

DIRECTORS' REPORT

For the Year Ended 30 June 2024

The Board of Directors of the Company is delighted to present its Report for the financial year ended 30 June 2024 before the honorable Members (Shareholders).

The Directors' Report is presented in accordance with the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 2021, Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission and International Accounting Standard-1 as adopted by the Financial Reporting Council, Bangladesh.

To the Members,

The Board of Directors of United Power Generation & Distribution Company Limited (the "Board") has the pleasure of presenting the Seventeenth Annual Report along with the Auditor's Report and audited financial statements for the year ended 30th June 2024.

INDUSTRY SCENARIO AND FUTURE OUTLOOK OF POWER SECTOR IN BANGLADESH

The most fundamental contribution that electricity makes to economic development is the creation of a sustainable framework that, in the long run, aids in the eradication of poverty. The availability of power at a reasonable price and in accordance with environmental standards is essential for long-term sustainable economic growth.

To ensure the power sector's sustainable expansion and the general development of the national economy, the government of Bangladesh has developed a comprehensive power-generating strategy. During FY 2023-24 (up to February 2024), the total installed electricity generation capacity stood at 26,844 MW which was 30,067 MW including captive and renewable energy. In March 2022, the government declared that all citizens had access to electricity.

Power generation per person has increased to 602 kWh. Within a year the electricity distribution line and the consumers of electricity have increased to 6.43 lakh km and 4.64 crore respectively. As years progressed, system loss for transmission and distribution decreased to 8.90 percent as of FY 2023-24 which was 14.73% in FY 2010-11. In accordance with Vision 2041, the government aims to establish a power generation capacity of 40,000 MW by 2030 and 60,000 MW by 2041 (PSMP). The following table shows power sector development and the government's future plan up to 2041.

Table: Power Sector Generation Future plan

SL	Description	Year 2024 (Feb'24)	Year 2030	Year 2041
1	Installed Capacity (MW)	30,067*	40,000	60,000
2	Electricity Demand (MW)	17,500	33,000	52,000
3	Transmission Line (Ckt. KM)	14,962	23,922	29626
4	Grid Substation Capacity (MVA)	66270	143,717	195332
5	Distribution Line (KM)	629,000	660,000	783,000
6	Per Capita Power Generation (kwh)	602	815	1,475
7	Access to Electricity (%)	100%	100%	100%

Source: Power Division (*including Captive and RE)

Reference: Bangladesh Economic Review 2024 (ch 10, page 138)

Bangladesh has already advanced from the low-income nation category into the lower-middle income category. The only way to guarantee the transition from lower-middle income to upper-middle income by 2031 and high

DIRECTORS' REPORT

For the Year Ended 30 June 2024

income by 2041 as envisioned in the Perspective Plan 2021–2041 is to make available the ever-increasing need for power and energy to carry out critical socio-economic activities. According to Bangladesh Bureau of Statistics (BBS) provisional calculations, the GDP at the current market price in 2023–24 is BDT 50,48,027 crore, which is 12.41 percent higher than BDT 44,90,841 crore in the previous fiscal year 2022–23. The per capita GDP of the fiscal year 2023–24 has increased from BDT 2,62,868 in the previous fiscal year to BDT 2,94,191. On the other hand, per capita, national income increased from BDT 2,73,360 in the previous financial year to BDT 3,06,144 in the 2023–24 financial year. In US dollar terms, GDP per capita in FY 2023–24 stood at USD 2,675 with a marginal increase from GDP per capita of USD 2,643 in the previous fiscal year. Meanwhile, the per capita national income stood at USD 2,784, which was USD 2,749 in the previous financial year.

Domestic credit (annualized) grew by 12.14% in FY 2023–24 till February, of which private sector credit growth stood at 9.96% at the end of February 2024, as against 12.14% in the same period of the previous fiscal. At the end of February 2024, the government's net debt increased by 22.47% as compared to a growth of 33.87% in the same period of the previous year.

As a result of the phased implementation of the immediate, short, medium, and long-term plans adopted by the government in the power sector, the installed capacity of electricity has increased to 30,067 MW including captive and renewable energy. A maximum of 16,233 MW (April 22, 2024) has been generated against demand. The per capita power generation is 603 kilowatt hours. As of FY 2022–23, the per capita electricity consumption in Bangladesh has been approximately 464.13 kWh annually, a gradual increase from earlier years reflecting improvements in electricity access and infrastructure, despite showing a decrease of 0.07 kWh from the previous financial year's 464.20 kWh per capita electricity consumption.

