2,796,239,125

Revenue decreased by 17% mainly due to less capacity utilised during this period compared to previous same quarter.

23.1 Capacity Payment

Rental Payment			
Deferred revenue(due to IFRS 16 straight lining)		-	-

Third quarter ended	
31 March 2024	31 March 2023
BDT	BDT
-	-
-	-
-	-

No deferred revenue recognised during this reporting period due to the Company's implementation of IFRS 16 for capacity payment element of revenue because the PPAs have been renewed under "No Electricity No Payment Basis".

Plant wise Revenue

KPCL-1(110 MW)			
KPCL-2(115 MW)		1,842,992,634	2,292,038,693
KPCL-1(40 MW)		478,591,751	504,200,432
		2,321,584,385	2,796,239,125
Contract balances	9.1	2,140,878,743	3,010,182,707

24 Cost of sales

	Third quarter ended	
	31 March 2024	31 March 2023
	BDT	BDT
Consumption of heavy fuel oil (HFO) and related expenses	24.1 2,023,860,243	2,406,055,465
Consumption of light fuel oil (LFO)	6,492,349	6,321,327
Consumption of lube oil	25,468,551	46,025,575
Consumption of spare parts	24.1 65,586,673	63,902,735
Other operation and maintenance costs	47,016,803	54,913,923
Manned security services at plant site	3,241,098	3,062,757
Operating Insurance premium	13,437,180	13,437,180
Landlease	3,973,206	4,884,393
Depreciation	160,008,453	170,229,936
	2,349,084,556	2,768,833,291

24.1 Cost of goods sold decreased by 15% mainly due to less capacity utilised than the previous same quarter.

25 Other income

	Third quarter ended	
	31 March 2024	31 March 2023
	BDT	BDT
Sale proceeds of sludge, used lube oil and empty lube oil drums	3,834,700	
Insurance claim against breakdown of a engine of 115 MW plant	-	12,124,571
Gain/(loss) from disposal of assets	-	199,999
	3,834,700	12,324,570

There is no other income incurred during this period.

25A Gain/(loss) from disposal of assets(110 MW plant)

Loss on sale(Export) of 110 MW plant	(855,285,510)
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Loss arises for the six months under report mainly due to sale of 110 MW 20 years old plant. Book value of the plant was higher than the sale value because KPCL has charged depreciation considering machine life(i,e 30 years).

	Notes	Third quarter ended	
		31 March 2024 BDT	31 March 2023 BDT
26 General and administrative expenses			
Salary and allowances		8,784,552	7,439,340
Employer's contribution to provident fund		387,900	386,100
Office repair and maintenance		447,845	927,741
Telephone, fax and e-mail		379,481	371,914
Advertisement, publicity, press and seminar		87,179	560,921
Entertainment expenses		143,287	99,007
Bank charges and commission		1,267,965	1,002,944
Printing, postage and stationeries		423,794	324,602
Travel and conveyance		199,921	269,878
Vehicle fuel and maintenance		506,312	199,039
Newspapers, books and periodicals		12,686	12,352
Business promotion, gift and donation		417,377	2,324,500
Renewal subscription & membership fees		1,466,915	1,482,695
HRD & training expenses		5,000	5,500
Insurance premium		297,718	275,957
Directors' fees and board meeting expenses		1,125,000	1,400,000
Auditor's fee		506,250	506,250
Legal, tax and other professional fees		190,533	622,000
Survey, testing and inspection fees		-	5,156,180
Computer consumable and maintenance		46,300	140,655
General Meeting (AGM/EGM) expenses		473,850	254,918
Depreciation - Other property, plant and equipment		438,156	532,928
Depreciation -right of use asset		3,307,260	3,307,260
VAT expenses		643,855	595,315
Miscellaneous and incidental expenses		2,160	23,710
		21,561,296	28,221,706

27 Foreign exchange gain/(loss)

See accounting policy in Note 43F

Third quarter ended	
31 March 2024 BDT	31 March 2023 BDT
-	2,212
(29,377,784)	(129,949,636)
	-
(29,377,784)	(129,947,424)

28 Finance income

See accounting policy in Note 43E

Third quarter ended	
31 March 2024 BDT	31 March 2023 BDT
7,643,926	8,525,456
7,643,926	8,525,456

During the current period finance income decreased due to lower of daily balance in SND account mainly of Exim Bank.

