

## CHAPTER-4

# DIRECTORS REPORT

Bismillahir Rahmanir Rahim.

Dear Shareholders,

Assalamu Alaikum.

The Board of Directors of Doreen Power Generations and Systems Limited (DPGSL) have the pleasure to welcome you all to the 14th Annual General Meeting of the Company. The Directors delightfully presents before you the Audited Financial Statements of the Company for the year ended 30 June 2021 together with the Auditors' Report thereon and the Directors' Report for your consideration and adoption.

The Directors like to furnish a clear picture of the Company to its valued shareholders. The reports on internal audit and internal control system, on risk management framework and on corporate governance annexed hereto and tables, graphs and profiles shown separately will be treated as integral parts of this report.

#### 4.1 GLOBAL ECONOMIC REVIEW

The global economy is growing far more strongly than anticipated a year ago but the recovery remains uneven, exposing both advanced and emerging markets to a range of risks. Extraordinary support from governments and central banks helped avoid the worst once, the COVID-19 pandemic hit. However, the recovery is uneven, passing over many poorer countries, and there is considerable uncertainty about its durability.

As per World Bank's Global Economic Prospect, June 2021, the economic growth is projected at 5.6 percent in 2021, while growth was contracted to 3.5 percent in 2020. This recovery is uneven and largely reflects sharp rebounds in some major economies owing to substantial fiscal support and highly unequal vaccine access. Global growth is set to reach 4.3 percent and 3.1 percent respectively in 2022, and 2023 in that report.

The advanced economies will have forecasted growth of 5.4 percent for 2021 and 4.3 percent in 2022. On the other hand emerging market and developing economies will have forecasted growth of 6.0 percent for 2021 and 4.7 percent for 2022. Countries of South Asia (Bangladesh, Pakistan, and India) will have forecasted growth of 6.8 percent in 2021 and 6.8 percent for 2022.

In the World Economic Outlook (WEO) April 2021, International Monetary Fund (IMF) projected that the global economy to grow 6.0 percent in 2021 which is 0.8 percent higher than the estimate of October 2020 WEO. For advanced economies, growth is projected at 6.7 percent in 2021.

There is a marked variation in the outlook for inflation, which has risen sharply in the US and some emerging market economies but remains relatively low in many other advance economies, particularly in euro area. A rapid increase in demand as economies reopen has pushed up prices in key commodities such as oil and metals as well as food which has a stronger effect on inflation in emerging markets. The disruption to supply chains caused by the pandemic has added to cost pressure. At the same time, shipping costs have increased sharply.

Controlling the pandemic at the global level will require more equitable vaccine distribution, especially for low-income countries. In addition to the necessary efforts to pursue widespread vaccination, policy makers can help entrench a lasting recovery by undertaking growth enhancing reforms and necessary policies to lower trade costs so that trade can once again become a robust engine of growth.

#### 4.2 BANGLADESH ECONOMIC REVIEW

As per the Bangladesh Bureau of Statistics (BBS), Bangladesh economy has been constantly performing well with above 6 percent of GDP growth since FY 2010-11 to up until COVID-19 outbreak. The global economy has come to a standstill due to the COVID-19 pandemic which has also had a huge negative impact on the economy of Bangladesh.

According to the final estimation of BBS, the GDP growth in FY 2019-20 has slowed to 3.51 percent. Bangladesh's economy is turning around in the context of tackling the corona virus of the world economy. According to the provisional estimates of BBS, the GDP growth in FY 2020-21 stood at 5.47 percent.

As per World Bank's Global Economic Prospect, June 2021, the economic growth of Bangladesh is projected at 3.6 percent in 2021. Forecasted growth is set to reach 5.1 percent and 6.3 percent respectively in 2022, and 2023 in that report.

According to the provisional estimates of BBS, per capita GDP and per capita national income stood respectively at US\$ 2,097 and US\$ 2,227 in FY 2020-21. The domestic savings stood 24.17 percent of GDP, and the national savings stood at 30.39 percent of GDP for the same period. The gross investment stood at 29.92 percent of GDP in FY 2019-20 where public investment and private investment accounted for 8.67 percent and 21.25 percent of GDP, respectively.

Despite the stagnation in the economy caused by the corona virus, food production and supply chains remained unaffected, leading to inflation at 5.56 percent in FY 2020-21 which is slightly higher than the projected target 5.4 percent.

