Directors' Report
to the Shareholders

"Welcome in 26th AGM and thanks for being with us. In the course of financial year 2020-2021, our sustainable and fully integrated business model has allowed us to maximize share value with all our stakeholders, even during a year characterized by the global recession triggered by the COVID-19 pandemic. The COVID-19 pandemic is causing an unprecedented health and economic crisis for global economies, including Bangladesh. The impact of COVID-19 on the economy of Bangladesh has been transmitting through two main channels:

- Depressed domestic demand and supply disruptions in the local economy, and
- Slowdown in global economic activities affecting global trade and international financial flows.

Bangladesh, like other countries, faces the daunting challenge of fully recovering from the COVID-19 pandemic which has constrained economic activities and reversed some of the gains achieved in the last decade. The COVID-19 pandemic decelerated economic growth in 2020. The pace of poverty reduction slowed down, exports declined, inequality increased across several dimensions.

To recover fully and achieve its growth ambitions of achieving upper-middle income status, Bangladesh needs to address the challenge of containing COVID-19 which confirms our leading role in the energy transition.

In the current process of widespread globalization, we in Energypac understand that, meeting our customer's requirement is essential to the success of our organization. We can say that, the years we experienced in the past are significant years and it is clearly seen that we have intensively delivery our best performance to focus on customer satisfaction.

On behalf of the Board of Directors, I would like to thank our valuable, reliable and world-class partners. Besides, the one thing I would like to present is that our leadership is a result of our employees. They have clearly made Energypac one of the outstanding organizations. We know our highly trained human assets apply their specialized knowledge to reliably and efficiently produce high quality service.

We are now in an ever-changing market environment. In such situation, we firmly believe that "trust" is the key element in persuading customers to choose our quality products. We totally accept that "trust" can create a "Win-Win Situation" for a long deeper relationship.

Our distributed products with latest technologies and excellent service are diverse. It is easy to find them in every corner industrial activity and community living. We will continue our endless effort to serve our valuable customers.

We incorporated on July 15, 1995 as Private Limited Company, converted to Public Limited Company in the year 2011 and listed in the Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. in the year 2021.

Your Company had to tackle a variety of challenges within its business environment during this COVID-19 pandemic. However, we were able to master them and achieve a good result, despite the adversities. Our solid financial and sustainability performance in recent years has enhanced investor confidence in us. At the same time, the company is systematically laying the foundations for long-term success going forward. Particularly in these times of fundamental change, Energypac maintains a leading position in the engineering industry, shaping technological transformation with determination, passion and professional excellence.

Overall internation and national economy has not yet been able to recover from the devastation caused by the corona virus. Nevertheless, we strongly believe that, we are all in the way to overcome economic stagnation and turn around completely.

Energypac will intensively endeavor in environmental awareness for the purpose of preventing from climate changes and resources depletion. We are committed to preservation of the environment we live in.

Industry Outlook and Possible Future Developments

The energy mix for power generation in Bangladesh is passing through a crossroad of major transition. The nation has to adapt to those energy mix with multiple sources like coal, oil, LNG, nuclear, cross border power in addition to a reduced supply of local natural gas.

"Energy Works Wonders" are the words EPGL uses as its motto. Energypac Power Generation Limited continuously strives to eradicate the deficiency in the country's economic infrastructure. of the country's Power Generation Systems. Thus improving the quality of the lives of the communities it serves. The company constantly commits to provide the best-in-class solutions for its business partners and achieves the mission through the excellence of their service and their use of the best quality products.

The Company operates several establishments across the country to ensure products and services are provided for uninterrupted smooth operation. EPGL has diversified its businesses into manufacturing and trading of heavy industrial equipment. The Company is currently making its own brands generator (i.e. GLAD) and LiftsAll.

We are assembling JAC commercial vehicle and distributing it through our nationwide channel. The Company availed makers' code from BRTA for below types of commercial vehicle:

ⓐ HFC1037D3KST- DOUBLE CABIN PICKUP (4WD)-URO-III
ⓑ HFC1120KD- TRUCK
ⓒ HFC1021KD- MINI TRUCK

We have a full-fledged service center situated at Mirpur and Bogura. We also provide service support to our customers through our Energetic Service Team nation-wide.

STEELPAC another product of Energypac, aiming to provide a complete steel construction solution with specialist services ranging from detailing of engineering, procurement, manufacturing and erection of the structure confirming the uses of standard codes, quality materials and modern technologies instead of traditional systems.

STEELPAC offers the assurance of being a reputed engineering company with an excellent track record, strong financial background and assuring with professional support with expertise in

- Design & Detailing
- Manufacturing
- Erection.

We have successfully completed the following project:

- Roin World S.L at Rooppur Nuclear Power Plant
- Berger Paint Bangladesh Ltd.
- BEXIMCO Textiles Ltd.
- NIKIMT-Atomstroy JSC
- Meghna Knit Composite Ltd.
- ACI CO-RO Bangladesh Ltd.
- Shun-Shing Edible Oil Ltd.

LPG is considered as the clean and affordable alternative to natural piped gas. With more and more households and industries coming up, it is almost certain that the growth trajectory of LPG demand will continue to be upward in the foreseeable future. Besides the household and commercial market in recent years the demand for LPG in the automobile sector has greatly increased due to LPG being more affordable than petrol and diesel without the inherent issues that accompany CNG vehicles.

The LPG market in Bangladesh has already crossed 1 million metric tons per year and is continuing to rise. Currently there are 28 LPG companies in the market with more on the way. As a result despite being a growing market the competition between the companies is extremely high. Recently Bangladesh Energy Regulatory Commission (BERC) has stepped in to try and set a fixed MRP for LPG.
G-Gas LPG is a product of Energypac Power Generation Limited (EPGL). Being a power business dome of Bangladesh, EPGL set its course on spreading the energy service to each corner of the country. To meet the excessive demand for clean energy resources, EPGL brought G-Gas LPG in market. EPGL is manufacturing LPG cylinder to support LPG bottling and distribution nationwide.

The slogan of G-Gas is- “ভালো থাকুন, ভালো রাখুন”. Staying true to it, G-Gas is reaching out to the regular people at even the most remote corners of the country with solutions to improve their overall standards of living.
G-Gas aims to play a crucial role in the extensive social and economic growth of Bangladesh. Dacope, a sub-district of Khulna has already become economically active. A change has occurred to the financial situations of the people by opening scopes for employment.