FINANCIAL PERFORMANCE YEAR 2023–24

Consolidated financial performance:

The Company's Consolidated financial results for the year ended June 30, 2024, as compared to the previous year, are summarized below:

	30 June 2024	30 June 2023	% ↑↓
Revenue	34780.67	41309.11	-16%
Cost of sales	(24529.34)	(30656.19)	-20%
Gross profit	10251.33	10652.92	-4%
General and administrative expenses	(259.79)	(443.82)	-41%
Other income/(Expenses)	47.86	154.69	-69%
Operating profit	10039.40	10363.80	-3%
Finance income	788.90	555.41	42%
Foreign exchange gain/(loss)	(823.85)	(1,468.39)	-44%
Finance expense	(1731.01)	(1,204.42)	44%
Profit before tax	8273.43	8,246.40	0.33%
Income tax (expense)/income	(14.71)	(4.09)	259%
Profit for the period	8258.71	8,242.30	0.20%
Other comprehensive income	-	-	
Total comprehensive income	8258.71	8,242.30	0.20%



Financial result	July 23 - June 24	July 22 - June 23	% ↑↓
Earnings per share (EPS)	14.01	13.83	1.30%
Net Operating cash flow per share (NOCFS)	(0.88)	19.40	-104.48%
Net asset value per share	59.23	53.22	11.29%
GP Ratio	29%	26%	11.54%
NP Ratio	24%	20%	20.00%

During the reporting period, total Revenue decreased by 16% due to a decrease in production and also a decrease in HFO price compared to the same period of last year. Last year's HFO price was \$730 per ton but the current year's HFO price is about \$480 per ton. However, the company's steam sales experienced a healthy growth of 105% during this time as a result of an additional three customers at CEPZ.

The decrease in production led to a decrease in the cost of fuel and energy and lube oil consumption by 27% and 30%, respectively.

Depreciation expenses for the year increased by 43% due to change in depreciation Policy of the Anwara plant, Jamalpur plant, and United Ashuganj Energy Ltd. (UAEI). Initially, there was an expectation that the Power Purchase Agreement (PPA) might be extended by 5 years, and thus depreciation on plant and machinery was calculated at 5% per annum based on an estimated useful life of 20 years. However, management has revised the estimated useful life in light of the current energy landscape, gas supply constraints, and other variables. The depreciation policy now reflects a useful life aligned with the PPA expiration date, with this change applied prospectively from the current fiscal year.

In addition, major scheduled maintenance resulted in a 14% increase in spare parts consumption, although overall operations and maintenance expenses decreased by 6%. Total operating expenses for the reporting period dropped by 20%.

Gross margins declined by 4% compared to the previous year, while general administrative expenses decreased by 41%, and other operational income fell by 69%. Finance income, finance expenses, and income tax expenses rose by 42%, 44%, and 259%, respectively. Meanwhile, foreign exchange losses decreased by 44% due to a stable exchange rate this year. As a result, net profit after tax increased by BDT 16.41 million compared to the previous year.

Financial Performance: Core Entity

The Company's standalone financial results for the year ended June 30, 2024, as compared to the previous year, are summarized below:

Figure: mln BDT

	July 23 - June 24	July 22 - June 23	% ↑↓
Revenue	30,187.72	5,596.54	439%
Cost of sales	(22,359.59)	(3,852.26)	480%
Gross profit	7,828.12	1,744.28	349%
General and administrative expenses	(249.13)	(359.96)	-31%
Other income	47.73	154.26	-69%
Dividend from subsidiary company	1,850.20	11,261.25	-84%

DIRECTORS' REPORT

For the Year Ended 30 June 2024

	July 23 - June 24	July 22 - June 23	% ↑↓
Operating profit	9,476.93	12,799.82	-26%
Finance income	778.26	540.85	44%
Foreign exchange loss	(639.03)	-	
Finance expense	(1,283.06)	(1.69)	75,806%
Profit before tax	8,333.09	13,338.98	-38%
Income tax expense	(11.75)	-	
Profit after income tax	8,321.34	13,338.98	-38%

	2023-24	2022-23	
Earnings per share (EPS)	14.35	23.01	-37.64%
Net Asset Value (NAV) per share	56.29	58.47	-3.73%
Net Operating cash flow per share (NOCFS)	(3.06)	3.65	-183.84%
Gross Profit (GP) Ratio	26%	31%	-16.13%
Net Profit (NP) Ratio from core business income	27.57%	37%	-25.75%

Total revenue for the year was BDT 30,187.72 million which reflects the Amalgamation of UEL, UAnPL, and UJPL with UPGDCL. As a result, revenue shows a straight increase of 439 percent over last year. In addition, Steam sales for the company also experienced healthy growth of 105% during this financial year.