Both export and import in Bangladesh have showed a sign of recovery after a sharp decline in FY 2019-20. In FY 2020-21, Bangladeshi expatriates remittance stood at US\$ 24,777.72 million which was 36.10 percent higher than the FY 2019-20.

Overall balance recorded the surplus of US\$ 9,274 million in FY 2020-21 compared to US\$ 3,169 million surplus in the previous year. As a result, the foreign exchange reserves increased to a record US\$ 46.39 billion at 30 June 2021. We have also observed a marginal (0.05%) depreciation in exchange rate of Taka with the US Dollar.

Various activities have been taken by the government to turn around the economy. For example, 23 stimulus packages of Tk. 1,28,441 crore was taken for additional expenditure in healthcare sector, emergency humanitarian assistance and economic recovery to address the COVID-19 pandemic.

#### **4.3 THE SECTOR WE OPERATE IN**

Steady supply of power and energy is the prerequisite for the progress of an economy. The importance of energy is even more complementary in the context of Bangladesh, an emerging economy that has been experiencing rapid economic growth but also has been experiencing prolonged period of energy crisis. Electricity is the main form of energy that is tapped on both private and commercial scales in Bangladesh.

Demand for electricity in Bangladesh is projected to reach 34,000 megawatts (MW) by 2030 and the Government of Bangladesh has plans to increase power generation beyond expected demand to help propel growth in the export-oriented economy and to meet the demands of a growing middle class. Total investment in the sector over the next 15 years is estimated at \$70.5 billion. Total installed generation capacity is 22,031 MW which is 25,235 MW including captive power off grid renewable energy as of 30 September 2021.

Recently Bangladesh started construction of the 2.4-gigawatt (GW) Rooppur Nuclear Power Plant expected to go into operation in 2023. According to the Bangladesh Power Development Board in September 2021, 99.75 percent people have access to the electricity but still the per capita energy consumption in Bangladesh is considered low. The Government of Bangladesh has set a target to bring 100 percent people of the country under un-interrupted electricity coverage by 2022.

To encourage private sector investment in the power sector of the country, Government has adopted several policies namely Private Sector Power Generation Policy of Bangladesh, 1996 (revised in 2004) and Policy Guideline for Enhancement of Private Participation in the Power Sector, 2008. Some of such benefits for potential investors are as follows:

##### **Facilities and Incentives for Private Power Companies**

- Exemption from corporate income tax for 15 years
- Allowed to import plant equipment and spare parts at up to a maximum of ten percent (10%) of the original value of total plant and equipment within a period of twelve (12) years of commercial operation without payment of customs duties, VAT and any other surcharges as well as import permit fee except for indigenously produced equipment manufactured according to international standards.
- Repatriation of equity along with dividends allowed freely.
- Exemption from income tax for foreign lenders to such companies.

- The foreign investors will be free to enter into joint ventures but this is optional and not mandatory.
- Tax exemption on royalties, technical know-how and technical assistance fees, and facilities for their repatriation.
- Tax exemption on interest on foreign loans.
- Tax exemption on capital gains from transfer of shares by the investing company.
- Avoidance of double taxation case of foreign investors on the basis of bilateral agreements.
- Exemption of income tax for up to three years for the expatriate personnel employed under the approved industry.
- Facilities for repatriation of invested capital, profits and dividends.

#### Facilities and Incentives enjoyed by the Group

Among the above facilities DPGSL has already enjoyed 12.50 years tax exemption period and it's two subsidiaries (DNPGL and DSPGL) have enjoyed 5 years tax exemption period each. All the companies of the Group have imported plant equipment without payment of customs duties, VAT and any other surcharges as well as import permit fee. The Group has been enjoying exemption from paying customs duties, VAT and any other surcharges as well as import permit fee in importing spare parts. Impact of availing the above incentives and facilities has been reflected on the profitability of the company, the benefits of which has been ultimately enjoyed by the shareholders.

#### 4.4 PERFORMANCE OF THE COMPANY

DPGSL is one of the largest private sector power generation companies in Bangladesh which has started its power generation in November 2008 and proved its ability by successfully completing more than a decade of commercial operation.