EPGL is using world class technology to manufacture its cylinders and bottling installed under the expert supervision of ROKTEK from Turkey and France’s Sigara. To further ensure consumer safety each cylinder is manufactured under compliance of American Standard specifications standards, with a certain thickness that helps provide the optimal levels of safety.

For uninterrupted distribution of LPG nationwide, EPGL took several steps as follows:

- Increased storage capacity more than 5,500 MT
- Introduced Daughter Station at Narayanganj
- Procured LPG carrier (Ship)
- Distribute LPG nation-wide through large number of Road Tanker carrier

Energypac has experienced Marine Engineer and Naval Architect team who can assist customer for power prediction & rating selection of ship’s Main Propulsion Engine and Generator. The Company is the only Country Distributor of Guangxi Yuchai Machinery Co., Ltd. (widely known as “YC DIESEL”- Yuchai Marine Engine) It is one of the largest production base of internal combustion engine in the world.

Energypac is also authorized warranty and after sales service provider of YUCHAI Marine Diesel Engine in Bangladesh and ensuring genuine spare parts & consumables as well. So, when service is required, Energypac service network responds to organize assistance as fast as possible. This guarantees fast, reliable and competent customer support (24*7). We also launch a service center at Chittagong for uninterrupted after sales service to our valuable customers.

EPGL is presenting these listed below world class brand:

- MIURA (Boiler), Japan
- SIEMENS (Gas Engine), Germany
- JCB (Construction Machinery), England
- HELI (Forklift), China
- FS CURTIS (Compressor), USA
- YU-CHAI (Marine Engine), China
- SHACMAN (Heavy Commercial Vehicle), China
- JOHN DEERE (Tractor), USA
- ANKAI (Bus), China
- FG WILSON (Generator), UK
- PERKINS (Engine), UK

After achieving the target of Millennium Development Goal (MDG) successfully Bangladesh is now set to fulfill the conditions of Sustainable Development Goal (SDG) which will help us to become a middle income country soon and afterward a developed country. While we recognize additional challenges, we, Energypac, continue to use those as opportunities. We are focused on the future, and the future looks bright.

Segment wise Revenue Analysis Financial Year: 2020-2021					
Sl. No.	Particulars	FY: 2020-2021	FY: 2019-2020	Variances	
				Amount	%
3	Revenue from Liquefied Petroleum Gas (LPG)	4,866,693,747	4,205,121,707	661,572,040	15.73%
4	Revenue from Building Material Division (BMD)	537,237,907	352,941,835	184,296,072	52.22%
5	Revenue from Motor Vehicle Division (DMV)	1,406,977,978	1,106,040,973	300,937,004	27.21%
6	Revenue from Power & Energy Division (PED)	897,972,782	628,713,313	269,259,469	42.83%
7	**Core Business**	**7,708,882,413**	**6,292,817,828**	**1,416,064,585**	**22.50%**
8	EPC revenue	129,294,051	1,832,468,046	(1,703,173,995)	-92.94%
9	**Total Revenue**	**7,838,176,465**	**8,125,285,874**	**(287,109,410)**	**-3.53%**

Risks and Concerns

Credit Risk:

Credit risk refers to the risk that a borrower or debtor may not repay a loan/ debt and that the lender may lose to principal of the loan or the interest associated with it. It is the risk of loss of principal or a financial reward or both stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. Credit risk arises as borrowers expect to use future cash flows, which is always uncertain, to pay current debts. Normally every business has to allow some credit/ fund to its customers or others. When an entity offers credit to its clients, there is a risk that its clients may not pay their debt. Therefore, in operating any business there is always credit risk lies in the business.

Management Perception:

Because of the normal norms of the industry, EPGL has to allow some credit to its customers based on its credit policy. To keep the policy effective EPGL review the credit policy time to time. EPGL also maintain a good rapport with customers. All of this initiative helps EPGL to reduce the likelihood of default by its customers. However, as future collectability from customers is always uncertain, it is not possible to remove credit risk entirely. So, there is always a certain degree of credit risk. The management is well aware and efficiently manage through continuous supervision.

Liquidity Risk:

The risk that a company may be unable to meet short term financial obligation. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income in a given period of time. A company is exposed to liquidity risk if markets on which it depends are subject to loss of liquidity. When credit rating of a company falls, the company experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with or lending to the company.

Management Perception:

EPGL has an efficient treasury department to manage its cash and liquidity issues. The department works to optimize working capital, confirmation and reconciliation of receipts and timely disbursement of payments. The treasury department is also formulate proper planning to avoid future liquidity problems.

Interest Rate Risks:

Interest rate risk concerned with borrowed funds of short term and long-term maturity, volatility of money market, which ultimately influences the interest rate structure of fund.

Management Perception:

EPGL is currently carrying both long term and short-term loans. All the facilities are subject to revision with change of interest rates in the market. The exposure will be minimized as EPGL plans to retire some portion of the debt gradually in the following years. The Management of the Company is always aware of interest rate. If the interest rate increases the cost of credit fund will increase. As EPGL is a growing company it has to use debt to fuel the growth. It has an efficient treasury management department to manage treasury related issues. In addition, the company emphasizes on equity-based financing to reduce the dependence on bank borrowings. Moreover, the company is confident of meeting its need for future expenses from its internal sources. Therefore, the management perceives that the fluctuation of interest rate would have little impact upon the performance of the company.

Exchange Rate Risks:

Major portion of EPGL's revenue comes from trading of generators, motor vehicles, EPC contracts and other items. The company imports most of its trading goods and sells across the country. The paying policy of the company is with foreign currency. Hence, it is exposed to risks of fluctuation of Bangladeshi Taka against major international currencies like US Dollar, Euro and UK Pound Sterling. For a given depreciation of Taka against such currencies will mean higher import cost for EPGL. As a result it will affect the operating profit of the company.

Management Perception:

EPGL is one of the leading companies of power engineering sector in Bangladesh. It also runs business activities across the country including automobile sectors as well as oil & gas sectors. It has developed a strong brand image of its own by providing superior services to its clients. EPGL is always customer centric company. Hence, for any significant loss arising from fluctuation of Bangladeshi Taka against major international currencies, EPGL can pass on the exchange losses to its bankers through maintaining foreign currency accounts with the banks and keep its margins unaffected. Moreover, as the company imports generators and pick up van as importer and earns EPC revenue and service revenue as exporter, foreign currency risk becomes mitigated due to offsetting effect.

