Report On

Evaluating the Financial Impact of Corporate Social Responsibility (CSR) Initiatives at Druk Green Power Corporation Limited.

By

Dechen
Student ID: 20204080

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

BRAC Business School

Brac University

December 2024

Declaration

It is hereby declared that

1. The internship report submitted is my original work while completing a degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material accepted or submitted for any other degree or diploma at a university or other institution.
4. I/we have acknowledged all main sources of help.

Student's Full Name & Signature:

Dechen

Student ID: 20204080

Supervisor's Full Name & Signature:

Dr. Abu Saad, Md. Masnun Al Mahi, PhD

Assistant Professor, BRAC Business School,

BRAC University

Letter of Transmittal

Dr. Abu Saad Md. Masnun Al Mahi, PhD,

Assistant Professor,

BRAC Business School,

BRAC University,

Progati Srani, Merul Badda, Dhaka-1212

Subject: Internship Report Submission

Dear Sir,

It is my great pleasure to submit my internship report, **"Evaluating the Financial Impact of Corporate Social Responsibility (CSR) Initiatives at Druk Green Power Corporation Limited,"** for your approval. This report has been prepared to fulfill the requirements of my internship, during which I had the privilege to work as an intern in the accounts department at Druk Green Power Corporation Limited for three months. The report outlines the financial impact of the company's CSR initiatives, analyzing the correlation between CSR spending and key economic performance indicators.

I am sincerely grateful for your continuous guidance and support, which were instrumental in the successful completion of this report. I hope that you will consider my report for approval and provide any feedback or suggestions you may have.

Sincerely yours,

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Dechen
ID: 20204080
BRAC Business School,
BRAC University

Non-Disclosure Agreement

This agreement is made and entered into by and between Druk Green Power Corporation Limited (DGPC) and the undersigned student at Brac University.

………… Dechen………………………….

Acknowledgment

I would like to express my sincere appreciation to all those who provided me with their guidelines, motivation, and advice to pass my internship and compose this report. It is impossible to embark on such a journey and not benefit from the information and assistance of many kind-hearted people.

To begin with, I have a profound appreciation and warm thanks to Dr. Abu Saad Md. Masnun Al Mahi, PhD, Assistant Professor of BRAC Business School, BRAC University, for his guidance and contribution, which have been indispensable for the preparation of this report. Much of this work's quality and course have been guided by him.

I would like to express my gratitude to Mr. Ham Rai Nepal, Associated Finance Head at Druk Green Power Corporation Limited (DGPC), Finance Section, Rinchentse, Chukha, Bhutan, for his valuable advice during my internship. I would also like to express my gratitude for his encouragement and practical advice on the inner workings of DGPC's financial systems as they relate to its operations and my personal development throughout my academic career and to the completion of this report.

It is impossible not to mention those people who believed in me this time and encouraged me all the time; therefore, with all my heart, I thank my family, friends, and everyone who had faith in me and the ability to complete this work. You offered me a lot of encouragement and hope, which was very helpful during some really tough hours.

Last but not least, I'm grateful to all of them at Druk Green Power Corporation Limited, with whom I have learned, and to everyone who helped in any way in this journey. The completion of this report would not have been possible without your input, and for this reason, I wanted to say thank you from the bottom of my heart.

Executive Summary

This report intends to fulfill the internship requirement of the BBA program whereby students get an opportunity to practice practically in the corporate organizations.

This report will seek information and monitor and illustrate the importance of operations and management systems in Druk Green Power Corporation Limited (DGPC), which has its background and its place in the energy industry of Bhutan. The report also deepens its CSR profile, which articulates how it aligns with the company's mission of being in the business of producing clean energy that benefits Bhutan's socio-economic development. From this perspective, the organization also presents the company, known as an actual energy provider but also a socially conscious corporation.

In addition to presenting the SWOT analysis, this report also reviews the case of the implementation of the SAP system in managing operating practices and the information system of DGPC. It offers a greater understanding of how such systems improve their working, facilitate improved decisions, and ought to relate to the strategic plans of the organization in the furthest. They also make manifest DGPC's best practices in the generation and management of energy.

Each piece of information discussed in this report was gathered from interviews with the staff of DGPC and personal observations, as well as an analysis of the organizational records. This report was developed following guidelines during my three-month internship when practicing with the host organization based on the confidentiality agreement I signed with DGPC. Views and materials that are posted by participants do not pose a threat to the identity and secure data of the organization.

Key words; DGPC, Energy, CSR, Clean energy, SWOT, SAP , Operations, Strategies, Learning, SDGS, Security.

Table of Contents

List of Figures

List of Acronyms

DGPC	Druk Green Power Corporation Limited (DGPC)
HRDC	Hydropower Research and Development Centre
SAP	System Application and Data Processing
ISO	International Organization for Standardization
GNH	Gross National Happiness
RSS	Recruitment and Selection System
MOLHAR	Ministry of Labour and Human Resource
LTC	Leave Travel Concession
PI	Product Incentive
PAS	Performance Appraisal System
CSR	Corporate Social Responsibility
BASs	Bhutan Accounting Standards
AASBB	Accounting and Auditing Standards Board of Bhutan
ROE	Return on Equity
ROA	Return on Assets
DAR	Debt to Asset Ratio
DUO	Dynamic Unstructured Opportunity
IFAS	International Financial Reporting Standards

Chapter 1: Overview of Internships

1.1 Student Information

Name: Dechen
ID: 20204080
Program: Bachelor of Business Administration
Major: Finance
Minor: Computer Information Management

1.2. Internship Information

Period, Company, Department, Address
Period: 3 months,
Company Name: Druk Green Power Corporation Limited (DGPC)
Department: Finance Section
Address: Rinchentse, Chukha, Bhutan.

1.2.1. Internship Company Supervisor's Information

Name: Ham Rai Nepal
Position: Associated Finance Head

1.2.2. Job Scope: Job Description, Duties and Responsibilities

During my internship at Druk Green Power Corporation Limited, I had the opportunity to collaborate with the finance and accounts teams, providing valuable insight into the energy sector. I got the chance to work on various tasks during my internship, including:

- Finding out how the supply order of the products is handled while dealing with vendors according to their terms and conditions, such as checking whether the vendors paid within the due date; if not, taxes are deducted by charging a certain percentage.

● Dealing with the testing of bills sent by HRDC, for instance, the bank statements and documents of the opening and closing balance, employee tour expenses, cash deposit, incoming money, and inter-unit transactions, as well as keeping a record of sales orders in an Excel sheet.

● It has helped to check the bill payments and pass the narrations of the vendor and customer using the SAP system.

● Sealing different documents with seals.

● I entered the vendor number in the system and checked whether the amounts shown were valid. In addition, it was my duty to print the documents and deliver them to the account section for approval.

● Supply the outgoing payment amount to the firm for buying materials.

● When the workload was light in the office, I used to work in the system with seniors, using the code they used in their daily work.

● One of my important duties was that whenever other employees visited our section, they needed clarification while getting approval for the documents, so I used to help them by checking the documents to get the signature from the head and other seniors.

1.3 Internship outcomes

1.3.1 The student's contribution to the company

Despite my limited knowledge and experience, I made an effort to contribute to the internship program, which is a learning stage for a graduate student where he or she can get the opportunity to apply academic learning in the corporate world. As a part of a company, an intern is responsible for contributing something to the organization. During my internship, I tried my best to help the employees with their respective tasks, such as checking bill payments, keeping records of vendors and customers in different Excel sheets, checking the monthly bank statements, etc. Moreover, as an intern, I tried to give them the necessary information, as far as I knew. Whenever the finance department officers were absent from the desk for any important reason, I shifted the section to the accounts department to enhance my knowledge and familiarize myself with the working environment. Furthermore, when employees sought help to get ideas about something they thought I might know, I tried to help them as much as possible.

In the finance section, the works are handled by different individuals, such as supplies of materials, company bill payments, cash-in and outgoing, budgeting, fuel payments, and handling employee salaries every month, including yearly bonuses, etc. During the three-month internship at Druk Green Power Corporation Limited (DGPC), I got the opportunity to learn from the seniors and help check the fuel bills according to vehicle numbers and calculate the amount related to the internal rate. If there are mistakes in the amount, later corrections are made by the respective senior. There used to be a time when employees were busy handling the yearly closing payments and also had to fill out survey forms, which were five to six pages related to electricity Bhutan Power Corporation Limited (BPC), so I filled out the form by asking them whether I did the right thing or not; otherwise, I prefer not to disturb them unnecessarily.

Therefore, helping to record the important documents in the system, checking bills, sealing documents, and handing over to the head for approval work as one to support Druk Green Power Corporation Limited (DGPC)'s systematic and sustainable commitment to service excellence. In return, the vendor's happiness is assured by providing high-quality service, and by doing this, the daily work of the employees is reduced as well as completed on time.

1.3.2 Benefits to the student

Ever since I joined the company, I believe that this experience has highly enriched my knowledge at Druk Green Power Corporation Limited (DGPC), which shaped my passion and equipped me for a future. I had the opportunity to observe how work is done in the system as well as gain hands-on experience under the guidance of professionals, which enhanced my skills in the finance field and awareness of sustainable power generation techniques as I was able to refine my practical abilities working with them, which is a critical component of operation management in the DGPC. During these three months, my comprehension related to the business environment was implemented by taking part in financial and operational duties, which taught me how different departments collaborate to fulfill the company's goals and gave me a heads-up on the understanding of the corporate environment.

On the other hand, this experience helped me enhance my ability to communicate with coworkers and managers regularly to enlarge my communication skills, and working on departmental projects upgraded my time management and collaboration abilities. Additionally, under the direction of managers and senior mentors, I developed a deeper understanding of the need to align personal actions with organizational success, keeping in mind that whatever I do has a positive impact on the company.

Another important advantage was making professional contacts with coworkers and supervisors, which enhanced my experience and provided a network of support that I can rely on going forward. All things considered, my internship at DGPC has given me confidence in my skills and laid the groundwork for a future in the energy sector.

One of the significant advantages was making professional connections with coworkers and supervisors, which enhanced my experience and provided a network of support that I can depend on moving forward. Keeping all these things into consideration, my internship at DGPC has given me confidence in my skills and laid the foundation for a better future, especially in the energy sector.

1.3.3 Problems and Difficulties

As an intern in the finance department at Druk Green Power Corporation Limited (DGPC), I encountered numerous challenges yet had a positive impact, which provided a valuable learning experience. Highlighting the difficulties that I came across was aligning whether my internship responsibilities matched my academic commitments or not. Knowing finance, I had to quickly get used to the corporate environment at DGPC, which functions using the SAP system for daily recording. Nevertheless, I did not get the chance to work directly using the SAP system due to the company's rules and regulations, which stopped my practical experience with the software and needed alternative adaptation. But all thanks to the finance team and to my supervisor, who were supportive and clarified my inquiries. Thus, this barrier controls my exposure to the full operational scope of the finance department.

In terms of the information-gathering process, working on my internship report was another challenge because the information available on the DGPC website was limited, which made it difficult to grab an inclusive idea of certain topics, especially those related to the financial impacts of CSR initiatives and focusing on financial performances. Due to this reason, sometimes I had to depend on additional clarification from my supervisor, which was a hassle at the point when he used to have a busy schedule and required persistence to gather the data for my report.

Long periods of desk work can occasionally become tedious and physically taxing, particularly on days when there are not as many activities in the office. Ultimately, there were issues with the physical aspect of the job as well. Ultimately, this results in a decline in drive and energy, which makes it difficult to stay productive during the workday.