The company was incorporated as a private limited company in 2007 and converted into public limited company in 2011 and became listed with the DSE and CSE in 2016. It owns almost 100% shares of its three subsidiaries namely Dhaka Southern Power Generations Ltd. (99.14% owned), Dhaka Northern Power Generation Ltd. (99.40% owned) and Chandpur Power Generations Limited (99.90% owned). Commercial Operation of Dhaka Northern Power Plant and Dhaka Southern Power Plant having 55 MW capacity each has started in mid 2016; and construction and implementation work of Chandpur Power Plant is going on which is badly impacted and delayed by Lockdown(s) due to Global Covid-19 pandemic. However, management is trying to finish the construction work of the plant and start its commercial operation soon.

During the year 2020-21, all five power plants were available to generate and supply to the extent required as per the Power Purchase Agreement (PPA), indicating excellent operational performance of your Company. As a result, this year our Group's power plants could deliver total 904.07 million Kwh of electricity to the national grid.

#### PLANT-WISE PERFORMANCE

Plant-wise performances during the year 2020-21, comparing that of previous years, were as stated below:

Name of Power Plant	Installed Capacity (Mwh)	Net Energy Output (Mwh)		Gas/HFO Consumption (Cubic Feet/MT)		Revenue (in million BDT)	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Feni Plant	192,720	160,004	141,279	46,109,167	39,869,320	461.30	432.20
Narsingdi Plant	192,720	133,128	112,337	36,579,853	31,199,839	424.76	392.00
Tangail Plant	192,720	141,198	146,792	40,799,995	40,334,640	433.86	435.28
Northern Plant	481,800	231,844	151,070	50,858	30,267	2,642.75	1,900.17
Southern Plant	481,800	237,896	110,383	47,468	22,668	2,700.35	1,601.96

#### 4.5 REPORT ON RISKS AND CONCERNS

The Board of Directors of DPGSL has overall responsibility for the establishment and oversight of the Company's Risk Management Framework. The Board oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the company. The Board is assisted in its oversight role by Audit Committee. Internal Audit, under the purview of Audit Committee, undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. The Company has exposures to the following risks and frame work for managing thereof:

**Credit Risk:** Credit Risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers and investment securities. The company's sales are made to two Government-owned entities i.e. Bangladesh Power Development Board (BPDB) and Bangladesh Rural Electrification Board (BREB) under the conditions of Power Purchase Agreements (PPAs). Therefore, sales are fully secured by Power Purchase Agreement (PPA) with these two state-owned entities. Credit risk does not arise in respect of any other receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position that has been disclosed in note 40.1 of the Financial Statements.

**Liquidity Risk:** Liquidity Risk is the risk of inability to meet financial obligations as they fall due. The Company's approach to managing liquidity risk 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 damage to the Company's reputation. Typically, Management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses and financial obligations through cash forecast prepared based on timeline of payment of the financial obligation and accordingly arranging for sufficient fund and/or maintaining short term lines of credit with scheduled commercial banks to make the expected payment within due date. Financial Liabilities are expected to be repaid in due time from operational cash flows.

The contractual cash flows in terms of bank loan, trade payable, liabilities for expenses and provision for income tax have been disclosed in note 40.2 of the Financial Statements.

**Market Risk:** Market Risk is the risk associated with changes in market forces such as demand and supply situation, foreign exchange rates and interest rates that may affect the Company's income or the value of its holding of financial instruments. The objective of market risk management frame work is to manage and control market risk exposures within acceptable parameters while optimizing the return.

**Currency Risk:** Currency Risk is the risk associated with changes in foreign exchange rates that may affect the Company's purchases of spare parts and furnace oil that are denominated in a currency other than the functional currency, primarily Euro and US Dollars. Such risk may be hedged through entering into appropriate derivative financial instruments. However, the Company has not yet entered into any type of derivatives instrument in order to hedge foreign currency risk.

**Interest Rate Risk:** Interest Rate Risk is the risk that arises due to changes in interest rates on borrowings. Local loans are however not significantly affected by fluctuations in interest rates. Foreign loans and borrowings are affected by fluctuations in interest rates. Such risk may be hedged through entering into appropriate derivative financial instruments. However, the Company has not yet entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**Capital Risk:** Capital Risk is the risk associated with maintaining an optimal capital structure and minimal cost of capital. The objective of managing capital risk are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of DPGSL is careful to maintain a balance between risks and return that might be possible with a sound capital structure of equity and borrowed funds.