Market Demand Risk:

EPGL operates business mainly in the country's power, oil & gas, and automobiles sectors. All these sectors are highly regulated by the government and Market demand is comparatively high.

Management Perception:

Management is constantly putting emphasis on building brand equity in the markets, which will provide the company with greater flexibility in terms of demand and price elasticity. Besides government initiatives, the company enjoys competitive advantages over its foreign competitors.

Additionally, with Bangladesh becoming a middle-income nation, it is expected that more global brands and multinational companies will soon start their operations in Bangladesh thus increasing the demand and customer portfolio for EPGL.

Potential or existing government regulations:

Companies of Bangladesh operates under various laws like the Companies Act, 1994, the Income Tax Ordinance, 1984, The Value Added Tax & Supplementary Duty Act, 2012, Bangladesh Securities and Exchange Ordinance, 1969, Dhaka & Chittagong Stock Exchange (Listing) Regulations, 2015 etc. Any abrupt changes of the policies formed by those bodies may impact the business of the company adversely.

Management perception:

Unless any adverse policy is taken, which may materially affect the industry as a whole, business of EPGL will not be affected. Furthermore, the government is encouraging private sector entrepreneurs in power and engineering sector. Therefore, it is expected that any new policies of this sector will be business favorable which will also be helpful for expansion of business of the company.

Potential or existing changes in global or national policies;

The performance of companies may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management perception:

EPGL can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. This is why the management of the company is always concerned about the prevailing and upcoming further changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

Technology-related Risks:

Technology always plays a vital role for existence of any industrial concern. Innovation of new and cost effective technology may obsolete exiting technology, which may cause negative impact.

Management perception:

Management of EPGL is aware of recent technological developments in the engineering sector and keeps their employees up to date by providing necessary training. Furthermore, EPGL is well equipped with latest technology and marketing latest technological equipment for its wide range of customers.

The followings are the extract of financial performance of the Company during the year:

Standalone

Particulars	Current Year (BDT in thousand)	Previous year (BDT in thousand)	Increase/(Decrease) %
Sales	7,838,176	8,125,286	-3.53%
COGS	5,655,462	5,823,648	-2.89%
Gross Profit	2,182,715	2,301,638	-5.17%
Profit from Operation	1,010,386	1,114,471	-9.34%

Consolidated

Particulars	Current Year (BDT in thousand)	Previous year (BDT in thousand)	Increase/(Decrease) %
Sales	10,733,927	10,973,965	-2.19%
COGS	7,685,330	7,760,155	-0.96%
Gross Profit	3,048,597	3,213,810	-5.14%
Profit from Operation	1,813,895	1,969,383	-7.90%

Financial Results

Particulars	Current Year (BDT in thousand)	Previous year (BDT in thousand)	Increase/(Decrease) %
Net Profit after Tax	270, 448	431,508	-37.32%
Consolidated Net Profit after Tax	387,863	581,844	-33.34%

Contribution to National Exchequer

The Company contributed an amount of BDT 1,586.51 million in the financial year 2020-2021 to the National Exchequer consisting of the following:

(Taka in Million)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Income Tax	194.19	170.83	200.07	274.24	118.87
Value Added Tax (VAT)	319.40	374.06	406.96	771.52	57.95
Customs Duties	1,072.92	84.27	201.17	267.97	319.47
Total	**1,586.51**	**629.16**	**808.20**	**1,313.73**	**496.29**

Dividends

The Board of Directors at the 86th Board Meeting held on October 26, 2021, has recommended a cash dividend @ 10% i.e. Tk. 1.00 per share to the shareholders. This will be considered for approval by the shareholders at the 26th Annual General Meeting (AGM) to be held on December 11, 2021.

Employment

Employee relation in Energypac Power Generation Ltd is usually cordial and the working environment is favorable. The breakdown of the Company's human resources is as follows:

Particulars	2020-2021	2019-2020
Management	38	40
Staff	332	313
Workers	492	73
Total	**862**	**426**

Related Party Transaction

During the year, the Company carried out a number of transactions with related parties in the normal course of action. The details of these related parties transaction have been set out in the Note # 39.00 in audited Financial Statements of the Company (which is a integral part of this report) in accordance with the provisions of IAS 24: Related Party Disclosure

Initial Public Offering (IPO)

After successful bidding by the Eligible Investors (EI) and complying all necessary requirements, the Company received the IPO Consent letter on November 05, 2020. The Company listed in Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. Trade of share of the Company in Secondary Market started on January 19, 2021

Details of the utilization of the IPO Use of Proceeds as on October 31, 2021 is mentioned hereunder:

Sl. No	Purpose Mentioned in the Prospectus	Amount as per prospectus	*Amended Amount	Status of Utilization						Remarks
				Before this Month	This month utilization	Amount utilized	Utilized %	Total Unutilized Amount	Un-Utilized %	
1	Procurement of LPG Carrier & Accessories	262,276,000	105,984,375	-	-		0%	105,984,375	100%	
2	Import of LPG Cylinders	521,881,555	678,173,180	520,843,017	11,421,914	532,264,931	78.49%	145,908,249	0%	
3	Procurement of Materials for LPG Cylinders	175,710,938	175,710,938	-	45,860,043	45,860,043	26.10%	129,850,895	100%	
4	Loan repayment	500,000,000	500,000,000	500,000,000	-	500,000,000	100.00%	-	0%	
5	IPO Expenses	40,131,507	40,131,507	33,900,145	78,750	33,978,895	84.67%	6,152,612	15.33%	
	Total	**1,500,000,000**	**1,500,000,000**	**1,054,743,162**	**57,360,707**	**1,112,103,869**	**74.14%**	**387,896,131**	**25.86%**	

*BSEC has approved the amendment vide letter # BSEC/CFD/2021/102/725; September 12, 2021

Remuneration to Directors

In accordance with the requirement of Bangladesh Securities and Exchange Commission, remuneration paid to Directors stated in the Note # 42.00 of the audited Financial Statements of the Company which is a integral part of this report.