Due to the same fact of revenue, the cost of goods sold also increased by 480%. Gross profit for the reporting year was BDT 7,828.12 million.

General and administrative expenses decreased by 31%. Dividends from subsidiary companies and other income also decrease by 84% and 69% respectively. As a consequence, there was a 26 percent decrease in operating profits.

Further, during the year the Company suffered a significant amount of exchange loss in foreign currency transactions. At the same time, borrowing costs have increased on the back of high inflation which was BDT 1,281.37 million higher than the last year. In addition, a BDT 11.75 million Income tax expense was also imposed on the balance sheet due to the expiration of the tax-exempt period.

On the above fact, Profit after income tax reached BDT 8,321.34 million, a 38% decrease from the last year.

BUSINESS ACTIVITIES & OPERATING PERFORMANCE

UPGDCL, the front-runner in the private sector power operators in Bangladesh, remained "single-mindedly" focused on its roles, responsibilities, and tasks on hand with the "positive instinct" which is very much phenomenal for the Group as a whole. We extended the positivity perimeter that embraced all our activities amid the challenging time of global socio-economic uncertainty and volatility.

The current overall generating capacity of UPGDCL is 6,336,000 megawatts (MWh). Actual production for the reporting year was 2,039,307 megawatt-hours (MWh), 701,048 megawatt-hours (MWh) less than the previous year. In addition, capacity utilization for 2023-24 was 32% and 43% for the previous year.



Generation capacity of UPGDCL

Plant Name	Install capacity (MWH)	Actual Production (MWH)	
		July 23 - June 24	July 22 - June 23
DEPZ	656,000	353,287	303,725
CEPZ	576,000	436,522	417,449
Sylhet Plant	224,000	142,777	95,509
UAEL	1,560,000	240,343	368,711
Anwara Plant	2,400,000	516,879	1,040,743
Jamalpur Plant	920,000	349,500	514,218

Capacity Utilization of UPGDCL

Plant Name	July 23 - June 24	July 22 - June 23
DEPZ	54%	46%
CEPZ	76%	72%
Sylhet Plant	64%	43%
UAEL	15%	24%
Anwara Plant	22%	43%
Jamalpur Plant	38%	56%
	32%	43%

Segment-wise or product-wise performance: Consolidated

Consolidated Revenue for the year was BDT 34,780.66 of which 34,541.24 million was generated from the electricity sale. In the sales mix, electricity sales decreased by 16% compared to the last year. However, Steam sales for the company experienced healthy growth during this financial year as a result of adding new customers.

Product-wise performance:

	July 23 - June 24	July 22 - June 23	Growth
Electricity sales	34,541.24	41,192.20	-16%
Steam sales	239.42	116.90	105%
Total	34,780.66	41,309.11	-16%

Revenue mln TK



DIRECTORS' REPORT

For the Year Ended 30 June 2024

Plant-wise performance:

	UPGDCL (DEPZ +CEPZ)	UPGDCL Sylhet Plant	UAEL	UPGDCL Jamalpur Plant	UPGDCL Anwara Plant
Revenue mIn TK	7,084.76	562.94	4,592.94	8,525.17	14,014.85
Proportion to Total Revenue	20.37%	1.62%	13.21%	24.51%	40.29%
Electricity generated MWH	789,809	142,777	240,343	349,500	516,879
Proportion to Total Generation	38.73%	7.00%	11.79%	17.14%	25.35%

Customer-wise performance:

Customers- Electricity	2023-24(kWh)	2022-23(kWh)	+/- growth
BEPZA	4,582	3,882	18%
BPDB	27,848	36,057	-23%
BREB	704	214	229%
Pvt. customers	1,407	1,040	35%