#### 4.6 OPERATIONAL AND FINANCIAL RESULTS

The Directors are pleased to present the comparative operational and financial results (consolidated) for the year ended 30 June 2021 based on the year ended 30 June 2020:

Particulars	Amount (Taka)		% of Change
	2020-2021	2019-2020	
Revenue	6,656,732,440	4,746,318,581	Increased by 40.25%
Cost of Sales	5,000,968,629	3,419,994,719	Increased by 46.19%
Gross Profit	1,655,763,811	1,326,323,862	Increased by 24.92%
Profit Before Tax	1,179,779,534	802,694,556	Increased by 46.98%
Profit After Tax	1,176,136,144	802,262,798	Increased by 46.60%

Consolidated revenue has increased by 40.25% mainly for increase in sale revenue of two subsidiaries (DSPGL & DNPGL) which has resulted from increase in demand for electricity in the economy as well as increase in energy payment for imposition of duties on HFO import by government. For the same reasons the cost of sales has increased by 46.19% which is higher compared to increase in revenue is because of imposition of duties on HFO import which was not applicable until last year. As a result, gross profit has increased by only 24.92%. However, for reduction in financial expenses profit before tax and after tax has increased by 46.98% and 46.60% respectively.

#### 4.7 EXTRA-ORDINARY GAIN OR LOSS

As per IAS 1: Presentation of Financial Statements, no item of income and expenses are to be presented as extra-ordinary gain or loss in the financial statements. Accordingly, no extra-ordinary gain or loss has been recognized in the financial statements.

#### 4.8 RELATED PARTY TRANSACTIONS

During the year, with approval of the Board, some transactions have taken place as temporary loans between the Company and its subsidiaries and/or sister concerns in order to meet emergency business needs by charging/paying interests on outstanding balances at prevailing interest rates. This matter is placed in the AGM for approval of the valued shareholders. These transactions with other related party transactions of the Company during the year have been disclosed in note-42 of the Notes to the Financial Statements complying the requirements of IAS 24 and it is stated that all such transactions have taken place on a commercial basis.

#### 4.9 UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND/OR THROUGH ANY OTHER INSTRUMENTS

Initial Public Offering (IPO) of Doreen Power Generations and Systems Limited was made in 2016 and the fund raised thereby has already been utilized as reported to the regulators. No further issue of any instrument was made during the year.

#### 4.10 SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

No significant variations have occurred between quarterly and final financial results of the Company during the year under report. However, as part of environmental and normal operational pattern and Covid-19 pandemic, business had to face seasonal and global pandemic impacts during quarter 2 and 3.

#### 4.11 REMUNERATION TO DIRECTORS

Remuneration, performance and other related perquisites/benefits of Directors are reviewed by the Nomination and Remuneration Committee (NRC). During the year ended 30 June 2021, only the Managing Director was paid remuneration/ allowance amounting Tk.1,320,000. No other Director (even the Independent Director) did take any remuneration/ allowance from the Company as disclosed in Note - 44 to the financial statements.

#### 4.12 FAIR PRESENTATION OF STATE OF AFFAIRS AND COMPLIANCE OF ACCOUNTING POLICIES, STANDARDS ETC.

The members of the Board, in accordance with the Bangladesh Securities and Exchange Commission's Notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, are pleased to make the



following declarations in their report:

- i) The financial statements prepared by the management of DPGSL present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- ii) Proper books of account of the company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- iv) International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) as applicable in Bangladesh have been followed in preparation of the financial statements
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) Minority shareholders have been duly protected as have effective means of redress.
- vii) There is no significant doubt upon the company's ability to continue as a going concern.
- viii) Significant deviations from last year in operating results of the Company are highlighted and the reasons have been explained in Operation and Financial Results section.

#### 4.13 KEY OPERATING AND FINANCIAL DATA

The Directors are pleased to present the Key Operating and Financial Data for the last 5 (five) years and the tabular presentation has been shown separately.