The Company didn't pay any remuneration to its Independent Directors.

Financial Highlights

ENERGYPAC POWER GENERATION LIMITED

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-17
Revenue	10,733,927,371	10,973,965,236	14,398,996,010	12,444,362,651	4,545,749,964
Gross profit	3,048,597,316	3,213,810,057	3,312,621,646	2,472,220,847	1,039,009,582
Gross Profit margin	28.40%	29.29%	23.01%	19.87%	22.86%
Profit before tax	472,746,698	643,583,231	627,458,228	609,094,193	426,344,548
Profit for the year	387,862,576	581,844,392	479,932,737	453,507,602	304,561,180
Net Profit margin	3.61%	5.30%	3.33%	3.64%	6.70%
Property, plant and equipment	18,408,899,001	17,466,862,964	17,837,752,691	17,229,382,240	11,322,313,531
Share Capital	190,163,216	149,869,650	149,869,650	149,869,650	149,869,650
Issued & Paid Up Capital	1,901,632,160	1,498,696,500	1,498,696,500	1,498,696,500	1,498,696,500
Inventories	2,560,681,422	2,199,053,744	2,690,344,676	3,033,325,880	1,686,763,943
Total Assets	39,147,331,779	35,856,186,813	32,036,586,830	29,969,044,026	21,882,536,181
Total Liabilities	28,171,800,368	28,088,103,628	25,147,352,696	23,802,279,509	16,248,728,880
Net Assets	10,975,531,412	7,768,083,185	6,889,234,133	6,166,764,516	5,633,807,301
Current Assets	13,733,159,309	12,396,206,214	11,637,459,062	11,814,818,374	8,696,186,392
Current Liabilities	18,774,620,148	21,522,515,753	18,652,925,120	17,697,869,159	11,697,070,507
Net Current Assets	(5,041,460,839)	(9,126,309,539)	(7,015,466,058)	(5,883,050,785)	(3,000,884,115)
Earnings Per Share (EPS)	2.30	3.83	3.13	2.92	2.03
Net Asset Value Per Share (NAVPS)	57.72	51.83	45.97	41.15	37.59
Current Ratio	0.73	0.58	0.62	0.67	0.74
Quick Ratio	0.60	0.47	0.48	0.50	0.60
Interest Coverage Ratio	1.33	1.48	1.50	1.71	2.59
Return on Assets (ROA)	0.99%	1.62%	1.50%	1.51%	1.39%
Return on Capital Employeed (ROCE)	2.03%	3.29%	2.49%	2.73%	3.07%
Return on Equity (ROE)	4.14%	7.94%	7.35%	7.69%	5.86%