In retrospect, my internship at DGPC gave me many chances to expand my knowledge while also highlighting the challenges of assisting interns, especially regarding system access, data availability, and workplace ergonomics. Highlighting the issues would help the internship experience for future interns and improve their integration more effectively into DGPC's work environment.

1.3.4 Recommendations (to the company on future internships)

To increase the quality and efficiency of the internship experience for interns, Druk Green Power Corporation (DGPC) could develop different strategies to improve the quality and effectiveness of the experience for interns. Providing a thorough guidebook that details each intern's tasks, obligations, and anticipated performance criteria is an important first step. With this tool, interns would have the clarity and self-assurance they need to do their work properly and in line with the company's goals right away. With frequent evaluations and feedback loops, the company would be able to keep an eye on the intern's development and provide helpful advice that promotes ongoing growth and upholds a positive learning environment throughout the internship.

At the same time, language and culture training can be very beneficial, especially for international interns in the future, because it will be easier for them to communicate with clients and employees without any hesitation. As it focuses on encouraging understanding and sensitivity for the interns to enable them to integrate more easily and contribute significantly to the workplace, such training would assist the interns in managing unique aspects of the organization and larger cultures when it comes to DGPC.

Furthermore, if interns are provided with the required equipment, such as PCs and pertinent software, it will be easier for them to obtain practical experience by guaranteeing that they have access to the tools and resources to engage in the operations of the company and acquire practical skills. By doing so, interns will have a better understanding of their position in the energy sector by providing tailored support, ideas in terms of career growth in the particular field, and advice on industry-specific expertise.

Likewise, by receiving feedback from the interns who did an internship program at DGPC, the company would be able to figure out areas they need to improve with the change of time and would create a more involving and supportive environment for upcoming interns. With that, when interns' duties match their educational backgrounds and career objectives, this approach will increase the program’s value and ensure that the knowledge and skills gained apply to the intern's future employment. Ultimately, these actions suggest that DGPC’s internship programs could be beneficial for an individual wishing to work in the energy industry.

Chapter 2: Organization Part

1. Introduction

In Bhutan, Druk Green Power Corporation Limited (DGPC), a division of Druk Holding and Investments Limited, is recognized for its utility generation capabilities. Druk Green Power Corporation Limited (DGPC) is an ISO-certified company that operates and maintains hydropower assets in Bhutan. It was established in January 2008 with the three hydropower corporations of Basochhu (64 MW), Chhukha (336 MW), and Kurichhu (60 MW) under Druk Holding & Investments Limited Tala (1,020 MW), which was merged with DGPC in 2009. Since then, DGPC has grown significantly and is working to accelerate hydropower development either through its projects or by partnering with other companies, according to the 2021 Sustainable Hydropower Development Policy. Thus, to achieve these goals, DGPC engaged in establishing new hydropower projects along with subsidiary companies that offer supporting services.

The effort that DGPC contributed has caused a drastic increase in Bhutan's electricity generation capacity, whereby the installed capacity reached 2453 MW as of 2023. This leads Bhutan to meet its domestic electricity demand and even export surplus power to neighboring countries. In terms of generating electricity, DGPC plays a crucial role in promoting sustainable hydropower development in Bhutan. Thus, the company focuses on CSR, including environmental and social standards, in the projects that are carried out efficiently. and effectively. Additionally, during the year, HRDC also initiated steps to create a center of excellence in geological and geotechnical investigations, including instrumentation, while continuing to explore possibilities to provide its services beyond DGPC to the Punatsangchhu projects and outside of Bhutan. DGPC also invests in research and development to improve hydropower technologies and extend the country’s water resources.

Moreover, DGPC is determined to develop local capacity in the hydropower sector. More importantly, the company gives Bhutanese citizens employment as well as training opportunities. to make sure they learn about practical skills and gain knowledge in the development, operations, and handling of hydropower. This enhances Bhutan’s independence in the energy sector and helps to improve a trained labor force.

Despite this, one of the major participants in Bhutan's energy sector is known as Druk Green Power Corporation (DGPC). Regardless of efforts, the company has always helped to expand local energy sector capabilities, encourage sustainable hydropower development, and increase hydropower generation operations.

2. Overview of the company

Druk Green Power Corporation (DGPC) is one of the significant players in Bhutan's hydropower industry, which is responsible for overseeing and running the nation's hydropower assets and resources. The company's power exports help to expand the country's economy by ensuring sustainable electricity production. In the past, the company has increased its operational cost through the management of many important hydropower plants, for instance, the Tala, Chhukha, Kurichhu, and Basochhu projects. Thus, it generated significant export earnings while meeting the majority of Bhutan's electrical supply demands. The company is focused on preserving environmental sustainability and corporate social responsibility by ensuring that its operations align with the country's national development and environmental conservation agendas. With the persistence of work, DGPC has become a major force in the local energy industry, supporting Bhutan's economic growth and energy security.

DGPC actively invests in technology innovation and operational excellence in addition to its center responsibilities to ensure the dependability and effectiveness of its strong flora. By implementing contemporary hydropower technologies and distribution, the company enhances the reliability of Bhutan's electrical infrastructure. DGPC always focuses on generating a large capacity to promote the overall growth of the country's human resources skills in the energy sector, which includes boosting learning new skills and practical knowledge among its workers.

When it comes to work, all the workers give their best to contribute fully to the local corporation in terms of cross-border electricity supply, especially in India, which enforces the country's infrastructure and economic growth. Implementing research and development at DGPC supports environmental-related hydropower practices and examines the chances of non-hydropower renewable energy sources.

Considering the concept of Bhutan's Gross National Happiness (GNH), DGPC works towards social and environmental sustainability, which helps in the smooth flow of the hydropower-generating energy sector and taking actions to prevent ecological disruption brought directly or indirectly while enhancing hydropower activities. Additionally, DGPC's Corporate Social Responsibility (CSR) raises awareness about disaster preparedness, education, healthcare, and community enhancement, which benefits nearby communities and ensures peaceful coexistence with its stakeholders.

DGPC continues to be a key player in leveraging Bhutan's economic growth, electrical independence, and environmental stewardship through its strategic planning, sound governance, and dedication to sustainability

2.2.1 Vision

Promote, develop, and manage renewable energy projects, particularly hydropower, in an efficient, responsible, and sustainable manner, and to maximize wealth and revenues for the nation.

2.2.2 Mission

● DGPC manages hydropower plants efficiently and effectively by maximizing returns to the shareholders.

● Lead the kingdom's hydropower development by pushing new projects forward on your own, through a partnership, or in association with both local and foreign partners. ● Make sure there is domestic energy security, promote economic expansion, and look into alternative forms of renewable energy besides hydropower.

● Increase hydroelectric capacity by hiring and educating professionals to fill open positions and ensuring solid plans for growth and succession.

● The company has a highly motivated and dedicated team of professionals who take responsibility for making the company a better place compared to other competitors.

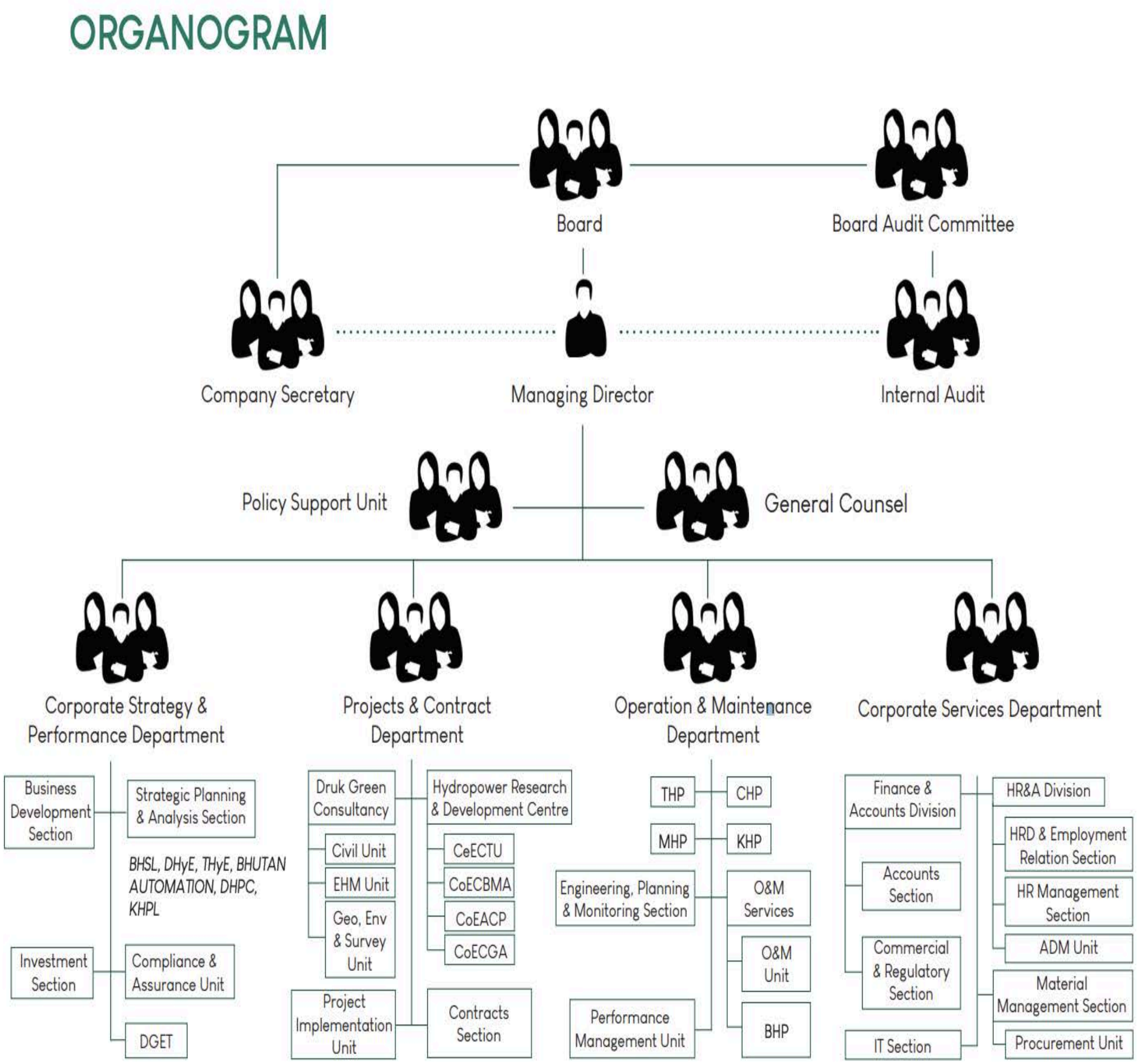
2.2.3 Goals

● Promote the development of hydropower in Bhutan, ensure energy security, and stimulate economic growth.

●Anticipating the development of outdoor hydropower and other renewable energy sources, as well as expanding capacity through hiring, training, and succession planning.

2.2.4 Organogram

Figure 1: Organogram



2.3 Management Practices

The management style employed by DGPC is democratic and participatory, which encourages all staff members to have equal rights in decision-making processes as the company promotes a sense of accountability and ownership within its workforce. This leadership style boosts employee enthusiasm and involvement but also supports creativity because it takes into account many things when establishing strategies and resolving problems.

The participatory management style of DGPC allows the successful identification of potential issues and the development of feasible, long-lasting outcomes. Additionally, the company makes sure that the decisions are researched and consistent with the performance in the energy sector. The inclusion of this leadership approach also helps to demonstrate a strong corporate culture where employees feel empowered to help the organization thrive and are more dedicated to focusing on its goal.

