

CHAPTER-4



Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum

The Board of Directors of Doreen Power Generations and Systems Limited (DPGSL) has the pleasure to welcome you all to the 12th 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 2019 together with the Auditors' Report thereon and the Directors' Report for your consideration and adoption.

The Directors likes to furnish a clear picture of the Company to its valued shareholders. The reports on industry outlook and possible future developments in the industry, on risks and concern and on corporate governance annexed hereto and the tables, graphs and profiles shown separately will be treated as integral parts of this report.

4.1 World Economic overview

As per International Monetary Fund (IMF), global growth for 2019-20 projected to be 3.2% which is 0.1% point lower than forecast in April 2019. After slowing sharply in the last three quarters of 2018, the pace of global economic activity remains weak. Growth for advanced economies is projected to slow to 1.7 percent in 2019 and 2020, while emerging market and developing economies are projected to experience a growth pickup from 3.9 percent in 2019 to 4.6 percent in 2020. For the United States, trade related uncertainty has had negative effects on investment, but employment and consumption continue to be robust, buoyed also by policy stimulus. In the euro area, growth has been downgraded due to weak exports, while Brexit related uncertainty continues to weaken growth in the United Kingdom. Some of the biggest downward revisions for growth are for advanced economies in Asia, including Hong Kong Special Administrative Region, Korea, and Singapore, a common factor being their exposure to slowing growth in China and spillovers from US-China trade tensions.

Growth in 2019 has been revised down across all large emerging market and developing economies, linked in part to trade and domestic policy uncertainties. In China, the growth downgrade reflects not only escalating tariffs but also slowing domestic demand following needed measures to rein in debt. In a few major economies, including India, Brazil, Mexico, Russia, and South Africa, growth in 2019 is sharply lower than in 2018, also for idiosyncratic reasons, but is expected to recover in 2020. Growth in low-income developing countries remains robust, though growth performance is more heterogeneous within this group. Robust growth is expected for non commodity exporters, such as Vietnam and Bangladesh, while the performance of commodity exporters, such as Nigeria, is projected to remain lackluster.

As policy priorities go, undoing the trade barriers put in place with durable agreements and reining in geopolitical tensions top the list. Such actions can significantly boost confidence, rejuvenate investment, halt the slide in trade and manufacturing, and raise world growth. In its absence, and to fend off other risks to growth and raise potential output, economic activity should be supported in a more balanced manner. Monetary policy cannot be the only game in town and should be coupled with fiscal support where fiscal space is available and where policy is not already too expansionary. A country like Germany should take advantage of negative borrowing rates to invest in social and infrastructure capital, even from a pure cost-benefit perspective. If growth were to further deteriorate, an internationally coordinated fiscal response, tailored to country circumstances, may be required. While monetary easing has supported growth, it is important to ensure that financial risks do not build up. Countries should simultaneously undertake structural reforms to raise productivity, resilience, and equity. Moreover, it is essential that countries continue to work together to address major issues, such as climate change, international taxation, corruption, and cyber security.

4.2 Bangladesh Economic Outlook

The Bangladeshi economy relies on its enormous human resources, rich agricultural soils and abundant water resources. Although 56% of GDP was generated by the service sector in 2018, nearly half of Bangladeshis are employed in agriculture. Agriculture (13.82% of GDP) mostly involves rice production, but it also includes tea, jute, wheat, sugarcane, tobacco, spices, fruits, etc. In fact, Bangladesh is the world's fourth biggest rice producer, although shortages caused by natural disasters occasionally force it to import said crop. Industry represents 30.17% of GDP (a slight increase from last year's 29.20% and employs 19.1% of the population.

The economy of Bangladesh is a developing market economy. According to the International Monetary Fund (IMF), it is the 39th largest in the world in nominal terms and 29th largest by purchasing power parity. In the first quarter of 2019, Bangladesh was the world's seventh fastest growing economy with a rate of 7.3% real GDP annual growth. The financial sector of Bangladesh is the second largest in the subcontinent.

In the decade since 2004, Bangladesh averaged a GDP growth of 6.5%, that has been largely driven by its exports of ready made garments, remittances and the domestic agricultural sector.