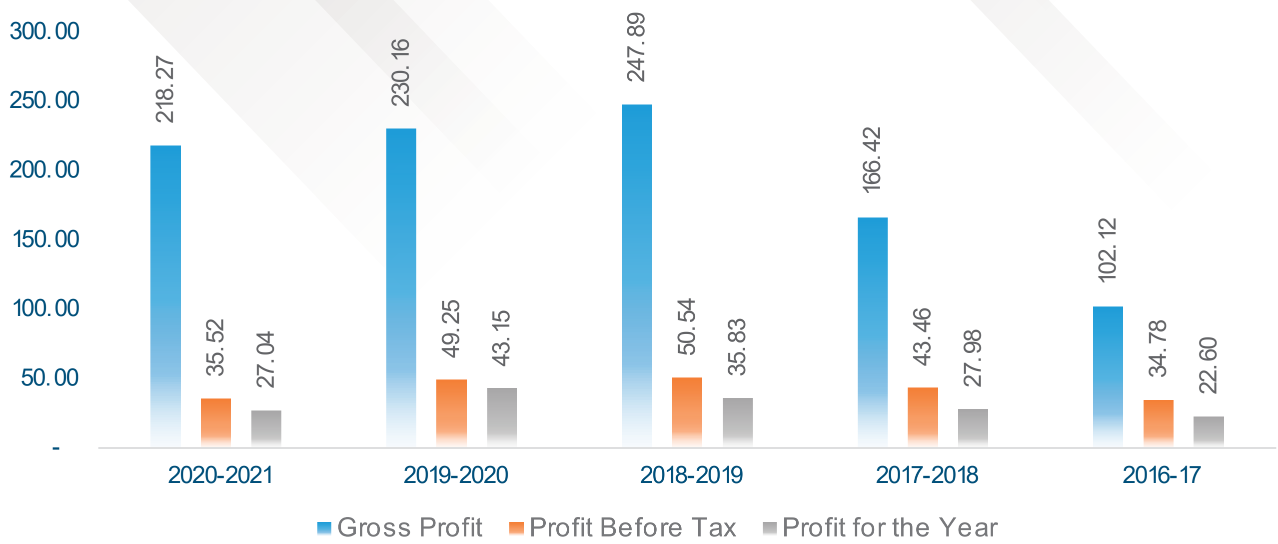
Financial Highlights

ENERGYPAC POWER GENERATION LIMITED

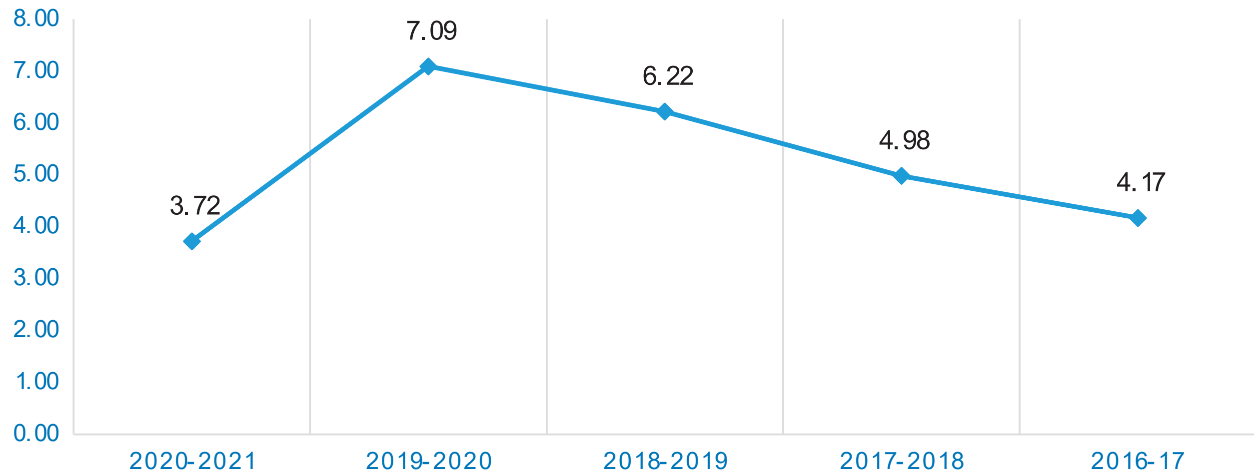
FINANCIAL HIGHLIGHTS (STANDALONE)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-17
Revenue	7,838,176,465	8,125,285,874	9,116,413,870	6,669,388,743	4,429,585,106
Gross profit	2,182,714,536	2,301,637,675	2,478,892,077	1,664,199,921	1,021,236,879
Gross Profit margin	27.85%	28.33%	27.19%	24.95%	23.05%
Profit before tax	355,201,654	492,539,275.00	505,437,453.00	434,572,592.00	347,773,091.00
Profit for the year	270,448,202	431,507,688.00	358,352,495.00	279,847,564.00	226,028,750.00
Net Profit margin	3.45%	5.31%	3.93%	4.20%	5.10%
Property, plant and equipment	10,360,810,289	9,120,295,005	8,836,928,464	8,033,735,211	3,051,225,719
Authorized Capital	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Share Capital	190,163,216	149,869,650	149,869,650	149,869,650	149,869,650
Issued & Paid Up Capital	1,901,632,160	1,498,696,500	1,498,696,500	1,498,696,500	1,498,696,500
Inventories	1,687,732,993	1,649,509,984	2,490,372,899	2,575,207,366	1,160,625,289
Total Assets	23,572,125,241	22,716,249,131	20,930,999,090	19,937,571,730	13,901,528,950
Total Liabilities	15,283,831,893	16,453,502,686	15,024,825,509	14,314,815,819	8,483,685,777
Net Assets	8,288,293,347	6,262,746,445	5,906,173,581	5,622,755,911	5,417,843,173
Current Assets	10,128,575,717	10,237,369,409	8,901,465,543	9,136,169,590	6,946,473,681
Current Liabilities	10,620,892,106	11,312,120,987	10,771,366,408	10,699,473,869	6,991,865,653
Net Current Assets	(492,316,389)	(1,074,751,578)	(1,869,900,865)	(1,563,304,279)	(45,391,973)
Cash dividend	190,163,216	—	74,934,825	74,934,825	74,934,825
Stock dividend	—	—	—	—	—
Total Dividend	190,163,216	—	74,934,825	74,934,825	74,934,825
Earnings Per Share (EPS)	1.61	2.88	2.39	1.87	1.51
Dividend Per Share	1.00	—	0.50	0.50	0.50
Net Asset Value Per Share (NAVPS)	43.59	41.79	39.41	37.52	36.15
Current Ratio	0.95	0.90	0.83	0.85	0.99
Quick Ratio	0.79	0.76	0.60	0.61	0.83
Interest Coverage Ratio	1.48	1.75	1.83	2.44	2.37
Return on Assets (ROA)	1.15%	1.90%	1.71%	1.40%	1.99%
Return on Capital Employeed (ROCE)	2.20%	4.03%	3.84%	3.67%	3.87%
Return on Equity (ROE)	3.72%	7.09%	6.22%	4.98%	4.17%

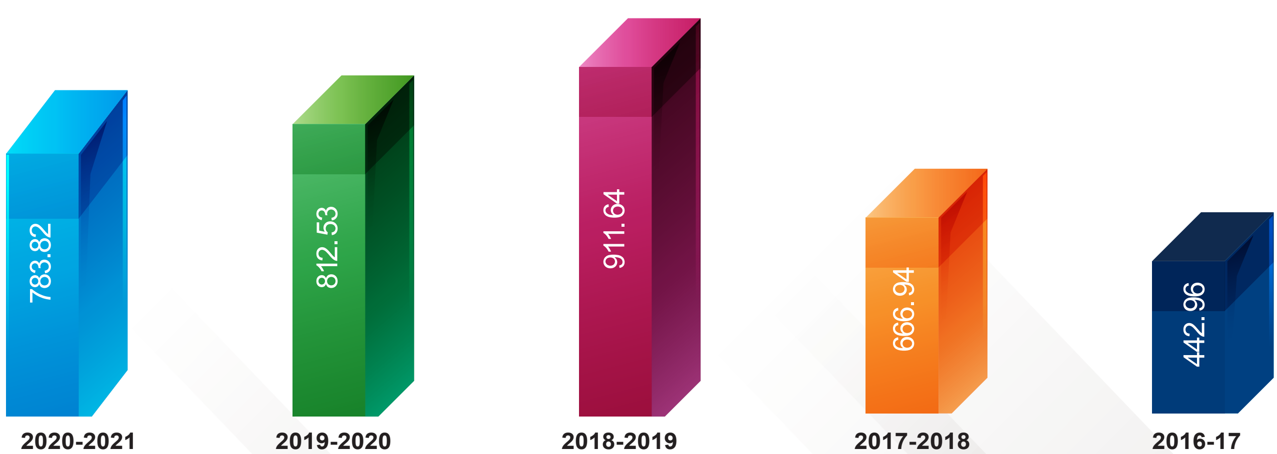
GP, PBT & PAT (IN CRORE)



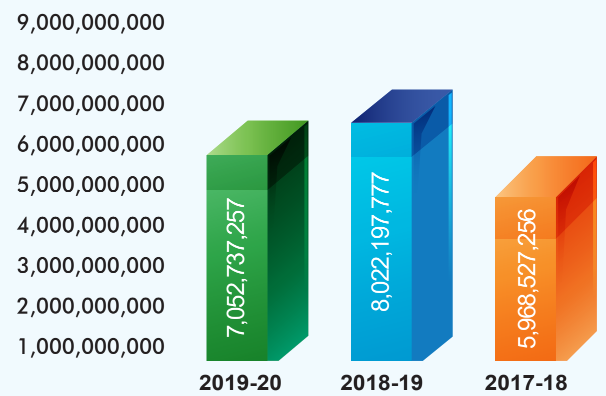
RETURN ON EQUITY (ROE)