2.3.1. Selection and Recruitment Process

One of the leading companies in Bhutan that produces the highest quality electricity is Druk Green Power Corporation Limited (DGPC). Coming to the selection and recruiting process, there are certain criteria for employing a systematic hiring process to attract job seekers that match the company's requirements. The first thing is posting public activities, followed by candidates uploading documents containing their resumes and other relevant papers to the company's website and social media accounts. After that, the HR department shortlists applicants, and those who pass the evaluation shall be called to appear for the exams and interviews based on predefined performances. Selected candidates receive an offer letter with the terms and conditions of employment along with their performance and cultural fit.

Once the candidates submit their applicant information and documents to the DGPC Recruitment and Selection System (RSS), they shall only be used to hire and select candidates. The records and data of the RSS must be kept for a minimum of four years and confidential by the MOLHR Recruitment and Selection Regulation 2012. Therefore, interested candidates who meet the aforementioned criteria can apply virtually using the DGPC Recruitment and Selection System.

2.3.2. Compensation and Benefits

DGPC provides a comprehensive compensation and benefits package that includes a blend of salary, allowances, and performance-based incentives. In addition, employees enjoy various welfare programs like health insurance, retirement plans, and professional development opportunities to boost job satisfaction and long-term retention. Also, employees get underscores with other benefits such as LTC (leave travel concession), PI (production incentive of 7%), corporate allowance of 20%, fixed allowances, and communication allowance of Nu.500 by the head of administration. The company's focus on fair and transparent recruitment and its extensive benefits offering underscores its commitment to nurturing a motivated and dedicated workforce. Additionally, the company provides benefit plans (gratuity plans) during retirement or at termination, as well as calculating the last drawn salary with the total year of employment in the company. To those who are working at DGPC, the company makes sure that if anything happens to employees, such as an accident or death, the family members are responsible for receiving benefits from the company the same as other employees; for that, in the beginning, they must sign the paperwork before they can become employees.

2.3.3. Training and Development

When it comes to training and development, DGPC takes the initiative to bring workshops, seminars, etc. for the employees so that they can engage themselves to learn more about practical skills, take part in external and internal conferences, and professional management to tackle unseen challenges along with applying human resource tactics. Not only that, the company works on expanding to remind people what DGPC does aside from focusing on generating energy by hiring experts from outside to give a live session on television as well as collaborating with academic institutions to educate youths to have a better idea in the future. The main aim of DGPC is to work towards introducing environmental-related innovation, which brings development within the company by applying the necessary skills and techniques sought after by professionals in the energy sector.

Those who work under Druk Green Power Corporation Limited (DGPC) will be able to enjoy handsome promotions when they show dedication in terms of following the company's values and strategic goals. To have a better mentor to handle the overall work, the company observes the work of employees and continues the process by applying a structured framework to get a proper idea during the selection of managerial positions. On the other hand, DGPC provides age-based learning facilities such as online education apps and other platforms to enhance their knowledge as well as prepare them for better opportunities in the upcoming days. By applying these strategies and tactics in the company for the employees, the company wishes to have a positive change in the dynamic strength industry by enhancing staff involvement and growing productivity that can lead to personal development along with corporate goals.

2.3.4. Performance appraisal system

Increasing employee productivity is the primary goal of Druk Green Power Corporation Limited's (DGPC) PAS. Match corporate goals with individual performance. and encourage the energy sector to adopt a culture of excellence. Technical know-how Respect for safety protocols Successful project execution, collaboration, and assistance in producing sustainable energy It is a component of the evaluation standards. Promotions and other possible feedback methods are used to identify strengths and areas for improvement. pay raises and other rewards offered by company policies that recognize exceptional work. Therefore, the system is also essential for identifying areas that require skill gaps and efficiency improvement through training and development. Ensuring that the appraisal process is fair and open based on clearly stated criteria and documented results, DGPC supports employee development as well as business goals.

DGPC’s Performance Appraisal System (PAS) also emphasizes goal-setting and regular selection processes at some point during the appraisal period to ensure alignment between organizational achievement and character. By means of self-assessments, staff members actively engage themselves to do better in the field of accountability and to inspire them to take command of their career advancement. To lessen ability biases and preserve objectivity, DGPC considers feedback or comments from friends, coworkers, and superiors so that they can make improvements in the company. The device used by the company also includes technology for monitoring overall performance metrics and generating statistically based insights, enabling managers to make well-informed selections in the future. DGPC has maintained a good reputation for the company as always and motivated staff for a long time by linking evaluation results to professional development plans.

2.4 Marketing Practices

To expand its available markets for immediate domestic consumption and as a means of achieving export efficiency, Druk Green Power Corporation Limited (DGPC) advertises marketing practices that enforce a market penetration strategy in those that are not aware of it. The government-owned company is to produce and supply electricity to meet Bhutan's domestic energy demands and export excess power to nearby nations such as India. When it comes to infrastructure, energy generation, and government agreements, DGPC may not employ standard marketing strategies like consumer product firms, as it is based on outgoing and incoming related work of vendors and customers.

DGPC may take part in marketing-related activities in a wider framework, such as highlighting Bhutan's clean energy projects to stakeholders, investors, and the global community, as well as the benefits of hydropower and renewable energy. This could include public relations campaigns, branding activities that emphasize the financial and environmental advantages, and corporate social responsibility (CSR) programs. Thus, DGPC's "marketing" would be more about relationship development, reputation management, and strategic communication.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance

The finance performance is based on Bhutanese accounting standards (BASs), which are standards and interpretations issued by the Accounting and Auditing Standards Board of Bhutan (AASBB). An entity shall present a complete set of financial statements, including comparative information, at least annually. When an entity changes the end of its reporting period and presents financial statements for a period longer or shorter than one year, it shall disclose, in addition to the period covered by the financial statements.

1. Liquidity

Year	Current Ratio = Total Current Assets / Total Current Liabilities
2020	2.69
2021	2.42
2022	1.63

Year	Quick Ratio = (Total Current Assets - Inventory) / Total Current Liabilities
2020	7,729,206,537.95
2021	6,790,362,964.69
2022	5,738,277,817.22

The company's liquidity ratios for the years ending 2020, 2021, and 2022 revealed that the company is facing serious problems financially. Though the analysis of the current ratio and the quick ratio below demonstrates that these have reduced over this three-year period, this shows declining liquidity, which may affect the company's capacity to meet its short-term liabilities. In particular, it has reduced the current ratio from 2.69 in 2020 to 1.63 in 2022, which shows that the company currently has less than 1.5 of its current assets to meet the current liabilities. Just as we have found in the calculation of the quick ratio, it reduced from 7.73 in the year ended on December 2020 to 5.74 in the year ended on December 2022, meaning that the company has less than 5.5 times the amount of quick assets that is required to cover its current liabilities. These declining ratios, however, point to a deterioration of the financial health of the company, hence the call to avail the results of enhancing its liquidity status. Depending on the situation, the company may have to look for ways to manage its high amounts of short-term liabilities or even paybacks, such as looking for other sources of financing other than the short-term debt so as to restock its risk cushion once again.

2. Solvency Ratio

Year	Debt to Equity Ratio = Total Debt / Total Equity
2020	0.135
2021	0.145
2022	0.205

Year	Interest Coverage Ratio = EBIT / Interest Expenses
2020	33.465
2021	29.824
2022	26.595

Financial ratios for solvency of the company for 2020, 2021, and 2022 indicate degradation of the company's financial health. In particular, the debt-to-equity ratio grew from 0.135 to 0.205 between 2020 and 2022; that is, it relied more on debt than equity to fund its properties. Moreover, the interest coverage ratio declined from 33.465 to 26.595 in the same period, implying that during this period the company now has less than 26.5 times its EBIT to cover interest expenses. These worsening ratios are marked by a fragile solvency position, around which there exist concerns about the company’s ability to pay its debt. The company can reduce debt levels, increase profitability, or refinance the existing debt at lower interest rates in order to improve its financial standing.

3. Profitability

Gross Profit = Revenue - Cost of Goods sold (COGS)

2020	7,309,664,043.50
2021	7,329,225,944.73
2022	6,542,945,455.45

Year	**Total Revenue Cost of Goods Sold (COGS)**
2020	13,340,908,135.50 7,309,664,043.50
2021	12,509,073,793.93 7,329,255,944.75
2022	12,026,289,306.71 6,542,945,455.45

Return on Asset (ROA) = Net Income / Total Assets * 100

Year Calculation
2020 9.03
2021 9.06
2022 8.21

Return on Equity (ROE) = Net Income / Total Common Equity * 100

Year Calculation
2020 97.49
2021 97.10
2022 97.29

The company's profitability ratios for the years 2020, 2021, and 2022 demonstrate a significant improvement in its operational efficiency and profit generation. The gross profit margin has slightly increased from 55% in 2020 to 54% in 2022, reflecting enhanced efficiency in managing production costs. Meanwhile, the net profit margin rose from 9% in 2020 to 10% in 2021 but experienced a slight decline to 8.2% in 2022; nevertheless, the overall trend indicates improved profitability. Return on Assets (ROA) also shows a positive trajectory, increasing from 9.03% in 2020 to 8.21% in 2022, which signifies more effective use of assets in generating profits.

Furthermore, the Return on Equity (ROE) has demonstrated remarkable stability, only slightly decreasing from 97.49% in 2020 to 97.29% in 2022, yet still indicating strong returns for shareholders. Overall, despite some minor declines in the latest year, the company's profitability ratios reflect a steady improvement since 2020. This consistent growth in profitability suggests that the company is in good financial health and well-positioned for future growth.

4. Market Ratio

Earnings Per Share= Net Income after tax/ Total Number of common Outstanding

Year	Amount
2020	156.85
2021	156.29
2022	142.44

Year	Net Profit after Tax
2020	5,057,739,084.90
2021	5,097,113,620.43
2022	4,624,405,780.58

The company's earnings per share (EPS) for 2020, 2021, and 2022 are provided in the table below. It measures EPS as the amount of net income earned per share of common stock that is reported on a company’s income statement. The profitability of EPS has also declined from 156.85 in 2020 to 142.44 in 2022. And there may be different reasons, like extra costs, less revenue, or more taxes. The table also includes the company's net profit after tax for all years. Signed net profit after tax has decreased from 5,057,739,084.90 in 2020 to 4,624,405,780.58 in 2022. EPS is declining, and it is consistent with that.

Overall, the profitability of the company decreased over the past 3 years. Investors do not like this being a negative sign because it suggests the company may not be able to produce future profits.

5. Leverage Ratio

Debt to Asset Ratio = Total Debt / Total Assets

2020	0.1123980459
2021	0.1202327604
2022	0.1678198368

Equity Multiplier = Total Assets / Total Equity

2020	1.199176701
2021	1.208249308
2022	1.222757244

The table displays the company's leverage ratios for the years 2020, 2021, and 2022, which indicate how much debt the company is using to fund its assets. The Debt-to-Asset Ratio has risen from 0.112 in 2020 to 0.168 in 2022, suggesting that the company is becoming more dependent on debt. Meanwhile, the Equity Multiplier has increased from 1.199 in 2020 to 1.223 in 2022, showing that the company is also using more equity to finance its assets. Overall, the data indicates that the company's leverage has grown over the past three years, meaning it is taking on more debt, which could raise its risk of financial problems.

6. DuPont Analysis

Net profit Margin=Net Income/Revenue

Year	**Amount**
2020	0.38
2021	0.41
2022	0.38

Asset Turnover=Revenue/Total Asset

Year	Amount
2020	0.24
2021	0.22
2022	0.21

Equity Multiplier=Total Asset/ Total Common Equity

Year	Amount
2020	10.80
2021	10.72
2022	11.86

Decomposition of Return on Equity = Net Profit / Sales *Sales / Total Assets * Total Assets / Total Common Equity.