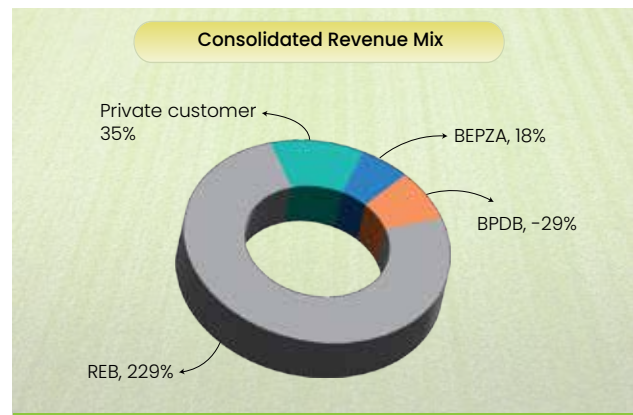
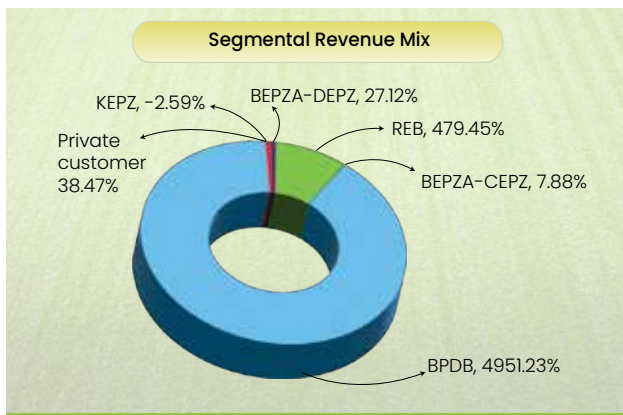
In this respect, relevant disclosures have been provided in the notes to the consolidated Financial Statements.

Review of Operating Expenses, Profit Margin, and Net Profit Margin – covered under the Overall Financial Performance Review.

Segment-wise or product-wise performance of the core business

UPGDCL provides essentially similar products and services to its contractual customers. Total Revenue for the year was BDT 30,187.72 million from the “core” business operations. Of which, electricity supply revenue accounted for 99% of total revenue, while steam supply generated only 01%. During the year Steam supply experienced growth of 105 percent as the demands from the customer end increased.

The company has five segregated business operation areas under its purview which are Dhaka EPZ and Chittagong EPZ, Sylhet Plant, Jamalpur Plant, and Anwara Plant. Revenue composition by operational set-up is presented below:



Product-wise or product-wise performance of the core business

	UPGDCL (DEPZ +CEPZ)	UPGDCL Sylhet Plant	UPGDCL Jamalpur Plant	UPGDCL Anwara Plant
Revenue mln TK	7,084.76	562.94	8525.17	14014.85
Proportion to Total Revenue	23.47%	1.86%	28.24%	46.43%
Electricity generated MWH	789,809	142,777	349,500	516,879
Proportion to Total Generation	38.73%	7.00%	17.14%	25.35%

Customer-wise performance of the core business-(Electricity)

Revenue mln TK

	30 June 2024	30 June 2023	+/- growth
Bangladesh Power Devt. Board (BPDB)	23,255.53	460.39	4,951%
Bangladesh Exp. Proce. Zone Auth. (BEPZA)	4,581.97	3,881.81	18%
Bangladesh Rural Elect. Board (BREB)	704.04	121.50	479%
Private customers	1,406.74	1,015.92	38%

Customer-wise performance of the core business-(Steam)

	30 June 2024	30 June 2023	+/- growth
Gunze United Ltd	31,897,917	28,026,201	13.81%
Global Labels (Bangladesh) Ltd	8,732,342	5,404,578	61.57%
Croydon-Kowloon Designs Ltd	4,844,556	4,091,230	18.41%
Talisman Ltd	9,425,127	3,891,680	142.19%
Sewtech Fashions Limited	7,354,326	6,834,358	7.61%
Universal Jeans Limited	88,771,081	65,011,733	36.55%
Pacific Jeans Ltd.	51,942,430	3,649,121	1323.42%
Pacific Attires Ltd.	20,585,294	-	
Young International	15,874,002	-	
	239,427,075	116,908,902	104.80%

Business Risk Management: Business Risk Management is separately reported on page No 118 of this Annual Report.

Environment, Social, and Governance: Environment, Social, and Governance are separately reported on page No 88 of this Annual Report.