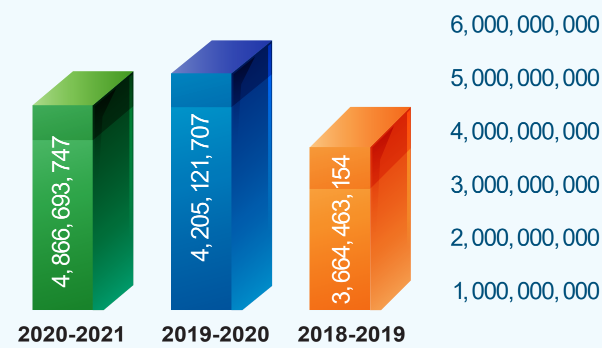
LAST 5 YEARS REVENUES (IN CRORE)



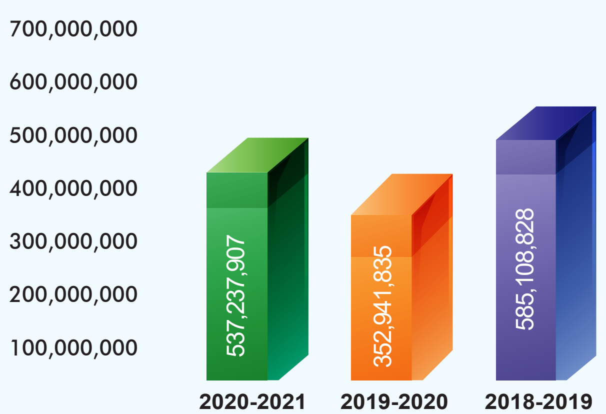
Comparison of Revenue from Core Business



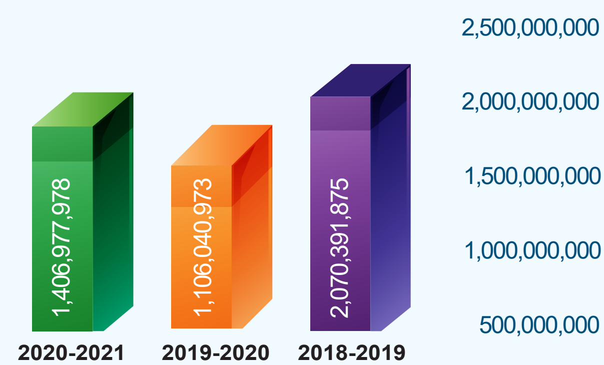
Comparison of Revenue from Liquefied Petroleum Gas (LPG)



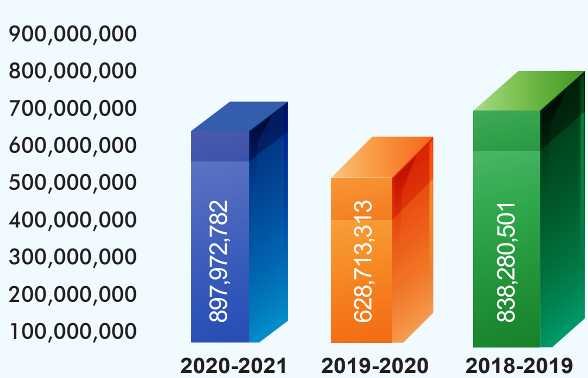
Comparison of Revenue from Building Material Division (BMD)



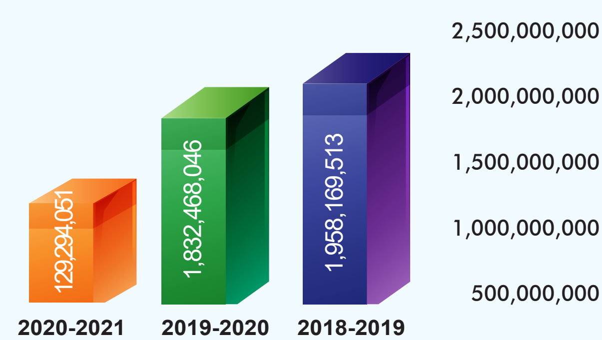
Comparison of Revenue from Motor Vehicle Division (MVD)



Comparison of Revenue from Power & Energy Division (PED)



Comparison of Revenue from Engineering, Procurement and Construction (EPC)



Overall Financial Performance (Standalone)

Sl. No	Particulars	2020-2021	2019-2020	Growth	Growth (%)
1	Sales	7,708,882,413	7,052,737,257	656,145,156	9.30%
2	EPC Sales	129,294,051	1,072,548,617	(943,254,566)	-87.95%
3	Total Sales	7,838,176,465	8,125,285,874	(287,109,409)	-3.53%
4	Cost of Revenues	5,655,461,928	5,823,648,199	(168,186,271)	-2.89%
5	Gross Profit	2,182,714,536	2,301,637,675	(118,923,139)	-5.17%
6	Administrative O/H	649,939,472	678,259,813	(28,320,341)	-4.18%
7	Selling O/H	522,388,779	508,907,257	13,481,522	2.65%
8	Operational O/H	1,172,328,251	1,187,167,069	(14,838,818)	-1.25%
9	Operating Profit	1,010,386,286	1,114,470,605	(104,084,319)	-9.34%
10	Trade Receivables	2,381,460,903	4,247,012,588	(1,865,551,685)	-43.93%
11	Inventories	1,687,732,993	1,649,509,984	38,223,009	2.32%
12	EBT	355,201,654	492,539,275	(137,337,621)	-27.88%
13	EAT	270,448,202	431,507,688	(161,059,486)	-37.32%
14	EPS	1.61	2.88	-1.27	-44.06%
15	NAVPS	43.59	41.79	1.80	4.30%
16	Current Asset	10,128,575,717	10,237,369,409	(108,793,692)	-1.06%
17	Current Liability	10,620,892,106	11,312,120,987	(691,228,881)	-6.11%
18	Bank Loan- Short Term	4,936,287,298	3,971,210,805	3,971,210,805	24.30%
	Bank Loan- Long Term (Non-current portion)	3,215,808,929	3,702,119,990	(486,311,061)	-13.14%
	Bank Loan- Long Term (Current portion)	1,633,359,742	1,492,981,782	140,377,960	9.40%
19	Total Employee	546	426	120	28.17%
20	Per Capita Revenue	14,355,635	19,073,441	(4,717,806)	-24.73%
21	Per Capita Admin O/H	1,190,365	1,592,159	(401,794)	-25.24%
22	Current Ratio	0.95	0.90	0.05	5.96%
23	Quick Ratio	0.79	0.76	0.03	4.57%

Profitability:

We have earned an amount of BDT 181.39 crore (Consolidated) and BDT 101.04 crore (Standalone) operating profit in the FY: 2020-2021 which was BDT 196.94 crore (Consolidated) and BDT 111.45 crore (Standalone) in the FY: 2019-2020 which indicates a shrinking of 7.90% (Consolidated) and 9.34% (Standalone). On the other hand, Earning after Tax (EAT) stood BDT 38.79 crore (Consolidated) and BDT 27.04 crore (Standalone).