Year	Calculation
2020	0.9749
2021	0.9710
2022	0.9729

The company's ROE (DUPONT) has changed over time that the company's Return on Equity (ROE) has experienced fluctuations over the period. In 2020, ROE surged to 0.9749, primarily driven by a substantial increase in profit margin to 0.38. However, ROE declined slightly in 2021 to 0.9710 and further to 0.9729 in 2022. This decrease can be attributed to a decline in asset turnover from 0.24 in 2020 to 0.21 in 2022, indicating a decrease in the company's efficiency in utilizing assets to generate sales. While the profit margin remained relatively stable at 0.41 in 2021 and 0.38 in 2022, the decline in asset turnover negatively impacted overall profitability and consequently, ROE.

Despite difficulties with asset utilization and debt-related issues, DGPC has continued to maintain a strong financial foundation, with growing profits and strong liquidity. Being a key participant in Bhutan's energy industry, DGPC's capacity to produce steady profits is essential to the growth of the nation's hydropower industry and its handful of contributions to national income. To have a better ROA, the company needs to focus on reviewing its asset utilization plans going forward. At the same time, it should keep a careful eye on its growing debt levels to ensure long-term financial stability. DGPC's financial outcomes demonstrate the importance of the company to Bhutan's economy; however, DGPC will need to develop strategic options to maintain its competitive edge and secure future growth in the presence of changing market conditions.

Even though the company DGPC has experienced problems with asset and debt management, it has maintained a good financial foundation from the point of view of the annual report and performance of the company, which additionally translates into higher profitability and particularly strong liquidity. Since Bhutan's hydropower sector is the main game of national income, DGPC's ability to generate stable profits as a leading player in the national energy sector is crucial for the development of the sector.

2.5.2 Accounting Practice

The basis of DGPC's accounting procedure method is conformity to Bhutanese Accounting Standards (BASs), which closely resemble International Financial Reporting Standards (IFRS). They preserve the transparency, uniformity, and comparability of financial statements. It also recognizes incomes earned or incurred (accrual accounting), not when the cash was received or paid. For instance, the actual amount of revenue of DGPC recorded Nu 16.2 billion in 2021 and Nu 17.3 billion in 2022**.** This trend reflects revenue generated based on power sold, even in cases where payments have not been obtained. Likewise, operational costs rose from Nu 8.9 billion in 2021 to Nu 9.3 billion in 2022, covering necessary expenditures for infrastructure maintenance and those related to hydropower operations.

The depreciation policy of DGPC is an important part of its company's accounting procedure, mainly for its long-term assets such as hydropower units. However, the company uses the straight-line method of depreciation, whereby the spread of the cost of assets is likely across their useful lives. The property, plants, and equipment of DGPC were estimated at Nu 125 billion as of 2022, and the company's yearly depreciation costs show Nu 3.4 billion. Therefore, this approach makes sure that whatever the asset usage, it's all equally shown in the financial statements.

Not only that, DGPC maintains a proper balance between cash and cash equivalents, including short-term investments, as part of its liquidity management strategy. In 2022, Nu 2.5 billion was kept, especially for urgent operational requirements. Additionally, DGPC includes comprehensive disclosures in its financial statements, such as notes on related party transactions, contingent liabilities, and assumptions for financial forecasts. For instance, pension liabilities, which represent long-term commitments, were reported to be approximately Nu 5 billion in 2022.

From keeping track of transactions to checking the entries to creating trial balances and financial statements, DGPC follows every step carefully, followed by the accounting cycle. To add clarity and accountability, these practices are complemented by comparison with prior years (2020 and 2021). The company's financial performance is largely determined by its revenue with its rules, depreciation procedures, and inventory valuation policies. The implementation of accelerated deprecations and other changes to these regulations may therefore improve asset use and profitability metrics.

The financial performance of DGPC also reflects its capital structure; for example, the debt-to-asset ratio rose from 0.12 in 2020 to 0.20 in 2022, showing a greater reliance on debt financing. This entails tax implications and interest expenses, both of which are essential for financial planning. However, the revenue and asset position of the company, which is the basis of the analysis here, improved and were consistently reported from 2020 up to 2022 in compliance with the company's disclosure rules and regulations and accounting standards. Due to such characteristics, DGPC is regarded as an adequately managed and financially sound business in the nation's energy industry.

The most widely used indicator in debt financing, because interest charges and tax effects for financial planning are crucial, is the debt-to-asset ratio, which increased from 0.12 in 2020 to 0.20 in 2022. The following findings, showing how the DGPC operates based on accounting standards and going through the difficult disclosure requirements, present the revenue and asset base from 2020 to 2022 in terms of the company's financial reporting procedures. Thus, in Bhutan's energy sector, these attributes position DGPC as a financially stable and well-managed business.

2.6. Operations Management and Information System Practices

2.6.1. System for gathering, storing, and processing data

The software system called "Systems Applications and Products in Data Processing" (SAP) is used by DGPC to collect, store, and handle its financial and operational data. The system functions efficiently, such as finding out past data, exchanging information, and making decisions by connecting departments, including budgeting, finance, procurement, etc. The system is accessible to internal users to maintain the privacy of the company’s information, while external partners like the government, stakeholders, and suppliers get necessary information through secure channels. Before introducing this system, the company was using tally(), which was slow compared to the SAP system. Now, employees' workload has been reduced as everything is systematically done easily without the pressure of day-to-day work.

2.6.2 Database and Office Management

DGPC uses Microsoft SQL Server, Microsoft Office products, and the SAP database system to keep the daily work on track and up to date. The system has made the employee's work easier to find out the company's related information quicker and faster. Additionally, email systems and collaboration tools like Microsoft Office facilitate departmental communication and ensure efficient operational procedures and passing details among team members quickly.

2.6.3 Operations Management Practices

By keeping an eye on the functionality of its facilities and equipment, guaranteeing operational dependability, and cutting downtime, DGPC uses SAP for quality management. SAP helps with resource allocation by monitoring the use of financial, material, and human resources to maximize utilization across projects. To manage project timelines and job assignments and guarantee that resources are deployed effectively and that operations go as planned, the system also includes scheduling modules. This enhances overall productivity and operational efficiency.

2.7. Industry and Competitive Analysis

2.7.1. Porter’s Five Forces Analysis

• Threat of New Entrants

Barriers to entry: Low

Since there are several obstacles in the hydropower sector, there is a low chance that Druk Green Power Corporation Limited (DGPC) will encounter threats from new competitors. Establishing a hydropower plant requires substantial capital investment, in addition to the cost of building it and the expenditure involved in purchasing land, supplies, and technology. In light of this, hydropower is one of the highly regulated energy sectors in Bhutan, highlighting environmental and governmental laws as it takes time to get into the market.

Additionally, experts need to oversee and run hydropower plants, which displayed challenges because new competitors must set up everything from the base and demonstrate the necessary abilities to ensure a seamless flow of power generation and distribution. Therefore, DGPC has an advantage in long-term arrangements within Bhutan along with international partners that are very hard for new businesses to set up to replicate. Ultimately, a combination of operational, financial, and regulatory challenges make it difficult for new businesses to enter the hydropower sector and directly compete with DGPC

• Threat of substitutes

Low

On a global scale, the rising popularity of different renewable energy sources such as nuclear, wind, electricity, and solar represents a long-term danger. There is a high chance that the demand for hydropower may decline as the above-mentioned substitutes grow more accessible and highly advanced in technology, especially in DGPC's export markets like India. In the future, the replacement may also come from developments in localized energy systems, for instance, solar panels installed on residences and energy storage technologies like batteries. However, in the short term, this threat is reduced by Bhutan's topographical and hydroelectric advantages.

Because hydropower is one of Bhutan's most prevalent and cost-effective energy sources, Druk Green Power Corporation Limited (DGPC) encounters low competition. Since the advent and launch of new technologies such as hydrogen, clean energy made from renewable resources has the potential to change established energy markets and present long-term replacement threats. Bhutan may have a competitive edge if it can utilize storage hydropower energy as a means to reduce the immediate threats of alternative energy coming its way.

• Competitive Rivalry

Low

Given its dominant position in the hydropower industry in Bhutan, Druk Green Power Corporation Limited (DGPC) faces comparatively low competition within the country. Being a state-owned company, DGPC has monopoly control over hydropower generation, which is Bhutan's main energy source. Subsequently, a few competitors are on the verge of competing for its market share. DGPC, being a reputed company, keeps good treaties with India and maintains its competitive edge despite new challenges.

However, DGPC experiences indirect competition on the global stage in terms of the export market. For instance, India, the one and only importer from Bhutan, has been working on expanding to produce renewable energy like wind and solar power. This means these energy sources provide India and other countries with renewable energy sources, even if they are not direct rivals of hydropower. With that, if hydropower (DGPC) continues to increase its export accessibility, other hydropower-producing countries in the area, such as China and Nepal, will become competitors in the future. By keeping aside these outside influences, DGPC currently faces low competition because of its strategic location as a dependable hydropower supplier to Bhutan and the surrounding area.

• Bargaining Power of Buyers

Low

Porter's Five Forces Framework indicates that the structure of the power production business gives customers at Druk Green Power Corporation Limited (DGPC) a very low influence over negotiations. Bhutan's hydropower generation is monopolized by DGPC, a government-owned company, which indicates that most of the electricity is supplied to India as well as domestic markets. The industrial customers and nearby nations have little negotiating power due to the faster need for electricity and the scarcity of substitute sources, guaranteeing steady demand for DGPC's supply.

Through discussions about tariffs and infrastructural support, importers can still directly or indirectly impact DGPC in the market. For example, market situations and Indian government regulations are frequently connected to the pricing of Bhutanese energy, which includes that outside economic factors may have an impact on DGPC's earnings. Nevertheless, as DGPC enjoys no competition, it gives considerable negotiating power over regional purchasers, and ultimately the company's position in the market is further enhanced by rising domestic demand for energy, which is being carried by Bhutan's industrial and urban expansion.

• Bargaining Power of Suppliers.

Moderate to high

Even so, for DGPC, suppliers have a moderate to high level of bargaining power. Since the business relies on specialized tools, services, and technology required to balance and upgrade hydropower facilities. Along with that, because of the restricted number of issuers and the high changing costs, sellers of high-tech products or services, as well as those who come from international markets, have a greater impact. By considering that Bhutan has a good number of materials, including water for hydropower, which somehow lessens the negotiating strength of other input suppliers. According to Mukherji et al. (2015), this is responsible for 100% of the total electrical supply in Bhutan, whereas 92% in Nepal, 33% in Pakistan, and 17% in India. These statistics highlight how important hydropower is to the regional energy infrastructure, especially in Bhutan and Nepal.

Despite this, Bhutan has a natural edge due to its plentiful water supply, which guarantees a steady flow of its main resources. Investigating local equipment manufacturing alliances and capacity growth could lower reliance on outsiders and the overall bargaining strength of global businesses.

2.7.2 DGPC's SWOT Analysis

Strengths

● Specialization in hydropower: Capability of overseeing huge facilities such as Tala, Chhukha, and Mangdechhu, guaranteeing productive energy generation.
● Sustainability Engagement: Supports Bhutan's carbon neutrality objectives and relies on renewable water supplies.
● Substantial Government Assistance: Benefits from strategic partnerships, particularly with India, financial assistance, and policy support.

● Trustworthy energy production: clean, steady is produced for both domestic and foreign markets.

● The economic contribution uses hydroelectric expertise and consistent revenue to encourage national progress.

Weaknesses

● Restricted market diversification: Being overly reliant on India as the main export destination makes DGPC more liable to shifts in the economic policy.

