

Directors' Report

Bismillahir Rahmanir Rahim

Dear Shareholders,
Assalamu Alaikum,

On behalf of the Board of Directors, we have the pleasure to welcome you all to the 16th Annual General Meeting of the Company. We are pleased to submit before you the operational activities and Consolidate Audited Financial Statement of the Company for the year ended June 30, 2023 as adopted by the Board of Directors.

The Directors Report is prepared in compliance with Section 184 of the Companies Act 1994 and regulations of the Institute of Chartered Accountants of Bangladesh (ICAB).

Background:

Electricity is the major source of power for most of the economic activities in the country and demand for that is increasing at a very high rate every day. The present Govt. has been desperately trying to mitigate the crisis. Your company, being one of the pioneers of the local private power sector, has been successfully supplying 20 +/- 10% MW Power to the Grid from its Bogura plant since its inception in June 2008.

Business Activities:

The sole activity of GBBPL is to generate electricity from its Bogura Power Plant, run on 6 units of Natural gas fired MWM (formerly Deutz) generator sets of Germany, and to deliver the output to Power Grid Company of Bangladesh Ltd., (PGCB), a subsidiary of Bangladesh Power Development Board (BPDB). The company intends to maximize its power generation and enhance its contribution to national economy in the years to come.

In the year 2022-2023, the company earned total revenue of Tk. 88.72 Crore as against 67.69 Crore of for the 12 month period ended June 30, 2022.

Business Expansion:

We are looking for opportunities to set up new plants on alternative fuel-fired engines and / or sourcing renewable energy in collaboration with experienced foreign companies.

Directors' Responsibilities towards Shareholders

In compliance with the requirements of the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018, the Directors are responsible for the governance of the Company and in that capacity, the Directors confirm, to the best of their knowledge that-

Industry Outlook and future development:

The Board is pleased to inform you that the existing plant located at BPDB Compound, Bogura is running excellent and generated substantial amount of energy during this time.

Risks and concerns:

Exchange rate risks

Taka has been devalued significantly against dollar and it is very unlikely to appreciate in near future. Devaluation of local currency major international currencies might significantly affect the company's profit in the future.

Management perception

Since all dues relating to import of machineries and equipments from abroad has been settled, exchange rate risk is not going to hamper business of the company in the current year.

Industry risks

The Company is operating in a situation where there is a huge gap between demand and supply. Although power sector is a highly demanding and aggravated sector in our country, chances are there that excessive competition may hamper the company's business.

Management perception

Currently there is a huge gap between demand and supply of electricity in our country. On the other hand demand for electricity is increasing drastically day by day. In this situation chance of excessive competition is very less. Moreover BPDB purchases 100% of the electricity produced by the company at a rate predetermined in the Power Purchase Agreement which is also adjusted as per consumer price index. Hence, the company is protected against any sort of loss due to competition or inflation.

Market and technology-related risks

Capacity of generating power is dependent to a great extent on the capacity of its generators. Should there be any disturbance in the technology used by the company; operation of the company may face major turbulence.

Management perception

The company is using modern machines. The plant is comprised of 6 units of generator sets from the world renowned gas fuelled reciprocating engine manufacturer Deutz, Germany. Total installed capacity of the plant is approximately 24.00 MW where contracted capacity is 22 MW of electricity. Furthermore the management of the company is very serious about timely maintenance of the machineries.

Operations risks

Operational risk covers the ability of the project to achieve the performance as envisaged. Technology used, fuel supply arrangement, operation & maintenance (O&M) arrangement and political condition are major sources of operational risk for the company.

Management perception

To mitigate fuel supply problem GBBPL has signed gas supply agreement with Pashchimanchal Gas Company Limited (PGCL) on July 3, 2007 for a term of 15 years to supply gas in required quantity and specification throughout the agreement period. During major overhaul, GBBPL will engage only authorised service providers for providing the overhaul services. As the company installed 6 units of generators, electricity supply will not be hampered to a great extent even at the time of scheduled maintenance or any minor problem.

Project duration risk

The company entered into an agreement with Bangladesh Power Development Board (BPDB) with a condition that the agreement shall become effective upon signing and shall terminate fifteen (15) years after the commercial operations date, unless extended or earlier terminated pursuant to the provisions of this agreement.