Taxation:

We have disputed tax liability with NBR. It is to be noted that, up to FY: 2004-05 we have no demand with NBR & with rest financial year we have disputed demand with department connecting section 82(C) of ITO 1984 & in connection of EPC as export income with connecting F.Y:10-11,11-12, 12-13, 13-14, 14-15, 15-16, 16-17, 17-18, 18-19 and 19-20. The Company already communicated and addressed with required documents to the Regulators (i.e. Appeal, Tribunal and honorable High Court) for getting verdict regarding mentioned Financial Years. The details have been mentioned in Note # 22.02 in the Audited Financial Statements of the Company which is an integral part of this Report

Audit Report:

We have been able to receive an unqualified audit report for the FY: 2020-2021 from our statutory auditor Hoda Vasi Chowdhury & Co.

Credit Rating:

We have received credit rating from CRAB. We have achieved AA2 for Long Term Loan and ST-3 for Short Term Loan.

Segment wise Revenue Analysis
Financial Year: 2020-2021

Sl. No.	Particulars	2020-2021	2019-2020	Variances	
				Amount	%
1	Revenue from Liquefied Petroleum Gas (LPG)	4,866,693,747	4,205,121,707	661,572,040	15.73%
2	Revenue from Building Material Division (BMD)	537,237,907	352,941,835	352,941,835	52.22%
3	Revenue from Motor Vehicle Division (DMV)	1,406,977,978	1,106,040,973	300,937,004	27.21%
4	Revenue from Power & Energy Division (PED)	897,972,782	628,713,313	269,259,469	42.83%
9	**Core Business**	**7,708,882,413**	**6,292,817,828**	**1,416,064,585**	**22.50%**
10	EPC revenue	129,294,051	1,832,468,046	(1,703,173,995)	-92.94%
11	**Total Revenue**	**7,838,176,465**	**8,125,285,874**	**(287,109,410)**	**-3.53%**

Accounts Receivable as on June 30, 2021

Sl. No.	PARTICULARS	2020-2021	2019-2020	Variance	
				Amount	%
1	Local Trade receivables	1,965,083,163	3,168,415,070	(1,350,089,153)	-40.72%
2	EPC	424,314,400	782,766,031	(515,462,532)	-54.85%
3	Less: Provision for impairment	(7,936,660)	(7,936,660)	-	0.00%
	Total	**2,381,460,903**	**3,943,244,441**	**(1,865,551,685)**	**-43.93%**

Inventory Position as on June 30, 2021

Sl. No.	PARTICULARS	2020-2021	2019-2020	Variance	
				Amount	%
1	Raw material	495,463,033	488,611,476	6,851,557	1.40%
2	Semi-finished goods	16,196,363	18,331,235	(2,134,872)	-11.65%
3	Finished goods	459,690,464	704,487,622	(244,797,158)	-34.75%
4	Stock of spare parts	320,332,966	49,888,318	270,444,648	542.10%
5	Stock in transit & contract assets	582,968,822	604,628,712	(21,659,890)	-3.58%
Less:					
6	Provision	186,918,655	216,437,380	(29,518,725)	-13.64%
	Total	**1,687,732,993**	**1,649,509,984**	**38,223,009**	**2.32%**

Director's Retirement

Mr. Enamul Haque Chowdhury, Director and Mr. Md. Nurul Aktar, Director retired from the Board in terms of Articles of Association, and being eligible, offers them for re-election.

Audit Committee

The Audit Committee was set up to review the financial results, audit and compliance with the statutory and regulatory requirements. The Committee recommended to the Board of Directors to appoint the Company's auditors and to review the scope of internal audit. The Audit Committee constitutes with the following Members:

1. Mr. Mohammed Nurul Amin, Independent Director, Chairman of Audit Committee
2. Mr. Rezwanul Kabir, Director, Member of Audit Committee
3. Mr. Golam Mohammad, Director (Representative of EEL), Member of Audit Committee

Report on Pattern of Shareholding

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification #SEC/CMRRCD/2006-158/134/Admin/44; Dated: August 07, 2012 and subsequently amended through their notification #SEC/CMRRCD/2006-158/207/Admin/80; Dated: June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Compliance of Condition No. 1.5 (xxiii)
The pattern of Shareholding as on June 30, 2021

A. Parent/Subsidiary/Associated companies and other related parties (name wise details):

Sl. No.	Name of the Company	Number of Shareholdings
1	Energypac Power Venture Ltd.	1,251,000
2	EPV Ctg. Ltd.	
	i. Direct Holding	1,000,000
	ii. Indirect Holding	8,100,000
3	EPV Thakurgaon Ltd. (Indirect Holding)	40,249,501

B. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and their spouses and minor children (name wise details):