● Economic dependency: high risk from switching in the demand for energy and disagreements over prices with other countries, such as India.

● Seasonal water contingent: seasonal water flow affects hydropower production.

● Revenue unpredictability: Low rainfall or dry seasons can lower electricity production and have an impact on the stability of revenue.

Opportunities

● Regional widening: connecting with regional systems and collaborating with Bangladesh and Nepal to start up new markets.

● Growing energy needs: Increase exports by taking advantage of the global rise in demand for renewable energy.

● Advanced technologies: to manage seasonal challenges and enhance operations through the use of energy storage and smart grids.

● Plant modifications: modernize the hydropower of DGPC facilities to increase efficiency and save expenses.

Threats

The effects of climate change: changes in precipitation, glacier melt, and extreme weather patterns may impact water supplies, which could hinder DGPC's ability to generate hydropower .

Alternative energy competition: DGPC might encounter more rivals in the future as solar and wind power become more reasonably priced if they fail to upgrade with the change of time.

Competitive risk: from the beginning, DGPC’s market share and revenue could be impacted by a greater reliance on alternative energy sources if not properly managed.

Risks associated with regulations: The environmental laws and policies may result in higher operating costs and limit DGPC's capacity to grow, as the company may need to fill out lots of documents for the approvals if they break rules and regulations set by the government of Bhutan.

2.7.3 Competitive Advantage Analysis

Common strengths

Environmental preservation and sustainability: DGPC prioritizes hydropower and complies with Bhutan's national sustainability standards; it has an advantage over other energy companies in the production of environmentally friendly energy.

Government support: As DGPC is a state-owned company, it has the support of the government, which provides financial support for the energy market over the long run.

Imitable Strengths

Hydropower knowledge: Despite DGPC’s hydropower knowledge, it is a major asset, but other similar businesses with comparable resources and government backing may replicate it, even if doing so would take a lot of time and money.

Company’s Operational Performance: Although rivals with similar assets may imitate DGPC's effective management of facilities like Tala, the company's years of experience give it a competitive edge in the market.

Distinctive strengths

Strategic positioning and market leadership: DGPC is a major player in the market and a fierce rival because it is the largest hydropower supplier in Bhutan and has sway over the regional market, especially with India.

Revenue generation and government support: DGPC's significant revenue from long-term energy exports and government support allow it to maintain a unique position in the regional energy market.

Concentrating on hydropower: DGPC's export expertise in the specific field and its excellent infrastructure supporting its hydropower specialization set it apart from competitors with fewer resources and a more targeted strategy.

DGPC ultimately has an edge over its competitors due to its distinct attributes, which include its market leadership, government backing, and hydropower experts. A competitive edge that is developed by

DGPC's well-established name and fame, strategic market position, and export capabilities, yet some of its strengths, like its operational skills and sustainability initiatives, can be copied. Thus, the company must continue to upgrade and adjust to switching market conditions while focusing on its core competencies, mainly to preserve this edge.

2.8 Conclusions.

A key component of Bhutan's energy landscape, Druk Green Power Corporation Limited (DGPC) is crucial to the country's economic expansion and sustainable development. To maximize shareholder returns and guarantee national energy security, the leading hydropower company is committed to managing its hydropower assets ethically and efficiently. The reason behind this is that environmental conservation and sustainable growth align with the company's mission of advancing and upgrading renewable energy projects when it comes to hydropower. With this, the primary goals of DGPC are to operate hydropower development, ensure domestic energy security, and look forward to economic expansion.

Despite slight fluctuations in certain indicators, DGPC has shown significant improvements in financial performance over the last three years. In 2022, the net profit of the company gradually increased from Nu 4.6 billion in 2019 to Nu 5.1 billion due to improved market circumstances, cost-cutting initiatives, and a rise in sales. Not only that, the return on equity (ROE), which stayed continuously high, changing a little from 97.50% in 2020 to 97.10% in 2021 and then rising to 97.30% in 2022, is another indication of this robust profitability.

DGPC's excellent financial performance is shown by its liquidity position. With that, the current ratio rose from 3.00 in 2020 to 3.30 in 2022, which indicates that efficient working capital management has the potential to fulfill immediate obligations. But from 9.25% in 2020 to 8.75% in 2022, the return on assets (ROA) decreased in asset efficiency. It may be higher capital expenditure or less effective asset use could be the reason for this reduction. Having said that, from 0.12 in 2020 to 0.20 in 2022, the debt-to-asset ratio increased, showing a greater reliance on debt financing, which carries greater financial risk but also offers chances for development and expansion.

Considering all of these factors, DGPC has established a solid financial foundation, as evidenced by its increasing profits and stable liquidity. Issues related to asset usage and debt management must be resolved accordingly to guarantee long-term financial viability.

International Financial Reporting Standards (IFRS) and Bhutanese Accounting Standards (BASs), which DGPC follows, are nearly identical. By doing this, its financial reporting is guaranteed to be transparent, comparable, and consistent. In terms of cash flow, the company uses the accrual accounting technique to keep a record of revenues and expenses as they are earned or incurred. As a representation of rising sales development, DGPC's revenue increased from Nu 16.2 billion in 2021 to Nu 17.3 billion in 2022. To ensure equal cost distribution throughout their useful lifetimes, the corporation uses straight-line methods for depreciating long-term assets. Looking into yearly depreciation expenses of Nu 3.4 billion, DGPC's property, plant, and equipment were valued at Nu 125 billion as of 2022.

In general, Nu 2.5 billion in cash and cash equivalents were made available for operational requirements in 2022, and an equal approach to liquidity management was also maintained. The company's overall disclosure policies also cover related party transactions, contingent liabilities, and pension liabilities, which came to nearly Nu 5 billion in 2022. Therefore, DGPC's financial accountability and clarity are improved by following accounting procedures.

Asset efficiency declines, and growing debts, along with external risk, rise either by competition in the market or are related to climate conditions in the corporate world. In the case of DGPC, the significant financial success makes it easier for the company to handle strategic alternatives—not immediately, but they keep working to make proper asset plans and find loops to manage debts and other options to resolve these problems. Therefore, DGPC is well-positioned to continue leading its environmentally friendly energy sector by adapting to changing market situations and motivating an excellence-focused culture.

To sum up, DGPC's strong financial base leads to robust accounting procedures, which shows dedication when it comes to sustainability and supporting Bhutan's hydropower development and economic growth. Adding an ethical corporate responsibility will be further cemented by strategic initiatives. DGPC's strong financial performance, robust accounting procedures, and dedication to sustainability ensure its continuous support of Bhutan's hydropower development and economic expansion. The major force behind national growth and ethical corporate governance will be further cemented by the strategic improvement of hydropower, and comprehensive hydropower development will strengthen the main source of national economic and moral governance for corporations.

2.9 Recommendations/Implications

Recommendations:

Giving importance in regards to sustainable development and handling the competition related to the hydropower energy sector needs to stay focused on the strategic objectives of the company. In the upcoming days, South Asian or Southeast Asian countries will be partners of Bhutan to export electricity, which will reduce its dependence on India because opportunities can arise at any time to engage in an exchange of electricity networks or assist in local energy projects.

The Hydropower Research and Development Centre (HRDC) needs to do more experiments when introducing advanced technologies in the company, and by doing so, ultimately it will maximize efficiency in a better way as well as minimize prices and create smooth energy capacity results, like systems that use batteries and extract energy storage facilities.

As DGPC depends on the environment to generate power, the company should take a moment to study when it comes to weather forecasts, as it includes preserving water management techniques and developing infrastructure to adjust to the changing weather conditions time and again.

The idea of having public-private partnerships with other companies, either external or internal, can bring huge change to the company, as DGPC is a reputed company in terms of supplying electricity, which can attract private investors to invest in the hydropower projects, improve project finance, and help with the latest technology.

To resolve the issues related to environmental and geographical conditions, it is the responsibility of DGPC to expand corporate social responsibility (CSR) so that it can work towards preserving biodiversity-related projects and ecological restoration in areas that are affected.

DGPC, being a top company in the country, can take the initiative to provide study loans with a certain percentage to the students with the contract signed with it.

In reducing the barriers encountered depending on hydropower, the company should carefully check into alternative renewable sources such as solar and wind energy diversification. Productivity and cost-effectiveness can be maximized by managing resource allocations and maintaining automation and digital operational procedures. Enhancing employee training and development will ensure that they are capable of dealing with difficult tasks and adapting to changing market situations. Using these tactics, DGPC may improve its financial performance, address global environmental energy concerns, support green growth, and boost the economic sustainability of the nation.

Chapter 03: Project Part

Evaluating the Financial Impact of Corporate Social Responsibility (CSR) Initiatives at Druk Green Power Corporation Limited

3.1 Introduction

Corporate social responsibility (CSR) is a strategic method to ensure sustainable development and prolonged value creation for all stakeholders, beyond simple social obligations. Having said that, it's important to understand how CSR programs are implemented by organizations like Druk Green Power Corporation (DGPC) to assess the better effects of these activities on the businesses related to the communities they serve. Since the company consistently aims to emphasize this duty both in practice and on its official websites, I will be focusing on CSR initiatives taken in this report. Being a major power production firm, DGPC applies the concept of corporate social responsibility initiatives to bring development across the country with the idea of "Gross National Happiness." This connection promotes a sustainable approach to economic, environmental, and social well-being and makes sure that through CSR support it improves the standard of living in the community.

Community engagement is considered a key component of DGPC's programs, which cover religious, environmental, social, and educational issues. To demonstrate its commitment to environmental sustainability, the company placed a high priority on waste management, afforestation, and watershed area protection. The renewable energy projects are established based on the ideal intentions of the ecology and local communities in mind by the company, while at the same time keeping the loyalty to international environmental and social standards.

The employee-driven components of DGPC's programs are determined to work actively towards supporting financial and social problems by using the CSR strategies of the company. By using a participative model, the company strengthens its corporate culture and builds deeper connections with the local population. Even though some of the CSR, as mentioned earlier, might not be directly related to DGPC's main business of generating electricity, they have long-term benefits such as increasing the company's value, improving stakeholder relationships, and minimizing operational costs and related risk.

Through an analysis of the project costs and benefits, this report shall focus on the financial performance effects of DGPC's CSR activities. It will evaluate how the business's environmental initiatives contribute to maximizing profitability, cost savings, and the long-term viability of its operations, making CSR a crucial component of the company's goal. Thus, it will be beneficial to me in both my future career and practical education. The report also shows how some of these CSR activities cost money, as well as the long-term benefits, which include savings on costs, higher revenues, and lowered risks. This is why CSR has become an indispensable aspect of the organization's concerns for operations and strategy. Finally, the CSR activities implemented by DGPC provide new multi-dimensional perspectives of social responsibility and profitability by presenting CSR practices as potential means of support for a community's development and business viability. This work contributes to the scholarly understanding of CSR as well as to the practical applications of the research in the larger consequences for diverse communities and organizations.

3.2 Objective(s)

3.3.1 Broad objectives

This report evaluates DGPC's corporate social responsibility (CSR) and financial performance, highlighting how CSR initiatives can enhance customer value and drive sustainable results.

DGPC's CSR programs focus on health, finance, and education to promote advancement in Bhutanese communities. These initiatives aim for long-term growth and development, contributing to a sustainable future.

3.3.2 Specific objectives

This report examines the methods of Druk Green Power Corporation Limited in corporate social responsibility (CSR). It analyzes DGPC's commitment to CSR, emphasizing its efforts and communication strategies to engage the community effectively.

It assesses DGPC's initiatives to eradicate poverty, enhance communities by improving living standards, and create business opportunities to generate income.