DIRECTORS' REPORT

For the Year Ended 30 June 2024

Extra-ordinary gain or loss

As per IAS:1-Presentation of Financial Statements, no items of income or expenses are to be presented as "extraordinary" gain or loss in the financial statements. Accordingly, no "extraordinary" gain or loss has been presented in the Financial Statements for the year under-reporting.

Related Party Transactions

All transactions with related parties have been made in the normal course of business. Details of related parties and related party transactions have been disclosed following the compliance requirements under IAS 24: "Related party disclosures" in the relevant notes to the Financial Statements. Moreover, in compliance with requirements of the BSEC Notification, no BSEC/CMRRCD/2009-193/10/Admin/118 dated March 22, 2021, specific approval from the Shareholders at the AGM has also been proposed as regards related party transactions.

Utilization of proceeds from IPO, Rights Issues and/or any other instruments

UPGDCL acquired the consent/approval for the Initial Public Offer (IPO) in the year 2014 (09th December 2014) and the proceeds thereof were utilized for the business and reported accordingly to the regulators. No further issue of any instrument was made during the financial year.

Significant variance between Quarterly and Annual Financial Statements

Net profit has decreased in the 4th quarter from the 3rd quarter due to a reduction in production and a significant amount of exchange loss in foreign currency transactions incurred by subsidiary companies for the volatile foreign exchange situation, brought about by the sharp devaluation of the taka against the dollar. Banks have also raised the interest rate on the back of stubbornly high inflation compared to the same period last year.

The variance between Quarterly Financial Statements:

Fig in *mIn BDT*

Quarter	Consolidated Net Profit
1 st	1,843.83
2 nd	2,781.92
3 rd	3,172.13
4 th	460.82

Quarter	% Of Quarterly Profit on Total Profit
1 st	-37.78%
2 nd	-3.93%
3 rd	24.49%
4 th	379%



Fig in Taka	July - September (Q1)			October - December (Q2)		
	2023	2022	%	2023	2022	%
Revenue	10,262,725,527	12,063,722,953	-14.93	8,512,235,997	10,411,135,810	-18.24
Cost of Sales	(7,263,167,221)	(9,147,117,082)	-20.60	(5,454,036,578)	(7,130,792,675)	-23.51
Gross Profit	2,999,558,306	2,916,605,871	2.84	3,058,199,419	3,280,343,135	-6.77
Net Profit	1,843,839,609	2,963,552,351	-37.78%	2,781,922,660	2,895,838,405	-3.93

Fig in Taka	January - March (Q3)			April - June (Q4)		
	2024	2023	%	2024	2023	%
Revenue	7,416,696,871	8,606,878,235	-13.83	8,589,010,274	10,227,375,153	-16.02
Cost of Sales	(4,072,539,585)	(5,346,297,518)	-23.83	(7,739,594,908)	(9,031,981,370)	-14.31
Gross Profit	3,344,157,286	3,260,580,717	2.56	849,415,366	1,195,393,783	-28.94
Net Profit	3,172,132,114	2,548,014,40	24.49	460,821,191	(165,099,415)	379.12

The variance between Annual Financial Statements:

Fig in mln BDT	2024	2023	(%)
Revenue	34780.67	41,309.11	-16%
Cost of Sales	(24529.34)	(30,656.18)	20%
Gross Profit	10,251.33	10,652.92	-4%
Net Profit	8,258.71	8,242.30	0.20%

Directors Remuneration

Other than the Managing Director, none of UPGDCL's directors participate in the company's day-to-day operations. As a result, the Directors of the Board have not received any compensation other than attendance fees in connection with the meetings of the Board and its several committees. The Managing Directors' salary was included in the overall Directors' remuneration for the year, which came to a total of BDT 26,943,750.

Directors' Responsibilities and Reporting Framework

The Board of Directors is responsible for an accurate and fair view of the company's financial performance and position as part of overall business enterprise governance. In line therewith and also in compliance with the BSEC's Notification dated 20th June 2018, the Directors are pleased to make the following declarations in this report –

- I. The financial statements prepared by the Management of the company fairly present the state of affairs, the result of its operations, cash flows, and changes in equity;
- II. Proper books of accounts of the company have been maintained;
- III. Appropriate accounting policies have been consistently applied in the preparation of the financial and 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 the preparation of the financial statements and any departure therefrom has been adequately disclosed;
- V. The system of internal control is sound in design and has been effectively implemented and monitored;