PARTICULARS	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
	Taka	Taka	Taka	Taka	Taka
<b>Revenue</b>	6,656,732,440	4,746,318,581	7,021,677,166	6,660,495,190	5,150,748,279
Cost of Sales	(5,000,968,629)	(3,420,871,587)	(5,516,266,139)	(5,250,534,560)	(3,789,896,730)
<b>Gross profit</b>	<b>1,655,763,811</b>	<b>1,325,446,993</b>	<b>1,505,411,027</b>	<b>1,409,960,630</b>	<b>1,360,851,549</b>
General & Admin. Exp.	(142,013,064)	(138,484,575)	(116,947,738)	(118,566,702)	(132,553,608)
<b>Profit from Operation</b>	<b>1,186,962,419</b>	<b>1,186,962,418</b>	<b>1,388,463,289</b>	<b>1,291,393,928</b>	<b>1,228,297,940</b>
Interest Income	10,123,809	2,112,462	1,158,728	1,829,050	1,775,002
Financial Expense	(344,095,022)	(386,380,325)	(464,649,986)	(460,751,796)	(481,473,112)
<b>Non-operating Loss</b>	<b>(333,971,213)</b>	<b>(463,491,259)</b>	<b>(463,491,259)</b>	<b>(458,922,746)</b>	<b>(479,698,110)</b>
<b>Net Profit before Contribution to WPP and WF Fund</b>	<b>1,179,779,534</b>	<b>802,694,555</b>	<b>924,972,030</b>	<b>832,471,182</b>	<b>748,599,830</b>
Contribution to WPP & WF	-	-	-	-	(7,718,880)
<b>Net profit before income tax</b>	<b>1,179,779,534</b>	<b>802,694,555</b>	<b>924,972,030</b>	<b>832,471,182</b>	<b>740,880,950</b>
Current tax expense	(3,643,390)	(431,757)	(1,387,904)	(776,663)	(3,897,606)
<b>Net profit after income tax</b>	<b>1,176,136,144</b>	<b>802,262,798</b>	<b>923,584,126</b>	<b>831,694,519</b>	<b>736,983,345</b>
Dividend	25%	20%	30%	25%	20%
Share Capital	1,443,868,800	1,312,608,000	1,161,600,000	1,056,000,000	960,000,000
Net Non-Current Assets	15,923,373,903	10,249,739,424	10,319,120,396	10,682,153,400	10,234,794,882
EPS	8.09	6.08	7.91	7.14	6.88
NAV Per Share	48.41	40.62	39.10	36.68	32.69

#### **4.14 MANAGEMENT'S DISCUSSION AND ANALYSIS**

As per Corporate Governance Code issued by BSEC, a Management's Discussion and Analysis presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements signed by Managing Director has been annexed as Annexure-II.

#### **4.15 DECLARATION OF DIVIDEND**

The Board has recommended 13% cash dividend for all shareholders excluding the Sponsors/ Directors and 12% stock dividend for all shareholders for the year ended 30 June 2021. The Sponsors/Directors hold 96.17 million shares of Tk. 10 each out of total 144.39 million shares of the Company and the amount of cash dividend to be payable to the general shareholders is Tk. 62.68 million. So, the shareholders are entitled to get 12 (twelve) bonus shares for holding every 100 shares. The aforementioned dividend has been recommended being the 'final dividend' for the year and no interim dividend was declared during the year.

Shareholders' whose name will be appearing in the Shareholders' Register as on the Record Date (09 November 2021) shall be eligible to receive the dividends subject to approval by the shareholders in the Annual General Meeting (AGM).

The Directors state that, no bonus share or stock dividend has been declared during the year or shall be declared in future as interim dividend.

#### **4.16 DIRECTORS' RETIREMENT & RE-APPOINTMENT/RE-ELECTION**

With regard to the appointment/election, retirement and re-appointment/re-election of directors, the company is governed by its Articles of Association, the Companies Act 1994 and other related legislations. Accordingly, at the 14th Annual General Meeting, Mr. Mohammad Abul Hasnat and Mr. Ali Akbar will retire from the office of Director. They are however eligible for re-appointment/re-election. As required by BSEC's Corporate Governance Code [condition 1.5 (xxii)], their details is disclosed separately under Profiles of Directors and Disclosures of Directors' Interest.

#### **4.17 APPOINTMENT OF INDEPENDENT DIRECTOR**

Mr. Mahtab Bin Ahmed was appointed as Independent Director of the Company for second term of 3 (three) years with effect from 12 December 2018. The second term of his appointment will expire on 11 December 2021. As per Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), the tenure of the office of an Independent Director shall be for a period of 3 (three) years which may be extended for one term only. So, the tenure of the office of Mr. Mahtab Bin Ahmed as Independent Director cannot be extended further and the company needs to appoint new independent director to avoid casual vacancy upon expiry of his tenure.