To evaluate the DGPC's resource conservation program and initiatives aimed at minimizing its environmental impact. The goal is to improve the effectiveness of CSR initiatives, enhancing social outcomes and financial results.

3.3 Literature Review

The researchers suggested that CSR activities fulfill social obligations along with a profitable effect such that they help to improve customer trust, the reputation of the company, and operational efficiency (Carroll, 2016). Historically, businesses all over the world have been exclusively involved in profit-making activities, but it can be for a short period as their reach starts to become more complicated and wide-ranging in both size and activity. However, corporate social responsibility is the belief that a firm has societal duties in addition to producing a profit. According to Freeman's stakeholder theory of the firm, a company's capacity for growth depends on how well it gets along with numerous parties, co-workers, and customers who expect socially responsible business practices to be handled properly. The commitment of DGPC to corporate social responsibility (CSR) aligns with Bhutan's unique concept of "gross national happiness," in the opinion of Ura et al. (2012), which highlights that the program improves economic growth, environmental preservation, and social awareness for the long-term success of the community.

In the energy sector, corporate social responsibility (CSR) keeps focusing on social development and environmental sustainability. Coming to DGPC, the company aims to support the nation's natural assets and local biodiversity, illustrated by its environmental efforts like planting trees, waste management with the proper solution for it, and protecting water catchment areas (World Bank 2020). The findings showed that corporate social responsibility programs that take care of the conservation of the environment assist in reducing risks and costs and investors who have an interest in funding the environment sector financially (Eccles et al., 2014). Sustaining global environmental norms has improved the image of DGPC in supplying renewable power and diversified contacts with the regulatory authorities and the locality United Nations Global Compact, 2021. CSR drives operations at DGPC because participants are volunteers and socially conscious employees who promote internal unity in the company to address environmental issues. From the analysis, the above participatory CSR models were cited to help optimize employees' engagement, decrease their turnover, and increase their morale, therefore improving organizational productivity, which is a long-term cost-saving strategy for the business. In this study, the authors will use the financial measures of the effectiveness of the CSR activities chosen for the analysis in this study, including the costs of these programs and the impact of these programs on profitability, cost reduction, and business sustainability, to determine the effectiveness of DGPC's CSR activities as perceived by the company. The analysis of the CSR framework of DGPC will contribute to the enrichment of knowledge about how implementing CSR can become a significant factor for the generation of the requested financial and social revenues for energy companies in developing countries.

3.4 Significance

For several reasons, it has become imperative for Druk Green Power Corporation Limited (DGPC) to determine the cost implications of its CSR programs. Firstly, this report will display relevant information on the positioning of CSR in the overall business model of DGPC. In addition to that, the business will be in a position to make appropriate decisions on allocation and choice of innovative projects with higher returns in both the financial and CSR operations based on an evaluation of quantitative advantage. Other than the above-stated points, this report will also present an idea of the workings of corporate social responsibility (CSR) in the energy industry, particularly in developing countries like Bhutan. The case of DGPC can be helpful to researchers and policymakers to know how CSR is beneficial to support sustainable development causes, enhance the name and fame of a company, and initiate and strengthen relations with the community. Therefore, the positive results can assist corporate social responsibility plans for other businesses to follow ethical practices for better business in the future.

From this measure, DGPC may understand how effective the company's CSR strategy is and then modify it. Resources might have areas of opportunity, which should be located by the company and ensure that its focus on the future vision is used adequately through monitoring the financial returns of the CSR projects. Additionally, it is argued that to sustain support from investors, staff, and the general community, DGPC may also want to provide evidence of the economic values of its CSR commitments and initiatives. Thus, the financial analysis of strategic consequences of the implementation of the concept in the activities of DGPC is all the more relevant as it can reveal the effectiveness of the company's CSR efforts in meeting its goals and objectives. This research may help decision-making and also the promotion of the corporate reputation and sustainable developments in Bhutan since it allows a clear understanding of the costs and benefits of each decision. On this basis, there must be an approximation of the financial consequences of the strategy of CSR of the DGPC to better understand its strategic enhancement and how these contribute to the organizational goals. Consequently, this current report provides the quantitative and qualitative costs and advantages that aid in decision-making, enhance the company's image, and foster sustainable development in Bhutan.

3.5 Methodology of Data Collection

Research is a means to a problem-solving end, involving documentation and evaluation of accumulated data to provide a greater understanding. Systematic data-gathering techniques and conventional research protocols were followed to make sure that an accurate and a comprehensive investigation is made.

The main data used for this study was taken from primary information collected through the structured questionnaires distributed using Google Docs. Information was collected regarding DGPC's CSR initiatives through the survey, and the respondents were given two weeks to respond, maintaining privacy and confidentiality through the entire process.

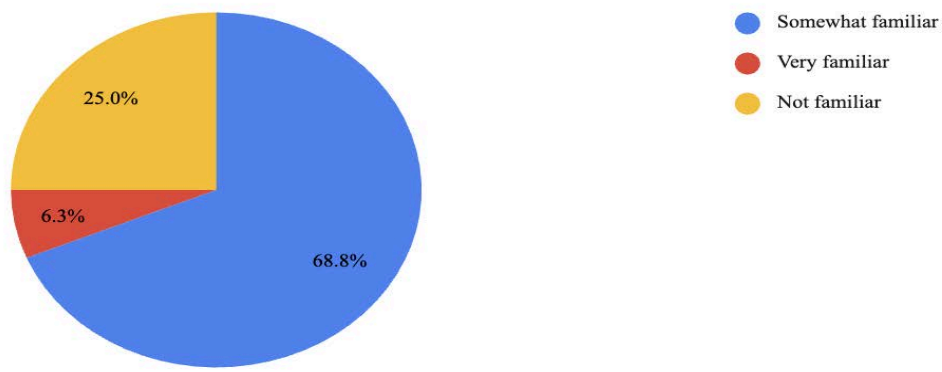
The survey included 16 mid- and senior-level employees from finance, CSR management, and project oversight roles, selected for their involvement in financial planning, monitoring, and evaluating CSR activities. This ensured insights from those directly or indirectly related to CSR efforts, ensuring diverse perspectives and contributing to decision-making.

Survey data were combined with direct observations of DGPC’s CSR project activities and procedures, in particular the DGPC’s CSR project activities and procedures in the project areas that focused on environmental and community initiatives. Additional information on how projects are organized and implemented, as well as how they are perceived, has been discovered through discussions with CSR-engaged staff members. Combining survey data, direct observation, and staff discussions provided a full picture of the financial impact of CSR initiatives on DGPC operations and performance. The study followed systematic research methods to meet the accuracy and reliability of the resulting findings.

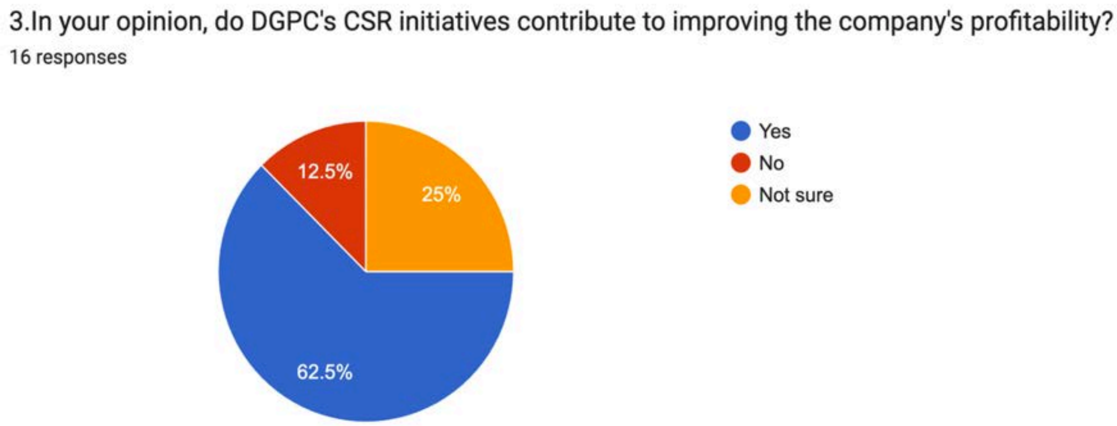
3.6 Findings and Analysis

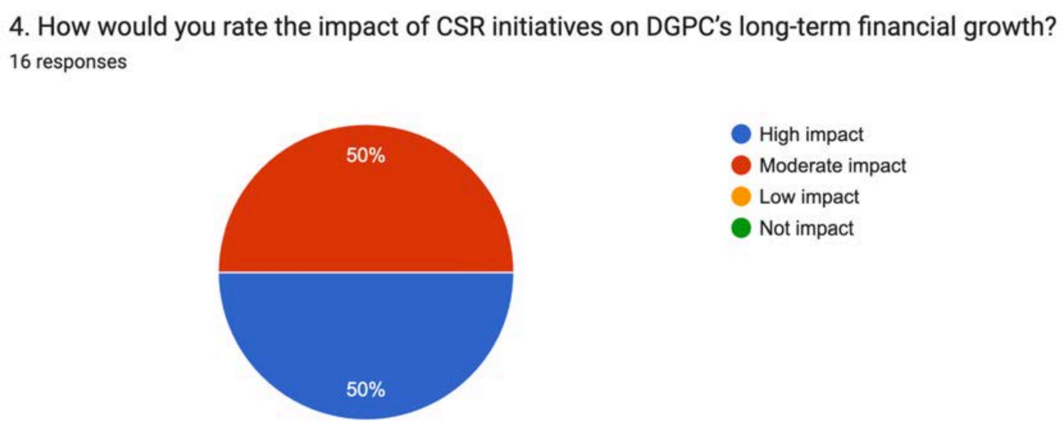
These findings and discussions will help to understand CSR initiatives at DGPC in a better way. The data obtained from 16 respondents presents information regarding the financial relevance of CSR activities as contributing factors to the improvement of a firm’s profitability, resource allocation, and strengthening the financial performance of DGPC.

1. How familiar are you with DGPC's CSR initiatives?
16 responses



Questionnaire survey findings of the study offer valuable information about CSR perceptions of employees in mid- and senior-level positions of the DGPC; however, generalization of the finding should be done with caution because of a small sample that included only 16 participants. This Lack of awareness to some extent may be well illustrated by the results of the first graph, where 68.8% of the respondents expressed their ‘not being familiar’ with DGPC's CSR initiatives, which may not therefore be an accurate measure of the whole organization’s familiarity levels. This could be higher among the lowly paid employees, whereby such people may not be frequently exposed to such programs. By using the findings in Graph Two, 68.9% of the respondents supported CSR either on an extremely important or very important level, which indicates the mid- and senior-level staff of DGPC have a positive attitude towards CSR as one of their missions. Meanwhile, this is a powerful opinion in the process of decision-making; the lack of information about CSR proves the need in increasing communication and involvement. To increase the level of awareness and perception with organizational values, DGPC should consider focusing more on the middle and top management to pass information to the lower levels, conduct a more general survey to get an idea, and undertake some kind of informant interviews to identify reasons why people are not getting involved with CSR activities enough. Furthermore, there is a possibility to continue the search for ways to interest the low-level employees that would close the gap and increase overall CSR participation within the organization.