29 Share of profit from associate

Third quarter ended	
31 March 2024 BDT	31 March 2023 BDT
498,589,916	649,469,861
35%	35%
174,506,471	227,314,451

During the current period associate's profit decreased due to higher of foreign currency loss

30 Finance costs

See accounting policy in Note 43E

		Third quarter ended	
		31 March 2024	31 March 2023
		BDT	BDT
Working capital/Short term loans		128,232,649	73,886,402
Other financial charges		1,737,092	5,487,594
		129,969,741	79,373,996

Finance cost increased due to higher cost of fund's working capital facilities availed

31 Income tax expense

See accounting policy in Note 43G

		Third quarter ended	
		31 March 2024	31 March 2023
		BDT	BDT
Current tax	22	-	-
Adjustment made for completion of assessment		-	-
Deferred tax (income)/expense	14.1	-	118,848
		-	118,848

32 Earnings per share

See accounting policy in Note 43P

32.1 Basic earnings per share

Earnings per share (EPS) is calculated in accordance with the IAS 33: *Earnings Per Share*. The composition of EPS is given below.

Profit attributable to the ordinary shareholders (basic)	(22,423,895)	(817,377,172)
Number of shares outstanding	397,413,179	397,413,179
Earnings per share (EPS)	(0.06)	(2.06)

During the period ended on 31 March 2024 EPS is Tk.(0.06) against Tk. (2.06) of the corresponding previous period. The loss on sale of 110 MW plant is the cause of higher negative EPS in the last year.

32.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution.

33 Net asset value per share

Net assets	33.1	7,207,822,294	7,627,659,367
Number of shares outstanding	13	397,413,179	397,413,179
Net asset value per share		18.14	19.19

33.1 Net assets

Total assets	8,546,332,415	10,380,576,857
Total liabilities	1,338,510,121	2,752,917,490
Net assets	7,207,822,294	7,627,659,367

34 Net operating cash flow per share

Net cash generated from operating activities	1,275,807,157	237,545,588
Number of shares outstanding	397,413,179	397,413,179
Net operating cash flow per share	3.21	0.60

35 Reconciliation of net profit with cash flow from operating activities

Profit for the period	(22,423,895)	(804,343,740)
Adjustment for:		
Depreciation	163,753,869	170,762,864
Finance income	(7,643,926)	(8,525,456)
Finance cost	129,969,741	79,373,996
Foreign exchange (gain)/loss	29,377,784	129,947,424
Deferred tax (income)/expenses		118,848
Cost of sales-Inventory consumption	-	2,397,985,537
Gratuity provision	-	-
Earned leave provision	-	-
Share of profit from associate	(174,506,471)	(227,314,451)
Changes in:		
Inventories	140,629,742	(945,614,589)
Trade & other receivables	910,674,283	553,731,161
Advances, deposits & prepayments	12,322,170	14,579,960
Advance income tax	(13,328,297)	(37,378,045)
Trade & other Payables	(19,606,561)	(1,076,056,291)
Unclaimed dividend	139,917,015	2,717,562
Employee benefits	-	594,240
Cash generated from operating activities	1,289,135,454	250,579,020
Income tax paid	(13,328,297)	(13,033,432)
Net cash generated from operating activities	1,275,807,157	237,545,588

36 Leases

See accounting policy in note N

KPCL-I & KPCL-II are obligated under non-cancellable lease for use of land leased out by BPDB that are renewable on a periodic basis, at the option of both lessor and lessee. Initially, two separate indenture of lease were made between BPDB (the lessor) and KPCL-I (the lessee) and KPCL-II (the lessee) for 17 years and 5 years effective from 5 February 1998 and 16 August 2010 respectively. BPDB has taken possession of land from Padma Oil Company Ltd. (POCL) pursuant to lease agreement between POCL and BPDB. Both leases have been extended for a further 5 years effective from 1 January 2015 for KPCL-I and 16 August 2016 for KPCL-II. A consolidated agreement has been signed for the both land for further 3 years extended period which was effective from 01 January 2020.

The future minimum lease payments in respect of operating leases are:

Not later than one year	5,937,228	5,937,228
Later than one year but not later than five years	7,124,673	7,124,673
	13,061,901	13,061,901

Rental expenses under non-cancellable operating leases aggregated BDT 7,124,673 for the period ended 31 March 2024 and BDT 8,905,842 for the year ended 30 June 2023.

31 March 2024	30 June 2023
BDT	BDT

37 Related parties

a) Transactions with key management personnel

Key management personnel compensation comprised the following.