The country has pursued export-oriented industrialization, with its key export sectors include textiles, shipbuilding, fish and seafood, jute and leather goods. It has also developed self-sufficient industries in pharmaceuticals, steel and food processing. Bangladesh's telecommunication industry has witnessed rapid growth over the years, receiving high investment from foreign companies. Bangladesh also has substantial reserves of natural gas and is Asia's seventh largest gas producer. Offshore exploration activities are increasing in its maritime territory in the Bay of Bengal. It also has large deposits of limestone. The government promotes the Digital Bangladesh scheme as part of its efforts to develop the country's growing information technology sector.

Continued growth is expected given macroeconomic stability along with credit growth and increased private investment. According to the Bangladesh Bureau of Statistics, per capita income grew from USD 1,660 to USD 1,827 from fiscal year 2018 to 2019 (a 10% growth). The inflation rate is estimated to reach 5.6% in 2019.

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 19,428 MW which is 22,562 MW including captive power as of 03 October 2019.

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 July 2019, 93 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 uninterrupted 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 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.

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 from November 2008 and proved its ability by successfully completing a decade of commercial operation. The company was incorporated in 2007 as a private limited company and converted into public limited company in 2011 and became listed with the DSE and CSE in 2016. It has 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 Northern and Southern power plants having 55MW capacity each started in mid 2016 and construction work of Chandpur Power is going on and management is hopeful to start its commercial operation by May 2020.

In 2018-19, 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 899.75 million Kwh electricity to the national grid.

4.4.1 PLANT-WISE PERFORMANCE

During the year 2018-19, the performance of different Power Plants was as stated below:

Name of Power Plant	Installed Capacity (Kwh)	Net Energy Output (Kwh)		Gas/HFO Consumption (Cubic Feet/MT)		Revenue (in million BDT)	
		2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Feni Plant	192,720	154,320	151,889	44,439,457	44,805,364	389.74	387.63
Narsingdi Plant	192,720	119,770	134,459	33,622,320	37,971,393	355.77	367.72
Tangail Plant	192,720	141,895	149,069	43,019,120	43,269,638	377.86	380.43
Southern Plant	481,800	231,643	288,291	46,078	58,159	2,886.84	2,674.00
Northern Plant	481,800	252,122	293,203	50,152	59,410	3,011.48	2,850.71

4.4.2 REPORT ON RISKS AND CONCERNS

The Board of Directors 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, Bangladesh Power Development Board (BPDB) and Bangladesh Rural Electrification Board (BREB) under the conditions 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 35.1 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, intercompany payables and payables for other liabilities have been disclosed in note 35.2 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 plant and machinery that are denominated in a currency other than the functional currency, primarily Euro and US Dollars. Such risk is 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 is 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.

4.4.3 OPERATIONAL AND FINANCIAL RESULTS

The Directors are pleased to present the comparative operational and financial results (consolidated) for the year ended 30 June 2019 based on the year ended 30 June 2018:

Particulars	Amount (Taka)		% of Change
	2018-2019	2017-2018	
Revenue	7,021,677,166	6,660,495,190	Increase by 5.42%
Cost of Sales	5,516,266,139	(5,250,534,190)	Increase by 5.06%
Gross Profit	1,505,411,027	1,409,960,630	Increase by 6.77%
Profit Before Tax	924,972,030	832,471,182	Increase by 11.11%
Profit After Tax	923,584,126	831,694,519	Increase by 11.05%

Consolidated revenue has increased by 5.42% mainly for increase in sale revenue of two subsidiaries (DSPGL & DNPGL) which has resulted from increase in energy payment for fuel price increase and efficiency in plant operation. On the other hand, cost of sales increase by 5.06% which is slightly lower compared to increase in revenue is due increase in fuel price (mainly HFO price in international market). As a result, gross profit has increased by only 6.77% is the reflection of efficiency in plant operation. However, for reduction in general and administrative expenses profit before tax and after tax has increased by 11.11% and 11.05%.

4.4.4 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.

4.4.5 RELATED PARTY TRANSACTIONS

The related party transactions of the Company during the year have been disclosed in note-37 of the notes to the audited Financial Statements complying the requirements of IAS 24 and all the transactions have taken place on a commercial basis.

4.4.6 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.

4.4.7 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 business had to face seasonal impacts during quarter 2 and 3.

4.4.8 REMUNERATION TO DIRECTORS

Remuneration, performance and other related perquisites/benefits of Executive Directors are reviewed annually and approved by the Chairman. During the year ended 30 June 2019, only the Managing Director was paid remuneration/ allowance amounting Tk.3,960,000. No other Director (even the Independent Director) did take any remuneration/ allowance from the Company as disclosed in Notes - 39 to the financial statements.