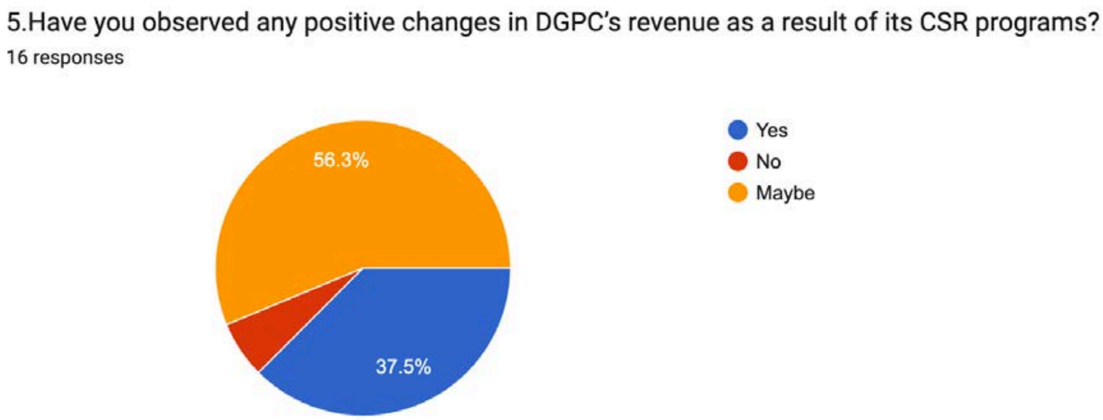


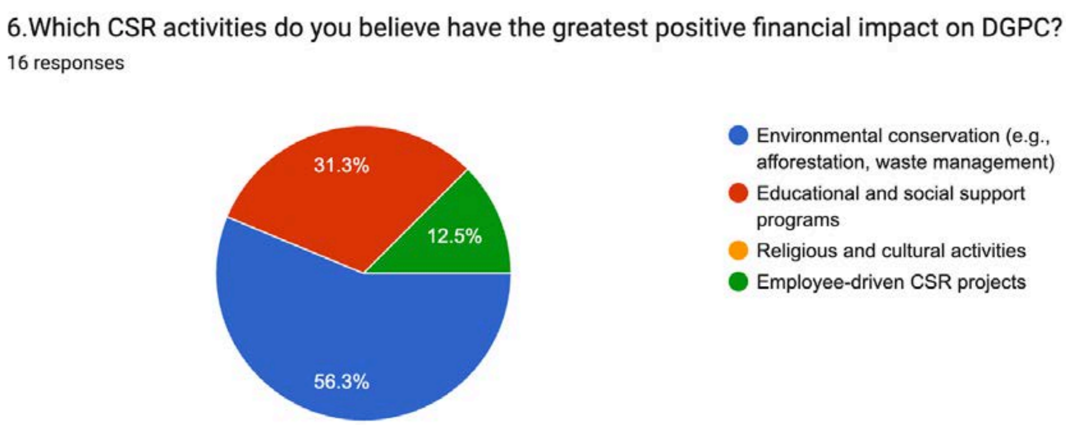


A first pie chart relates to the question of how much the implementation of CSR policies of DGPC enhances the profitability of the company. Despite that, a considerable part of respondents (62.5%) think that they do. While only 25% of the participants disagree, there is equal indecision among the rest, 12.5%. This implies a positive attitude of CSR regarding the improvement of the financial position of the company.

The second pie chart focuses on the extent that CSR initiatives as a source of financing have been perceived to fashion the long-term financial growth of DGPC. Here we have a much fairer view. Equal numbers of respondents consider CSR initiatives to be highly strategic for long-term growth, whereas others consider them of moderate strategic importance. This has a clear implication that there is an understanding from the various perspectives that CSR has a part to play on the formation of future financial position of the company.

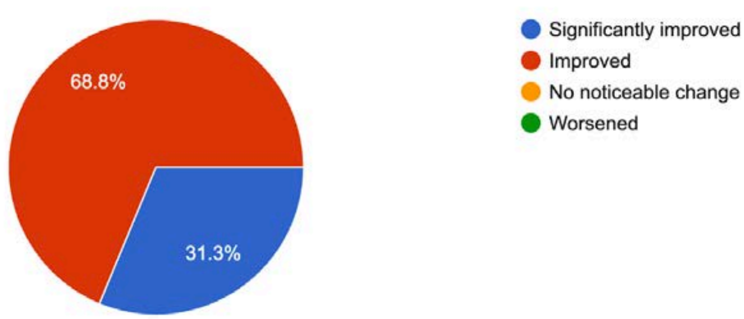
All in all, from the graphs presented, one can infer confidence in the causes-linkage of CSR with the financial perspective of DGPC. Thus while there is some qualms about the extent of its effect, there is much confidence about the fact that it has a positive return on short-run business profitability as well as long-term business development.

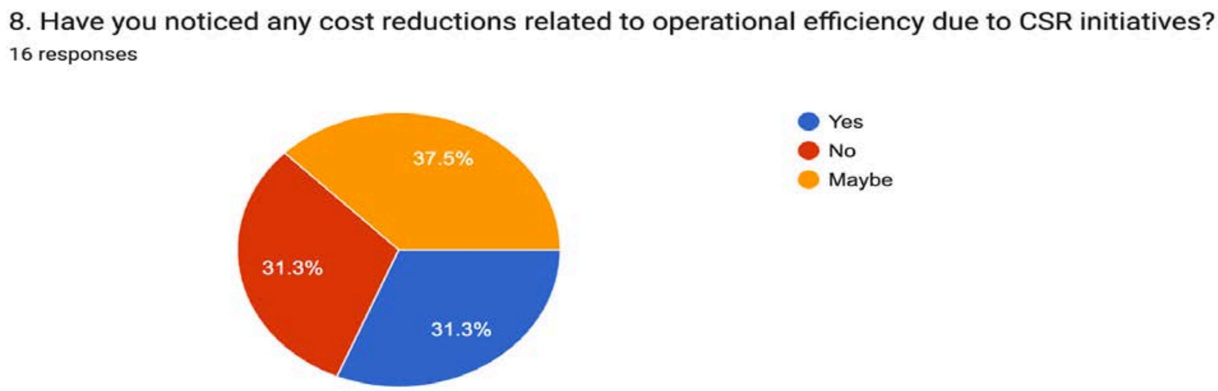




The graphs represent an assessment of the respondent perception regarding the financial impact of Druk Green Power Corporation (DGPC) Corporate Social Responsibility (CSR) initiatives. The first graph shows that 37.5% of them found some tangible benefit in CSR programs that were done by DGPC. Most of the respondents were uncertain (56.3), could be uncertain about the information or a lack of communication in financial outcome from the CSR activity, or 6.3 did not see any positive changes. In the second graph, DGPC's respondents indicated environmental conservation activities like afforestation say (56.3%) as having the highest financial impact on the DGPC. This is a powerful reminder of how well aligned DGPC's sustainability focus is with its financial outcomes. Second in importance (31.3%) were educational and social support programs in their ability to deliver long-term societal and organizational benefits. Employee-driven CSR projects (12.5%) were considered to be moderately impactful, and religious or cultural activities were not financially important. Together, these insights suggest that the financial benefits of CSR programs can be maximized through environmental and educational initiatives and provide some uncertainty about the value of such programs more broadly.

7. In your view, how has DGPC's reputation changed as a result of its CSR activities?
16 responses

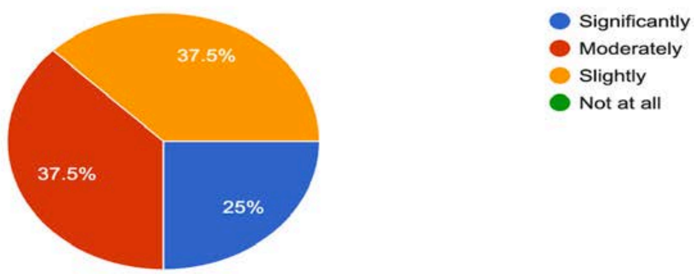




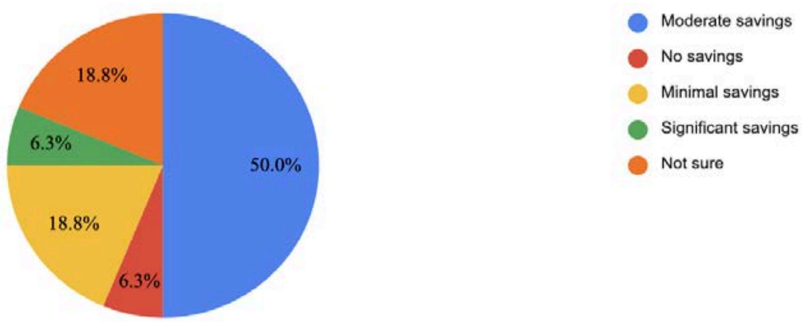
Respondents' perceptions regarding how the Corporate Social Responsibility (CSR) initiatives of Druk Green Power Corporation (DGPC) affect the corporation's operational efficiency and reputation are illustrated graphically. In the first graph, it is asked whether DGPC´s reputation changed as a result of CSR activities, and it was answered by 68.8% that the company's reputation improved, while 31.3% said that it significantly improved.

Moreover, in contrast to other weaknesses, no respondents conveyed that there was a lack of change or that it had worsened DGPC's reputation. In the second graph, we inquired if CSR initiatives made cost savings as a result of improved operational efficiency. Mixed, 31.3% agreed that there were cost reductions, while 31.3% disagreed, and 37.5% said they weren't sure. This implies that while some can see measurable cost benefits in CSR, many can not see a clearly measurable financial payoff or lack enough information to make an assessment. The findings also suggest that DGPC efforts performed well in reputation capitalization but lack specificity in financial benefits of DGPC's initiatives, in particular operational cost savings.

9. To what extent do you think DGPC's CSR initiatives have helped in reducing environmental or regulatory costs?
16 responses

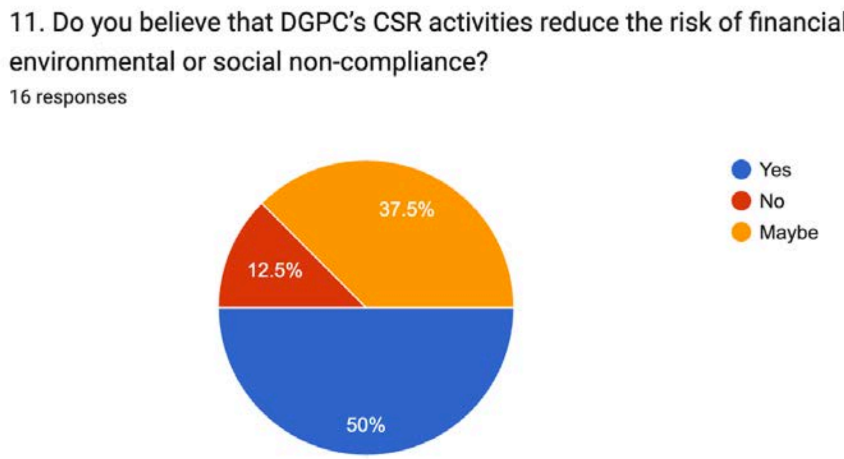


10. Has DGPC's investment in CSR led to cost savings in areas such as environmental management or compliance?
16 responses



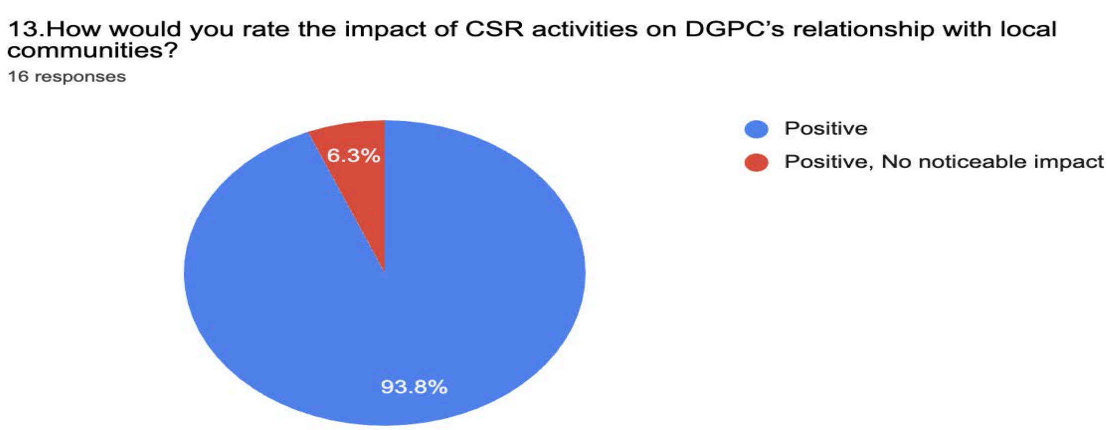
The graphs show how respondents thought that Corporate Social Responsibility (CSR) initiatives of Druk Green Power Corporation (DGPC) reduced any environmental or regulatory costs and produced savings on the cost of environmental management or compliance. Of the survey respondents, 37.5% say that CSR initiatives have helped reduce environmental or regulatory costs to some extent, 37.5% say it has been to some, slight extent, and 25% feel CSR initiatives have had a significant impact. Importantly, however, none of the respondents considered CSR initiatives to have had virtually no impact at all.