Management perception

Management perceives that there are no possibilities of early termination of the agreement as there are huge demands for power in our country. Government of Bangladesh is encouraging more local entrepreneur to invest in this sector to meet up demand and supply gap. Moreover, at present, scarcity of power reveals that the power crisis will remain in future as economy of Bangladesh is growing and demand for power and electricity is increasing. So there is scope of extension of the term of current agreement subject to approval of BPDB. The Company has applied for extension of the Contract for Supply of Electricity to the Power Division of the Ministry of Power, Energy and Mineral Resources (MPEMR) on January 11, 2023 which is under active consideration. We believe that the power purchase agreement (PPA) will be extended by "No Power, No Pay" Policy, as discussed with BPDB, unless any major policy shift/U-Turn is taken by the government in its energy policy.

Extra-Ordinary Events

No events of extra ordinary gain or loss occurred during the reporting period which would require adjustment or disclosure in the financial statements.

Related Party Transaction

Disclosure of all related party transactions, including basis for such transaction, has been provided in the notes no. 16.2 of the notes to the financial statements.

Variance within the Financial Year

There was no event of significant variance between quarterly financial performances during the year under reporting.

Remuneration to Directors

This information is incorporated in the Notes 16.09 of the notes to the financial statements on page 65 with reference to the "Directors' fees and remuneration" figures concerning the Board of Directors including Independent Director.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code date June 3, 2018, Chief Executive Officer and Chief Financial Officer has given the declaration about the fairness of the financial statements which is shown on page 43 of the report.

Books of Accounts

Proper books of account of the company have been maintained.

Accounting Policies

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.

Application of IAS & IFRS

International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.

Internal Control

The system of internal control is sound in design and has been effectively implemented and monitored.

Going Concern/Forward Looking Statement

There are no significant doubts upon the company's ability to continue as a going concern.

Significant Variance over the Last Year's Operating Result

No significant deviations from last year in operating results of the company have been made.

Dividend

The Board of Directors of the company recommended Cash Dividend @ 2% to all shareholders for the year ended on June 30, 2023.

Board and Committee Meetings and Attendance

During the year ended June 30, 2023, the Board of Directors met Six times. Audit Committee met four times and Remuneration Committee met once. The attendance record of the Directors is shown below:

Board Meeting and Attendance

Name of Directors:	Attended
Mrs. Shamim Ara Islam	6
Mrs. Morziana Hasan	6
Mr. M. Taifur Hossain	6
Mrs. Rintia Nazim	6
Mrs. Rafsana Rafique	6
Mr. Moqsumul Quader	6
Mr. Syed Fazlul Karim	6

The Director who could not attend the meetings was granted leave of absence.

Audit Committee Meeting and Attendance

Name of Members:	Attended
Mr. Syed Fazlul Karim	4
Mrs. Rintia Nazim	4
Mrs. Rafsana Rafique	4
Mr. Mohammad Sattar Hossain	4

Nomination & Remuneration Committee Meeting and Attendance

Name of Members:	Attended
Mr. Moqsumul Quader	1
Mrs. Rafsana Rafique	1
Mrs. Shamim Ara Islam	1
Mr. Mohammad Sattar Hossain	1

Pattern of Shareholding

The pattern of shareholding is provided on page 70.

Five Year's Financial Results

The company's Five years financial results from 2019 to 2023 with the recommendation for appropriation are as follows:

Amount in Crore Taka

Particulars	Consolidate 2023	Consolidate 2022	Consolidate 2021	2020	2019
Cost of Energy sold	74.33	54.13	48.62	43.17	38.48
Net profit	11.19	10.30	15.17	11.56	7.70
Profit brought forward	18.59	24.54	14.45	18.16	10.46
Profit available for appropriation	29.78	34.84	29.62	29.72	18.16
Less: Dividend + Unrealized loss	3.54	16.25	5.09	15.27	—
Profit Carried Forward	26.24	18.59	24.54	14.45	18.16
Appropriations:					
Proposed Dividends	2% Cash Dividend	3% Cash Dividend	11.50% Cash Dividend	5% final cash & 5% interim cash (Total 10% cash dividend)	10% Cash Dividend
Transferred to retained earnings	26.24	18.59	24.54	14.45	18.16
Net Asset Value (NAV) Per Share	21.14	20.39	20.97	19.93	20.30
Earnings per Share (EPS)	1.10	1.01	1.49	1.14	0.76
Net Operating Cash Flow Per share	0.82	0.21	3.09	1.41	1.04

Contribution to the National Exchequer

During the period under review, your Company paid Taka 4.37 crore to the national exchequer in the form of corporate income tax.