Mr. Towfiqul Islam Khan, Barrister-at-Law and Advocate of Bangladesh Supreme Court, is a knowledgeable individual with integrity, able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business of the Company, and has qualifications and does not have any disqualification for becoming an independent director of the Company. The Nomination and Remuneration Committee (NRC) has recommended to the Board for appointment of Mr. Towfiqul Islam Khan, Barrister-at-Law as Independent Director. Accordingly the Board has decided to appoint Mr. Towfiqul Islam Khan, Barrister-at-Law as Independent Director of the Company for 3 (three) years with effect from 12 December 2021 and to place the matter before the shareholders for approval in the AGM.

#### **4.18 APPOINTMENT OF SAME PERSON AS MANAGING DIRECTOR IN SUBSIDIARIES AND/OR SISTER CONCERNS**

For greater benefit of the Group's business, the Directors in their meeting have considered the matter and gave consent to Mr. Tahzeeb Alam Siddique (Managing Director of the Company) to serve as Managing Director of its subsidiaries and sister companies that have been engaged in doing same type of business. This has been approved by the honorable shareholders in the 13th AGM.



#### 4.19 APPOINTMENT OF AUDITORS

M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, having office at BTMC Bhaban (6th & 7th Floor), 7-9 Kawran Bazar Commercial Area, Dhaka, Bangladesh, was appointed as the Auditors by the company in its 13th AGM for a term till the conclusion of 14th AGM of the Company. M/s. Hoda Vasi Chowdhury & Co. has completed assignment of audit for consecutive three years and will retire at the 14th AGM. M/s. ACNABIN, Chartered Accountants, having office at BDBL Bhaban (Level 13), 12 Kawran Bazar Commercial Area, Dhaka, Bangladesh, has expressed their willingness to be appointed as Auditors for the next year. The Audit Committee and the Board have recommended for their appointment as Auditors for the year 2021-22 and to continue till conclusion of the 15th AGM. The matter is placed for the consideration of the honorable shareholders.

#### 4.20 APPOINTMENT OF CORPORATE GOVERNANCE AUDITORS

M/s. SARashid & Associates, having office at 13-D, 55/B, Noakhali Tower, Purana Paltan, Dhaka, Bangladesh, was appointed as the Corporate Governance Auditors by the company in its 13th AGM to provide the certificate on compliance of the Corporate Governance Code. M/s. SARashid & Associates have completed assignment of certification and will retire at the 14th AGM and being qualified has expressed their willingness to be re-appointed for the next term. The Audit Committee and the Board have recommended for their re-appointment. The matter is placed for due approval by the shareholders.

#### 4.21 BOARD MEETINGS AND ATTENDANCE

The Directors meet regularly for smooth operation and management of Company and recorded the minutes as per provisions of BSS of ICSB. During the year ended 30 June 2021, a total of 9 (Nine) Board Meetings were held. Attendance of the Directors in the meetings was as follows:

NAME & DESIGNATION OF DIRECTORS	TENURE OF DIRECTORSHIP	NUMBER OF MEETINGS	
		HELD	ATTENDED
Ms. Anjabeen Alam Siddique, Chairman	Since 23.12.2015	09	09
Mr. Tahzeeb Alam Siddique, Managing Director	Since 17.08.2017	09	09
Mr. Abul Hasnat, Director	Since 18.03.2019	09	06
Mr. Md. Ali Akbar, Director	Since 18.03.2019	09	07
Mr. Mahtab Bin Ahmed, Independent Director	Since 23.12.2015	09	06

The Directors who could not attend the Board Meetings were granted leave of absence.