DIRECTORS' REPORT

For the Year Ended 30 June 2024

- VI. Minority shareholders have been protected from abusive actions in the interest of controlling shareholders acting either directly or indirectly and 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 the last year's operating results have been highlighted along with reasons thereof;
- IX. Key operating and financial data of the last 5 (five) years have been presented separately in the Annual Report;
- X. The company has recommended final dividend for the year 2023-24 and no interim dividend was declared prior to that;
- XI. The company has not declared any stock dividend or bonus share as interim or final dividend in the year 2023-24;
- XII. The company's financial results have continued to improve since the IPO in the year 2015 as reflected in the yearly financial statements thereafter;
- XIII. During the year 2023-24, a total of 4 (four) Board of Directors meetings were held, which met the regulatory requirements in this respect. The attendance records along with other related disclosures have been made in this Annual Report separately;
- XIV. The shareholding pattern of the company as on 30th June, 2024 is shown separately in this Annual Report;
- XV. Brief profile (resume), nature of expertise in the specific functional areas and presence as director or shareholder (member) in other companies have been presented in different sections of the Annual Report

Declaration of the CEO and CFO on the Financial Statements

As per the requirements of the BSEC's Corporate Governance Code, the declaration by the Chief Executive Officer (CEO)/ Managing Director (MD) and the Chief Financial Officer (CFO) on Financial Statements 2023-24 to the Board is annexed to this Annual Report.

Status of Compliance

In compliance with the BSEC Notification dated 03rd June 2018 the "Status of Compliance with Corporate Governance Code" and the Certificate on Compliance on the Corporate Governance" from M/S Poddar & Associates, Cost & Management Accountants are presented in the Annual Report.

Minority Interest

Minority Shareholders comprise 10 percent of the Paid-up capital which in turn is a mix of institutional and individual shareholders. UPGDCL Board of Directors adheres to all the rules and regulations of the BSEC and the Stock Exchanges to ensure the highest standards of governance entailing integrity, transparency, and accountability designed to protect the interest of all stakeholders including the rights of the minority shareholders.

Management's Discussion and Analysis

Management's Discussion and Analysis presenting a detailed analysis of the company's performance and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance code is disclosed in this Annual Report.

PROFIT APPROPRIATION

The Board of Directors of UPGDCL takes pleasure in reporting the financial results of the company for the year ended 30th June 2024 and recommended the appropriation of available profits as below:



	Taka in million
Profit available for distribution	8,123
Appropriations	
Proposed Dividend for 2023-24	3,478
Transferred to Retained earnings	4,645