Energypac Power Generation Limited					
Sl. No.			No. of Shareholdings		Shares hold by Spouse
01.		Directors			
	i.	Mr. Rabiul Alam	6,054,983	Dr. Meerjady Sabrina Flora	6,054,982
	ii.	Mr. Enamul Haque Chowdhury	6,054,983	Mrs. Mahfuza Rahman Chowdhury	6,054,981
	iii.	Mr. Md. Nurul Aktar	6,054,983	Mrs. Mahjabeen Parvez	118,125
	iv.	Mr. Rezwanul Kabir	6,054,983	Mrs. Sabrina Sadek	118,125
	v.	Mr. Mohammed Nurul Amin, Independent Director	-	Tahamina Arzuman	-
	vi.	Mr. Miakil Shipar, Independent Director	-	Mrs. Sarmir Hossain Ruhi	-
	vii.	Mr. Golam Mohammad (Representative of EEL)	72,659,790	Dr. Ireen Hossain	-
02.		MD & Chief Executive Office Mr. Humayun Rashid	6,054,983	Mrs. Rifat Farzana	6,054,982
03.		Chief Financial Officer Mr. Md. Aminur Rahaman Khan	21,000	Dr. Sharmin Hossain	-
04.		Company Secretary Mr. Md. Alauddin Shibly, ACS, ITP	26,175	Mrs. Farah Deeba	-
05.		Head of Internal Audit Mr. Syed Erfan Saleh, FCA	-	Mrs. Taskin Azim	-

C. Executives (Top five salaried employees of the company, other than the Directors, Chief Execu tive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance):

Sl. No.	Name of Executive	Designation	No. of Shareholdings
1	Mr. S. M. Jashim Uddin	GM & CBO, MVD	26,250
2	Mr. Alomy Biswas	GM & CBO, Steelpac	-
3	Mr. Abu Sayed Raza	GM & COB, LPG	7,875
4	Mr. Mohammad Masum Parvez	GM & CBO, PED	
5	Mr. Md. Lutfar Rahman, FCA	DGM, Finace & Accounts	61,500

D. Shareholders holding ten percent (10%) or more voting interest in the company (name wise details):

Sl. No.	Name of Shareholder	No. of Shareholdings	% of Shareholdings
1.	Energypac Engineering Ltd.	72,659,790	38.21%

Corporate Governance Compliance Report

In accordance with the requirement of Bangladesh Securities and Exchange Commission, "Certificate on Corporate Governance Compliance" is annexed with this report.

Board Meetings and Attendance

During the year, six (06) Board Meetings held and the attendance by each Director was as follow:

Sl. No.	Name of Directors	Position	Meeting Held	Attended
1	Md. Rabiul Alam	Chairman	6	6
2	Humayun Rashid	Managing Director		6
3	Enamul Haque Chowdhury	Director		6
4	Md. Nurul Aktar	Director		5
5	Rezwanul Kabir	Director		6
6	Md. Golam Mohammad	Director (Representative of EEL)		2
7	Helal Uddin Ahammed**	Director (Representative of ICB)		1
8	Mohammed Nurul Amin	Independent Director		6
9	Mikail Shipar	Independent Director		5

** Nomination of Helal Uddin Ahammed as Representative Director withdrew by ICB on 16.07.2020

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

Corporate & Financial Reporting

The Company has complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission. Accordingly, the Directors are pleased to confirm the following:

1. The financial statements together with the notes thereon have drawn up in conformity with International Financial Reporting Standards (BFRS), 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.
2. Proper books of accounts of the Company have maintained.
3. Appropriate accounting policies have consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
4. The International Accounting Standards, as applicable in Bangladesh, have followed in preparation of financial statements.
5. The systems of internal control are maintained and effectively implemented and monitored as well.
6. The company has carried on transactions smoothly with other Inter Companies.
7. There are no significant doubts upon the Company's ability to operate its business efficiently.
8. The key operating and financial data for last five years are annexed.

Human Resources Development

Energypac Power Generation Ltd. emphasizes heavily on the Development of Human Resources. Employment at Energypac is governed by a set of policies and process, which not only ensures employee benefits but statutory compliances also.

In order to improve skills and productivity of the individuals, EPGL continuously provides external and in-house training maintaining a training calendar round the year. During the year, 2020-2021 the Company provided 3,483 person-hours of training to its employees. During this period 74.30% of the individuals were brought under the training program both home and abroad. It is expected that all employees will ultimately make a great contribution to company's growth and achieve further heights in the days to come.

Energypac Power Generation Limited
Declaration by CEO and CFO

October 26, 2021

The Board of Directors
Energypac Power Generation Limited
Energy Center
25 Tejgaon I/A, Dhaka-1208.

Subject: Declaration on Financial Statements for the year ended on June 30, 2021

Dear Sir/(s),

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; Dated: 03/06/2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

01 The Financial Statements of Energypac Power Generation Limited for the year ended on June 30, 2021 has been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

02 The estimates and judgments related to the Financial Statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

03 The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

04 To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

05 Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

06 The management's use of the going concern basis of accounting in preparing the Financial Statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

i) We have reviewed the Financial Statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) These statements collectively present true and fair view of the Company's affairs and comply with existing accounting standards and applicable laws.

ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

s/d
Md. Aminur Rahman Khan
Chief Financial Officer (CFO)

s/d
Humayun Rashid
Chief Executive Officer (CEO)

Note of Appreciation

I sincerely express my gratitude to Hoda Vasi Chowdhury & Co. Chartered Accountants for carrying out the external audit professionally and advising us on various compliance issues relating to International Financial Reporting Standards (IFRSs). Auditor's direction has helped us to ensure compliance with laws and regulations in preparing the financial statements.

I would like to express my gratitude to our respected Regulators, Stakeholders and Well-wishers for their continuous support and confidence, which they have reposed on us, allowing EPGL to lay the foundations for its success story.

It is a challenge to have the compatriots as well as the broader world know the Energypac we know. As we strive to make our company better, we will also look for ways to build trust by communicating the good work. We are working hard to strengthen our culture of integrity and improve our compliance talent, processes and systems. Of course, we are not perfect. We make mistakes. Nevertheless, if the world could see all of the hard working, well-intentioned people inside our company who are making things better in their communities and in the world, I'm convinced they would be moved by it all.

We are changing how we work and what we do without changing our purpose and values. We will continue to work hard every day to earn your trust and support. We are proud of you and thank you for your interest in our company and your continued support.

I would like to thank our board members and personally, its Chairman, Mr. Md. Rabiul Alam. I also want to thank my Directors Mr. Enamul Haque Chowdhury, Mr. Md. Nurul Aktar, Mr. Rezwanul Kabir, Mr. Mohammed Nurul Amin, Mr. Helal Uddin Ahammed, Mr. Mikail Shipar, Mr. Golam Mohammad and last, but not least, the energetic EPGL team for some great achievement during the last financial year.

I wish the Company every success in the future.

s/d

Humayun Rashid

Managing Director & CEO