Credit Rating

The Company achieved AA rating in long term and ST-1 for short term with a stable outlook from Alpha Credit Rating Limited.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to employees and the Government have been made up to date.

Directors

Name of the Directors of the company and their biographical details are shown on page 11.

Director retirement, Election & Re-appointment:

In accordance with the provisions of Article-111, Article- 112 and Article- 113 of the Article of Association, Mrs. Morziana Hasan, Mrs. Rafsana Rafique and Mrs. Rintia Nazim shall retire at the 16th Annual Genreal Meeting by rotation and being eligible, offer themselves for re-election and the matter of retreat will be place before the shareholders at 16th Annual general Meeting for approval.

Auditors:

The present auditor M/S. MABS & J Partners., & Co Chartered Accountants will retire at this Annual General Meeting. The Board recommended that M/S. MABS & J Partners., & Co Chartered Accountants be appointed as the auditor of the company for the year 2023-2024.

The present corporate governance auditor M/S. Kazi Zahir Khan & Co., Chartered Accountants will retire at this Annual General Meeting. The Board recommended that M/S. Kazi Zahir Khan & Co., Chartered Accountants be appointed as the corporate governance auditor of the company for the year 2023-2024.

Insurance Coverage:

The company has comprehensive insurance covering all risks package including Fire, Machinery Breakdown, Business Interruption and Third Party Liability etc-by Pioneer Insurance Company Limited.

Human Resource Management:

The company has in its pay-roll 10 graduate engineers, 10 diploma engineers, 5 technicians and supervisors. The plant is headed by our Advisor who is also a retired GM of PGCB and B.Sc. Engr. (E) from BUET (1972). The Secretary of the Board is a MBS with 15 years experience. The CFO is a master degree holder with 26 years of experience of accounts.

The Plant In-charge (GM) is a senior Electrical Engineer with 25 years of experience in power generation. The head of Mechanical Division is an engineer with ex-Navy & Singapore Shipyard background of 43 years experience. The head of Electrical Division is an engineer with background of 18 years experience.

Your company recognizes that manpower is the most important resource and key to success of the organization. To develop and equip the employees with key skills, the company places great emphasis on the development of its manpower and hence substantial in-service trainings are provided at outside training institutes for updating their knowledge on the respective functional areas. In addition, we also train interns, apprentice engineers and technicians.

Audit Committee

Audit committee is formed by the Board of Directors, which consists of four members including an Independent Director and company secretary of the company act, as a member secretary of the committee. Audit committee is responsible to report to the Board. The committee assists the Board in discharging its supervisory responsibilities with respect to Internal Control, Financial Reporting, Risk management and Auditing matters.

Going Concern

The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly the Financial Statements are prepared based on the going concern concept.

Compliance with Laws and Regulations

The Company was not engaged in any activities contravening the laws and regulations. All those responsible for ensuring compliance with the provisions in various laws and regulations did so within the stipulated time.

Environmental Protection

To the best of the Board's knowledge, the Company was not engaged in any activity which might be harmful to environment. The local environment protection authority monitor the plant periodically and reports quarterly on the quality of air, sound etc as set forth by the government.

Acknowledgement:

Your Board of Directors would like to place on record its deep gratitude to the honorable shareholders for their cooperation and support towards the business of the company. Your faith in us enables us to move forward.

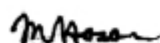
The Board would like to express their grateful appreciation for the whole hearted support, cooperation and guidance extended by the Bangladesh Power Development Board, the only customer of the company.

The Board also expresses their thanks to our Bankers and Financial Institutions, PGCL, PGCB, Environment Department, BSEC, DSE, CSE and CDBL for their extensive support and cooperation.

The Directors also wish to express their thanks to the employees of the company at all levels for their team spirit, hard work and dedicated services towards the growth and progress of the company.

We look forward to a better future.

On behalf of the Board of Directors,



Morziana Hasan

Managing Director

Date: October 29, 2023



Shamim Ara Islam

Chairperson

Date: October 29, 2023