#### 4.22 THE PATTERN OF SHAREHOLDING

As per condition 1(5)(xxiii) of the Corporate Governance Code issued by BSEC, the shareholding pattern as on 30 June 2021 was as follows:

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
<b>A. Parent/Subsidiary/Associated Companies and other related parties (name wise details)</b>					
1	Asian Entech Power corporation Limited	Parent Company	91,740,846	917,408,460	63.54%
2	OPG Energy Pvt. Ltd.	Sponsor Company	98,452	984,520	0.07%
<b>B.(i) Directors and their spouses and minor children (name wise details)</b>					
1	Ms. Anjabeen Alam Siddique	Chairman [Nominated by Asian Entech Power Corporation Limited]	887,634	8,976,340	0.61%
2	Mr. Tahzeeb Alam Siddique	Managing Director	3,056,288	30,562,880	2.12%
3	Mr. Md. Ali Akbar	Director [Nominated by Asian Entech Power Corporation Limited]	4,925	49,250	0.003%
4	Mr. Md. Abul Hasnat	Director [Nominated by Asian Entech Power Corporation Limited]	2,105	21,050	0.001%
5	Mr. Mahtab Bin Ahmed	Independent Director	Nil	Nil	Nil
<b>B.(ii) CEO, CFO, Company Secretary &amp; Head of Internal Audit and their spouses and minor children (name wise details)</b>					
1	Mr. Mostafa Moin	Chief Executive Officer	Nil	Nil	Nil
2	Mr. Afroz Alam	Chief Financial Officer	Nil	Nil	Nil
3	Mr. Masudur Rahman Bhuiyan FCS	Company Secretary	Nil	Nil	Nil
4	Mr. Taimur Alam ACMA	Head of Internal Audit	Nil	Nil	Nil
<b>C. Executives [Top 5 salaried employees]</b>					
1	Mr. Abul Hossain	Chief Development Officer	Nil	Nil	Nil
2	Mr. Md. Wahiduzzaman Khan	Chief Operating Officer HFO Plants	Nil	Nil	Nil
3	Mr. Mostafizur Rahman	Chief Operating Officer Gas Plants	Nil	Nil	Nil
4	Mr. Iqbal Hossain	Chief Administrative Officer	Nil	Nil	Nil
5	Mr. Sultan Reza Bin Mahmood	GM & Plant In charge	Nil	Nil	Nil
<b>D. Shareholders holding ten percent (10%) or more voting interest in the Company</b>					
1	Asian Entech Power Corporation Limited	Parent Company	91,740,846	917,408,460	63.54%

#### 4.23 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) was formed on 30 December 2018 as the sub-committee of the Board. The NRC consists of three non-executive directors and the chairman of the committee is an independent director. Mr. Mahtab Bin Ahmed is the chairman of the committee and Mr. Md. Ali Akbar and Mr. Md. Abul Hasnat are members of the committee. Mr. Masudur Rahman Bhuiyan, Company Secretary, is the secretary of the Committee. The NRC was set up with clear terms of reference. The NRC is responsible to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executives as well as a policy for formal process of considering remuneration of directors and top-level executives. The NRC met twice during the year 2020-21. The report of NRC is attached as Annexure-IV of this Report.

#### 4.24 CORPORATE SOCIAL RESPONSIBILITY

Doreen Power Generations and Systems Limited supports and contributes towards many social and humanitarian causes as part of its Corporate Social Responsibility. Company along with its two subsidiaries has spent Tk. 4,841,515 in CSR activities by donating Portable X-ray Machine, Point Care Immunoassay Machine, D. Dimer, S. Ferritin & CRP Test Kit, High Flow Oxygen Therapy Machine, Oxygen Mask and Surgical Mask in different hospitals of the country. Doreen Power also recognizes the importance of creating sustainability directly around the power plants that we operate in. This goes to the heart of our CSR initiatives, helping to provide the fundamentals to foster sustainable communities.

#### 4.25 CORPORATE GOVERNANCE

Corporate Governance is the system through which a company is directed, guided and controlled by the Board, while keeping in view its accountability to the shareholders. DPGSL strives to ensure full compliance with the laws and regulations that govern its business and to uphold the highest standards. The Status of Compliance of BSEC's Corporate Governance Code is shown at Annexure -VII and a separate Report on Corporate Governance is placed as Annexure - V. Certificate on Compliance with Corporate Governance Code shall be placed as Annexure - VI of this Report.

#### 4.26 ACKNOWLEDGEMENT

The Directors like to extend appreciation to the shareholders, government agencies, regulatory authorities, bankers, suppliers, auditors, consultants and other stakeholders of the company for their continued co-operation and support. The Directors also express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the Company and expect that such devotion will continue in future.

The Directors sincerely look forward to welcoming you at our 15th Annual General Meeting. May you all have peaceful and progressive life.



**Anjabeen Alam Siddique**  
Chairman  
Dated: 18 October 2021