4.4.9 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 (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- 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.
- vii) 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 (above).

4.5 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.

Financial Performance for the Last 5 (five) Years is as follows:

PARTICULARS	2018-2019	2017-2018	2016-2017	2015-2016	2014-15
	Taka	Taka	Taka	Taka	Taka
Revenue	7,021,677,166	6,660,495,190	5,150,748,279	1,189,835,036	1,082,372,595
Cost of Sales	(5,516,266,139)	(5,250,534,560)	(3,789,896,730)	(791,458,229)	(646,369,722)
Gross profit	1,505,411,027	1,409,960,630	1,360,851,549	398,376,807	436,002,873
General & Admin. Exp.	(116,947,738)	(118,566,702)	(132,553,608)	(102,847,335)	(67,818,455)
Pre Operating Expenses	-	-	-	(415,262,98)	(40,955,630)
Profit from Operation	1,388,463,289	1,291,393,928	1,228,297,940	254,003,174	327,228,788
Other Income	-	-	-	445,200	383,312
Interest Income	1,158,728	1,829,050	1,775,002	5,309,941	1,022,482
Financial Expense	(464,649,986)	(460,751,796)	(481,473,112)	(210,510,650)	(194,769,046)
Non-operating Profit (Loss)	(463,491,259)	(458,922,746)	(479,698,110)	(204,755,509)	(193,363,252)
Net Profit before Contribution to WPP and WF Fund	924,972,030	832,471,182	748,599,830	49,247,665	133,865,536
Contribution to WPP & WF	-	-	(7,718,880)	(9,300,468)	(8,281,035)
Net profit before income tax	924,972,030	832,471,182	740,880,950	39,947,197	125,584,501
Current tax expense	(1,387,904)	(776,663)	(3,897,606)	(1,106,633)	(492,028)
Net profit after income tax	923,584,126	831,694,519	736,983,345	38,840,564	125,092,473
Dividend	30%	25%	20%	30%	-
Share Capital	1,161,600,000	1,056,000,000	960,000,000	800,000,000	600,000,000
Net Non-Current Assets	10,319,120,396	10,682,153,400	10,234,794,882	10,326,080,585	8,483,145,167
EPS	7.91	7.14	6.88	0.65	2.25

4.6 DIVIDEND FOR THE YEAR 2018-19

The Board has recommended 17% cash dividend for all shareholders excluding the Sponsors/ Directors and 13% stock dividend for all shareholders for the year ended 30 June 2019. The Sponsors/Directors hold 77.37 million shares out of total 116.16 million shares of the Company and the cash dividend to be payable to the General shareholders is Tk. 65.94 million. So, the shareholders are entitled to get 13 (thirteen) bonus shares of Tk.10.00 (Tk. Ten) each 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' Registry as on the Record Date (13 October 2019) shall be eligible to receive the above dividends subject to approval by the shareholders in the Annual General Meeting (AGM) scheduled to be held on 12 December 2019.

4.7 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 12th Annual General Meeting, Mr. Md. Abul Hasnat and Mr. Ali Akbar will retire from the office of Director and are eligible for re-appointment.

4.8 APPOINTMENT OF AUDITORS

Hoda Vasi Chowdhury & Co., Chartered Accountants, having office at BTMC Bhaban (6th & 7th Floor), 7-9 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh, was appointed as the auditor by the company in its 11th AGM for a term till the conclusion of 12th AGM of the Company. Hoda Vasi Chowdhury & Co. has completed assignment of audit and will retire at the 12th AGM and being qualified, has expressed their willingness to be re-appointed as auditor financial year 2019-2020. The Audit Committee and the Board have recommended for appointment of Hoda Vasi Chowdhury & Co. as its auditor for the next year and till conclusion of the 13th AGM. The matter is placed for the consideration of the honorable shareholders.