Transactions

Fees to directors	1,125,000	1,850,000
Salaries and benefits	4,587,300	6,116,400
Bonus	-	602,000
	5,712,300	8,568,400

b) Other related party transactions

	Transaction values for the period ended 31		Receivable/(payable) outstanding as at	
	March 2024	March 2023	March 2024	30 June 2023
United Anowara Power Ltd	-	624,113,044	(357,857)	(108,474,581)
Summit Oil & Shipping Co. Ltd	-	(359,429,038)	-	-
United Mymensingh Power Ltd			(717,600)	-
Investment:				-
United Payra Power Limited	174,506,471	227,314,451	1,377,738,372	1,435,001,901
Procurement of goods and services				
United Energy Trading Pte Ltd	-	(477,020,044)	-	-
United Shipping & Logistic Services Ltd	-	(10,902,113)	(23,245,452)	(17,553,587)
Summit Asia Pacific Pte Ltd	-	-	-	-
Summit Oil & Shipping Co. Ltd	-	(11,410,441)	(5,032,472)	(16,062,339)
United Engineering & Power Services Ltd.	(6,809,287)	-	(13,402,955)	(108,474,581)
United Tank Terminal Limited			(11,293,863)	(22,440,555)
Summit Corporation Ltd	(140,000,000)		(140,000,000)	-
United Enterprise & Co. Ltd	(275,000,000)	(250,000,000)	(375,000,000)	-
United Mymensingh Power Ltd	(140,000,000)	-	(140,000,000)	-
Khulna Power Operations & Services Ltd	11,400,000	11,500,000	207,084	41,718
	(550,409,287)	(737,832,598)	(707,767,658)	(164,489,344)

38 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

38.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is mainly attributable to trade and other receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Company's receivables arise from a Government entity, viz, Bangladesh Power Development Board (BPDB) to whom the Company's sales are made under the conditions of the power purchase agreement and contract for supply of electricity on rental basis. Sales made to this entity is fully secured by letters of credit issued by local scheduled banks.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		31 March 2024	30 June 2023
	Note	BDT	BDT
Trade and other receivables	9	2,147,581,761	3,058,256,044
Deposits	11	4,960,989	4,604,450
Cash and cash equivalents (except cash in hand)	12	147,769,165	710,815,723
		<u>2,300,311,915</u>	<u>3,773,676,217</u>

b) Impairment losses

There were no impairment losses to be recognised for such instrument for the period.

38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity 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.

31 March 2024

Amount in BDT	Carrying amount	Contractual cash flows			
		Total	2 months or less	2-12 months	More than 5 years
Loans and borrowings ⁵	220,409,062	220,409,062	94,377,288	(797,901,800)	-
Trade and other payables	385,606,874	385,606,874	385,606,874	-	-
Unclaimed and undistributed dividend	-	-	-	-	-
Provision for income tax	15,000,000	15,000,000	-	-	-
Employee benefits	11,787,132	11,787,132	-	-	11,722,104
Asset retirement obligation (ARO)	45,475,574	45,475,574	-	-	45,475,574
	678,278,642	678,278,642	1,277,885,962	(671,870,026)	57,197,678

30 June 2023

Amount in BDT	Carrying amount	Contractual cash flows			
		Total	2 months or less	2-12 months	More than 5 years
Loans and borrowings ⁵	2,396,592,238	2,396,592,238	1,420,314,602	976,277,636	-
Trade and other payables	240,015,623	240,015,623	94,377,288	145,638,335	-
Unclaimed and undistributed dividend	35,901,381	35,901,381	35,901,381	-	-
Provision for income tax	15,000,000	15,000,000	-	15,000,000	-
Employee benefits	11,787,132	14,931,122	-	-	14,931,122
Asset retirement obligation (ARO)	45,475,574	45,475,580	-	-	45,475,580
	2,744,771,948	2,747,915,944	1,550,593,271	1,136,915,971	60,406,702

38.3 Market risk

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

a) Currency risk

The Company is exposed to currency risk on revenue and certain expenses such as procurement of heavy fuel oil, spare parts and purchase of capital items. Majority of the Company's foreign currency transactions are denominated in United States Dollar (USD) and Euro (EUR) and related to revenue and procurement of heavy fuel oil and spare parts. The Company maintains USD denominated bank accounts where receipts from BPDB are deposited.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 March 2024		30 June 2023	
	USD	EUR	USD	EUR
Trade and other receivables	21,096,088	-	24,645,892	-
Cash at bank	18,261	-	1,881,168	-
Loans and borrowings	-	-	(16,719,419)	-
Trade and other payables	-	-	-	-
Net exposure	21,114,349	-	9,807,641	-

The following exchange rates were applied during the period/year:

	Period/Year end spot rate	
	March 2024	June 2023
United States Dollar (USD)	110.00	108.02
Euro (EUR)	122.59	117.70

Source: BRAC Bank TT OD rate

i) Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currency against BDT at 31 March would have effected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

31 March 2024

Effects in BDT	Strengthening profit or (loss)	Weakening profit or (loss)
USD (3 percent movement)	69,677,353	(69,677,353)
EUR (3 percent movement)	-	-