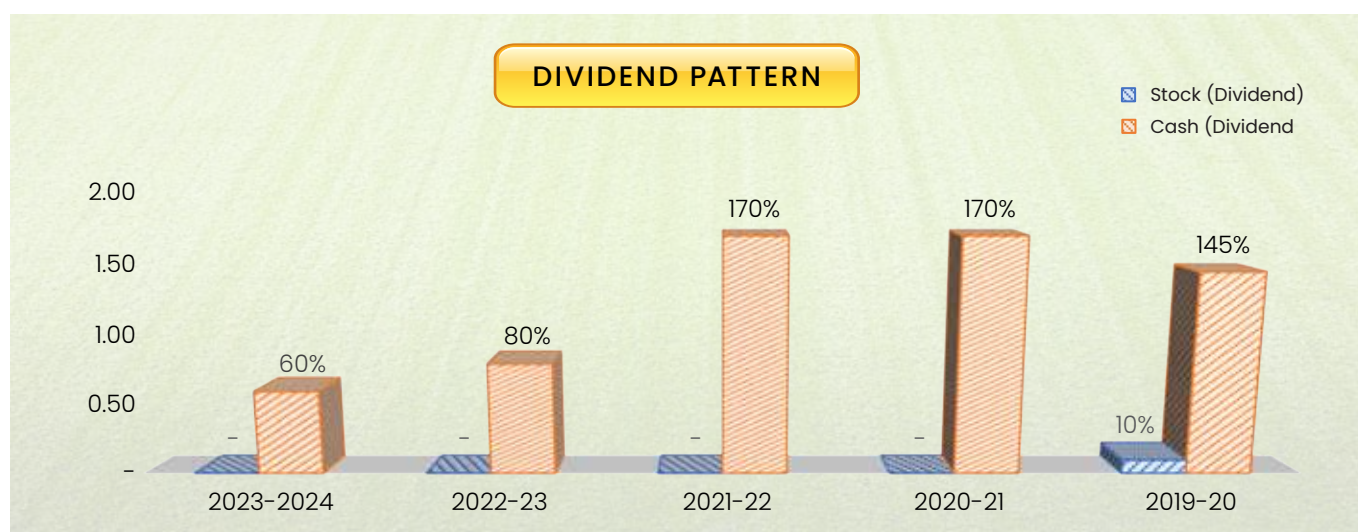
DIVIDEND

The Board of Directors of the company in its 111th meeting held on October 28, 2024 recommended **Cash Dividend @ 60% per share** of Taka 10/- each being the final dividend for the year ended 30th June, 2024. Total involvement for the proposed Dividend shall be Taka 3,478,171,620 duly appropriated out of the available profit for distribution for the year. Moreover, no interim dividend was declared during the year.

Shareholders' whose name will be appearing in the Shareholders' Registry as on the Record Date i.e., 18th November 2024, shall be eligible to receive the recommended Dividend subject to approval by the Shareholders' in the 17th Annual General Meeting scheduled on 19th December 2024.

DIVIDEND PATTERN

	2023-24	2022-23	2021-22	2020-21	2019-20
Stock (Dividend)	-	-	-	-	10%
Cash (Dividend)	60%	80%	170%	170%	145%



Declaration of Status of Un-claimed Dividend

As of 30 June 2024, the unclaimed dividends stood at BDT 7,31,60,177. In compliance with BSEC directive no. BSEC/CMRRCD/2021-386/03, dated 14 January 2021 and BSEC CMSF rule 2021, on June 05, 2024, the Company had deposited BDT 38,96,562.4 to the Capital Market Stabilization Fund (CMSF).

DIRECTORS' REPORT

For the Year Ended 30 June 2024

Further, a total of BDT 1,86,34,853 had been deposited to the CMSF, in which unclaimed dividends were BDT 1,31,20,898 and Share application money BDT 55,13,955. The details of the present unclaimed dividend are as follows:

Year	Un-Claimed Amount (BDT)
2020-21	52,81,598
2021-22	33,30,217
2022-23	6,45,48,362
Total Un-claimed Dividend	7,31,60,177

Details of "Share Application Money" & "Un-claimed Dividend" have been provided/up-loaded on the Company website.

Board of Directors – Election and Re-appointment

As per the Articles of Association of the company, the following Directors are to retire in the 17th AGM of the company and being eligible have been recommended to be re-elected:

1	Hasan Mahmood Raja
2	Khandaker Moinul Ahsan
3	Akhter Mahmud
4	Khondaker Zayed Ahsan

Further, in compliance with the Corporate Governance Code, the appointment of Dr. Mohammad Omar Farooq and Mr. Md. Belayet Hossain, respectively as Independent Director shall also be confirmed.

Brief profiles of the Directors being recommended for re-election are given in the Board of Directors profile part of this Annual Report.

Appointment of Auditors and Corporate Governance Compliance Auditor

In compliance with the BSEC Corporate Governance Code-2018, the Board of Directors of UPGDCL has recommended M/S Hoda Vasi Chowdhury & Co., Chartered Accountants to be appointed as auditors for the year ended 30th June 25, which is going to be placed at the 17th AGM on December 19, 2024 for approval.

In compliance with the BSEC Corporate Governance Code, the Board appointed M/s Azizur Rahman & Associates, Chartered Secretaries as Corporate Governance Compliance Auditor of the company for the year 2024-25, and the said appointment will be approved at the 17th AGM.

Human Resource Management

Efficient manpower is the prerequisite for an organization's development. Thus, the Board always emphasized the employment of qualified and skilled manpower for the right post in the company. UPGDCL is performing the task with due care and integrity to increase the efficiency of the plant through appropriate maintenance and operation. The aim is to maintain the place of work and surrounding conditions in a manner that permits employees to work to the highest effectiveness and perform investing in their full potential.

To develop and equip the employees with essential skills, the company places great emphasis on the development of its people and hence the Company undertakes appropriate training and workshops to update their knowledge in their respective functional areas. UPGDCL has implemented Training Needs Assessment (TNA) as part of its training



system. Aspects of TNA include determining what is required to complete the work activity, the existing skill levels of the staff completing the work, and the training gap (if any). In total, 56 training sessions and drills have been conducted in the reporting year. 24 training sessions were held at the DEPZ plant and 32 training sessions and drills were held at the CEPZ plant. These training equipped the plant personnel with technical and organizational skills.