4.9 APPOINTMENT OF PROFESSIONAL TO CERTIFY COMPLIANCE OF THE CGC

Board of Directors of the company has recommended Itrat Husain & Associates, The Glass House (13th Floor), 38 Gulshan Avenue, Gulshan-01, Dhaka-1212 was appointed as the professional by the company in its 11th AGM to provide the compliance certification of the Corporate Governance Code (CGC). SA Rashid & Associates has expressed their willingness to be appointed as professional for the financial year 2019-2020. The Audit Committee and the Board have recommended for appointment of SA Rashid & Associates as professional for the next year. The matter is placed for due approval by the shareholders

4.10 BOARD MEETINGS AND ATTENDANCE

The Directors meet regularly for smooth operation and management of Company. During the year ended 30 June 2019, a total of 10 (ten) Board Meetings were held. Attendance of the Directors in the meetings was as follows:

NAME & DESIGNATION OF DIRECTORS	TENURE OF DIRECTORSHIP	NUMBER OF MEETINGS		REMARKS
		HELD	ATTENDED	
Ms. Parveen Alam Chairman	Since 18.12.2016	07	07	Resigned on 18 March 2019
Mr. Tahzeeb Alam Siddique Managing Director	Since 17.08.2017	10	10	
Mr. Tanzeer Alam Siddique Director	Since 11.12.2017	07	06	Resigned on 18 March 2019
Ms. Anjabeen Alam Siddique Director	Since 23.12.2015	10	10	Newly appointed as chairperson on 18 March 2019
Mr. Abul Hasnat Director	Since 18.03.2019	03	02	Appointed on 18 March 2019
Mr. Md. Ali Akbar Director	Since 18.03.2019	03	02	Appointed on 18 March 2019
Mr. Mahtab Bin-Ahmed Independent Director	Since 23.12.2015	10	7	

4.11 The Pattern of Shareholding

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
A. Parent/Subsidiary/Associated Companies and other related parties (name wise details)					
1	Asian Entech Power corporation Limited	Parent Company	73,805,993	738,059,930	63.54%
2	OPG Energy Pvt. Ltd.	Sponsor Company	79,206	792,060	0.07%
B.(i) Directors and their spouses and minor children (name wise details)					
1	Mrs. Anjabeen Alam Siddique [Nominated by Asian Entech Power corporation Limited]	Chairman	714,107	7,141,070	0.61%
2	Mr. Tahzeeb Alam Siddique	Managing Director	245,8800	245,88000	2.12%
3	Mr. Md. Ali Akbar [Nominated by Asian Entech Power corporation Limited]	Director	3,963	39,630	0.003%
4	Mr. Md. Abul Hasnat [Nominated by Asian Entech Power corporation Limited]	Director	Nil	Nil	Nil
5	Mr. Mahtab Bin-Ahmed	Independent Director	Nil	Nil	Nil
B.(ii) CFO, Company Secretary & Head of Internal Audit and their spouses and minor children (name wise details)					
1	Mr. Afroz Alam	Chief Financial Officer	Nil	Nil	Nil
2	Mr. Masudur Rahman Bhuiyan FCS	Company Secretary	Nil	Nil	Nil
3	Mr. Taimur Alam ACMA	Head of Internal Audit	Nil	Nil	Nil
C. Executives [Top 5 salaried employees]					
1	Mr. Tahzeeb Alam Siddique	Managing Director	245,8800	245,88000	2.12%
2	Engr. Mostafizur Rahman	Chief Operating Officer	Nil	Nil	Nil
3	Mr. Sultan Reza Bin Mahmood	GM & Plant In charge	Nil	Nil	Nil
4	Mr. Afroz Alam	Chief Financial Officer	Nil	Nil	Nil
5	Mr. Masudur Rahman Bhuiyan FCS	Company Secretary	Nil	Nil	Nil
D. Shareholders holding ten percent (10%) or more voting interest in the Company					
1	Asian Entech Power Corporation Limited	Parent Company	73,805,993	738,059,930	63.54%

4.12 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 who are nominated director. The NRC was set up with clear terms of reference. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive. The NRC has met one time during the year 2018-2019. Mr. Masudur Rahman Bhuyan, Company Secretary, served as the secretary of the Nomination and Remuneration Committee meeting. The report of NRC is attached as Annexure-III of this Annual Report.

4.13 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. 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.

4.14 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 Guidelines is shown at Annexure - VI and Certificate of Compliance on Corporate Governance is placed as Annexure - V.

4.15 ACKNOWLEDGEMENT

Finally, we would like to extend our appreciation to the shareholders, government agencies, regulatory authorities, bankers, business constituents, suppliers, auditors, consultants and other stakeholders of the company for their continued co-operation and support. They 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 also. We sincerely look forward to welcoming you at our 13th Annual General Meeting (AGM). May you all have peaceful and progressive life.

Thank you all.

For and on behalf of the Board of Directors



Anjabeen Alam Siddique

Chairperson

Dated: 31 August 2019