30 June 2023

Effects in BDT	Strengthening profit or (loss)	Weakening profit or (loss)
USD (3 percent movement)	31,782,642	(31,782,642)
EUR (3 percent movement)	-	-

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Loans and borrowings are affected by fluctuations in interest rates as the rate is of SOFR plus variable rate ranging from 2.75% to 3.75%.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Nominal amount	
	March 2024	June 2023
In BDT		
Fixed rate instruments		
Financial liabilities	-	-
Variable rate instruments		
Loans and borrowings	-	2,396,592,238
	-	2,396,592,238

c) Accounting classifications and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2024							Fair value							Fair value						
In BDT	Fair value - hedging instruments			Mandatorily at FVTPL - others instruments			FVOCI - equity instruments			Financial assets at amortised cost			Other financial liabilities			Total	Level 1	Level 2	Level 3	Total
	Note	Instruments	FVTPL - others																	
Financial assets measured at fair value																				
Financial assets not measured at fair value																				
Trade and other receivables	9	-	-	-	-	-	-	-	-	-	2,147,581,761	-	-	-	-	2,147,581,761	-	-	-	-
Deposits	11	-	-	-	-	-	-	-	-	-	4,960,989	-	-	-	-	4,960,989	-	-	-	-
Cash and cash equivalents	12	-	-	-	-	-	-	-	-	-	147,950,325	-	-	-	-	147,950,325	-	-	-	-
											2,300,493,075	-	-	-	-	2,300,493,075	-	-	-	-
Financial liabilities measured at fair value																				
Financial liabilities not measured at fair value																				
Loans and borrowings	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed and undistributed dividend	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for income tax	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
											621,015,936	-	-	-	-	621,015,936	-	-	-	-
30 June 2023							Fair value							Fair value						
In BDT	Fair value - hedging instruments			Mandatorily at FVTPL - others instruments			FVOCI - equity instruments			Financial assets at amortised cost			Other financial liabilities			Total	Level 1	Level 2	Level 3	Total
	Note	Instruments	FVTPL - others																	
Financial assets measured at fair value																				
Financial assets not measured at fair value																				
Loans and borrowings	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed and undistributed dividend	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for income tax	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
											3,773,739,966	-	-	-	-	3,773,739,966	-	-	-	-
Financial liabilities measured at fair value																				
Financial liabilities not measured at fair value																				
Loans and borrowings	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,396,592,238	-	-	-	-
Trade and other payables	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	240,015,623	-	-	-	-
Unclaimed and undistributed dividend	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,901,381	-	-	-	-
Provision for income tax	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000,000	-	-	-	-
											-	-	-	-	-	2,687,509,242	-	-	-	-

39 Contingencies and commitments

See accounting policy in Note 43N

Contingent liabilities relating to bank guarantees amounted to:

Name of the party	Expiry date	31 March 2024 BDT	30 June 2023 BDT
BPDB (for KPCL-II)	23-Jul-21	0	254,150,000
BPDB (for KPCL-III)	23-Jul-21	0	88,400,000
		-	342,550,000

The Company received assessment orders for the assessment years 1999-2000, 2006-2007, 2007-2008 and 2008-2009 where tax authority has claimed BDT 11,544,504. The Company has appealed against these and is confident of satisfactory resolution. Hence, no provision has been made for these claims. Bank guarantees will be renewed after confirming new PPA with BPDB.

The Company has outstanding letters of credit amounting to USD 0.00 (2023: USD 0.00), and Euro 0.00 (June 2023: Euro 0) against which it is committed to purchase spare parts and heavy fuel oil.

40 Capacity

Name of plants	Licensed capacity (MW)	Installed capacity (MW)	Plant factor (% on licensed capacity)	Energy generated (MW)	Energy sold (MW)
KPCL-I:					
July 2023 to March 2024	110	114	-	-	-
July 2022 to March 2023	110	114	-	-	-
KPCL-II:					
July 2023 to March 2024	115	119	Average -11.81	92,429	89,834
July 2022 to March 2023	115	119	Average -15.33	117,973	114,988
KPCL-III:					
July 2023 to March 2024	40	44	Average -8.50	23,242	22,461
July 2022 to March 2023	40	44	Average -9.12	24,819	23,993

N.B: KPCL-I, 110 MW power plant sold out on 3rd July 2022.

41 Particulars of employees

During the year ended 31 March 2024 there were 10 permanent employees (30 June 2023:10) who received salary of BDT 36,000 or above per year. All permanent employees of plant have been outsourced from Khulna Power Operations & Services Ltd. (KPOSL) from 1 July 2016.