Similar training sessions were also conducted at other UPGDCL-owned power companies. A total of 203 training sessions and drills were conducted, including 32 at the UAEL plant, 28 at the UEL plant, 50 at the UJPL plant, and 43 at the UAnPL plant.

We have enriched Employee Service Rules with proper job descriptions and responsibilities. Detailed succession planning is considered every year to ensure a good working environment and enhancement of knowledge of the employees. A yearly performance appraisal is carried out to reward and encourage diligent employees and assess their training requirements. Accordingly, the personnel department awards the yearly increment and other remuneration-related matters.

Events after the reporting period

The Board of Directors in its 111th meeting held on 28 October 2024 recommended a cash dividend @60% per share equivalent to Taka 6.00 of Face Value Taka 10.00 per share aggregating Tk 3,478,171,620. for the year ended 30 June 2024. The dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

There are no events identified after the date of the statement of financial position that require adjustment or disclosure in the accompanying financial statements.

Corporate Governance in UPGDCL

The Board of Directors of the company drives this particular area. Corporate Governance is perceived as a system involving and aligning stakeholders' interest in overseeing the business overall. It underscores transparency, accountability, and a culture of compliance among all the participants. Philosophy of the governance remains a firm commitment from the board, being at the helm, that the obligations to the stakeholders at large and alike are given the attention and focus it deserves.

Corporate Governance has been detailed in a separate Chapter of this Report. **It also embodies a summarization of the conduct and activities of the Board and its Committees including attendance.**

UPGDCL: a going concern entity

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

Corporate Social Responsibility

United Power Generation and Distribution Company Ltd (UPGDCL) supports and contributes towards many social and humanitarian causes as part of its Corporate Social Responsibility. **Corporate Social Responsibility is practiced through its sister organization United Trust Ltd.** to embrace responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who are also part of the Company's stakeholders. Such activities are in favor of Education, Poverty Alleviation, Healthcare and so on.

DIRECTORS' REPORT

For the Year Ended 30 June 2024

'United Trust' (UT), registered on 29 December 2011, is a 'Social Development' wing of United Group established by the Board of Directors of United Group, the parent concern of UPGDCL, from their religious urge of helping the poor and socially disadvantaged people. Islam has made this responsibility mandatory for anybody who is financially capable in society. UT aims, plans and executes building, establishing, maintaining, and running the charitable Social Welfare projects financed by the Group in a professional and efficient way.

ACKNOWLEDGMENT:

The Board would extend its foremost regard and appreciation to the Stakeholders and the Customers of the company for their unrelenting support and trust on the company. This, we strongly believe, acts as the driving force of the company. We accept this trust in all humility and shall continue to strive to live up to the expectations.

The Board also recognizes that the attainment made during the year was possible because of the cooperation, positive support and guidelines it had received from the Government of Bangladesh, the Ministry of Power, Energy and Mineral Resources, Power Division, Energy Division, Ministry of Finance, National Board of Revenue, Ministry of Commerce, Board of Investment, Bangladesh Power Development Board, Petrobangla, Titas Gas Transmission & Distribution Company Ltd. and Karnaphuli Gas Distribution Company Ltd. local administration of Dhaka and Chittagong EPZ and the people of the locality. Accordingly, the Board offers its utmost and sincere gratitude to them. The Board also extends its appreciation to the contractors and consultants who helped us running the power plants and achieve this growth.

The Board would also like to express their humble gratitude to all the stakeholders including the investors, suppliers, banks and financial institutions, insurance companies, service providers, Bangladesh Securities & Exchange Commission, Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, The Central Depository of Bangladesh Limited, various Government Authorities and lastly the individuals and agencies who have helped us accomplish what we are today.

Your Board would also like to put on record its deep appreciation of the efforts made by the employees of the Company. Their commitment and passion, both individually and through teamwork has led your company to achieve the accolades that it has acquired so far. The Board also recognizes and appreciates the critical support provided by the families of the employees which enables them to focus on their daily work at UPGDCL.

We are proud of you all and look forward to your continued support as we march ahead to take United Power Generation & Distribution Company Limited further forward as a leading player in the power sector of the country.

With Best Wishes,

On behalf of the Board,



General Md. Abdul Mubeen, SBP, ndc, psc (Retd.)
Chairman