The second graph asks respondents if DGPC's CSR investments have added to environmental and compliance cost savings. They report moderate savings for 50%, minimal savings for 18.8%, no savings for a small proportion of 12.5%, and more than 18.8% said they were leading to significant savings. Furthermore, 18.8% were unsure of the impact. Overall, these findings suggest that although CSR initiatives at DGPC are thought to have a moderate positive effect on environmental cost savings, with regard to how respondents perceive the financial outcomes, they suggest areas where communication on or data on cost-saving impacts are less clear.



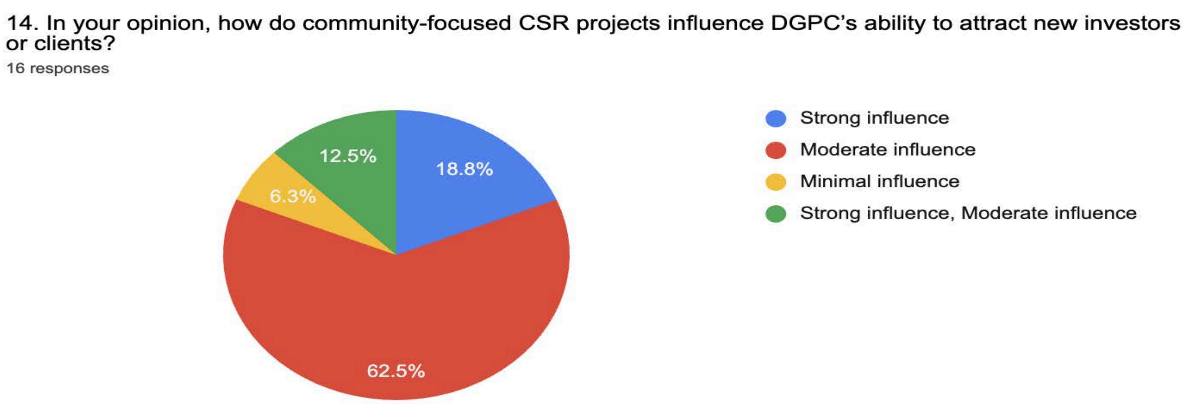
Out of the majority of respondents, 50% believe that the company's Corporate Social Responsibility (CSR) initiatives do indeed help lower the risk of facing financial penalties for environmental or social violations. On the other hand, 37.5% of respondents disagree, believing that CSR activities have no impact on reducing such penalties. The remaining 12.5% are uncertain, expressing a "Maybe" response.

This data suggests that while a significant portion of respondents see a positive correlation between CSR efforts and reduced financial risk, a considerable number either do not see this connection or believe that CSR has no effect on mitigating penalties.

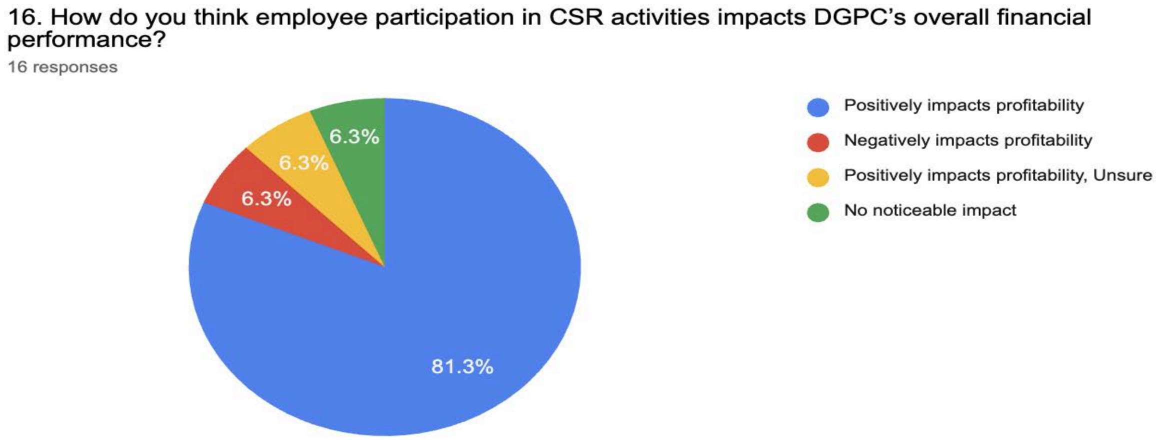


Results of two survey questions addressing community engagement and CSR activities at DGPC are presented in the graph. Nearly half of respondents (44%) say that "community engagement is somewhat important" to the company's business and that the majority (56.3%) believe that the community engagement is 'critical to success' for the business. Interestingly, no one considered community engagement unimportant. Moreover, all 16 respondents rated the impact of CSR activities on the DGPC-local community relationship as "Positive." This suggests, however, that the overwhelming majority of them agreed with the view that the company's CSR efforts have "no noticeable impact."

This data shows that respondents have a strong agreement that community engagement is important for DGPC's business success. It also shows that perceived positive impact of CSR activities in the building of positive relationships with local communities.



The pie chart shows how respondents feel that CSR projects within the community affect the capability of DGPC in attracting new investors or clients. According to the survey, 62.5% (10 out of 16) think it has a moderate effect, meaning while CSR is good for business, it is not seen as the main pull for investment. Three respondents (18.8%) perceive CSR projects to have a significant influence with a positive bias toward enhancing DGPC's attractiveness to investors and clients. Furthermore, 12.5% (2 respondents) share an intermediate point between strong and moderate regarding the influence. However, only 6.3% (1 respondent) believes that CSR projects exert little impact, which inflicts no significance on the ability to attract investors. Altogether, the data shows that CSR activities are considered an important factor that could positively contribute towards the attractiveness of DGPC, with the degree of acknowledgement varying among the respondents.

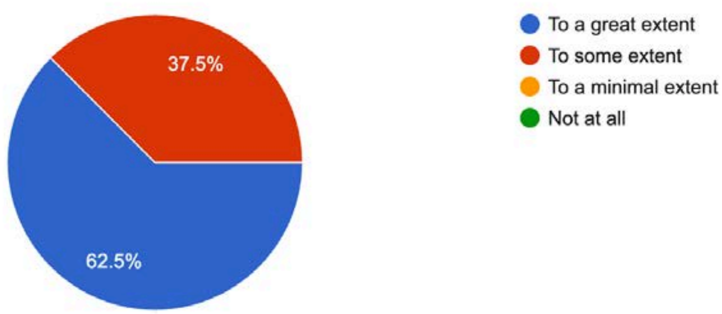


The graph presents the responses to the question: In what ways do you consider employee participation in CSR activities affecting the overall financial performance of DGPC? According to the survey, a strong support of 87.5% of the participants agrees to the statement that the involvement of employees in CSR programs has positive effects on profitability. From this it can be gathered that employees associate their participation in CSR activities with the business's financial performance. On the other hand, only a few respondents (6.3%) answered that there were no effects observed, while another 6.3% had no idea. One respondent only agreed with the statement to the effect that, 'employee participation is a negative motivation for employees to increase profitability' (Response: 6.3%). This data shows that the employees of the firms enjoy CSR activities and can help in improving the DGPC's financial position.

This graph highlights that employees of DGPC are, in principle, satisfied with their CSR engagement and perceive it as a source.Reported value adds value to the company's financial performance.

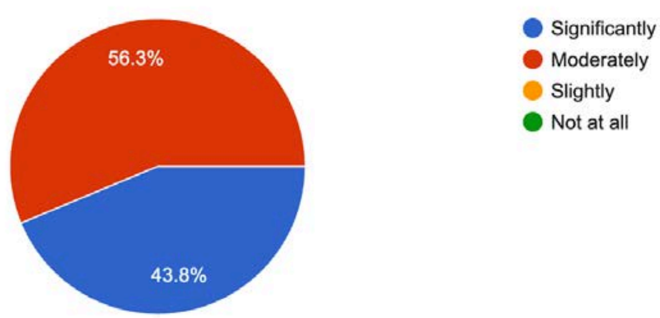
17.To what extent do you believe DGPC's CSR initiatives help ensure the long-term sustainability of its operations?

16 responses



18. How do DGPC's CSR activities help the company manage risks related to environmental and social challenges?

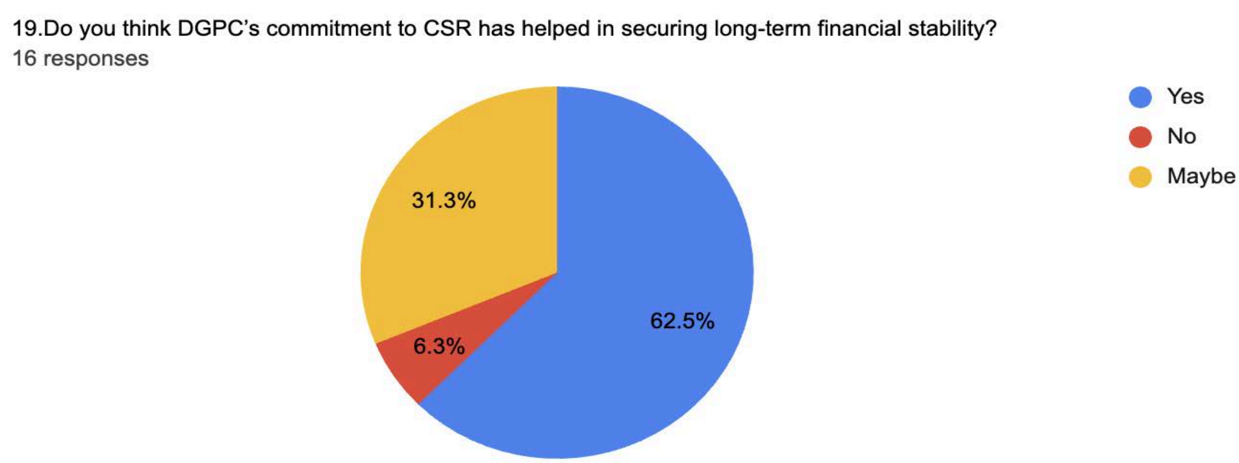
16 responses



The pie chart illustrates the responses to the question: "Do you think DGPC's commitment to CSR has helped in securing long-term financial stability?" Among the 16 respondents, a clear majority (62.5%) believe that the company's dedication to Corporate Social Responsibility (CSR) has played a positive role in ensuring long-term financial stability. This suggests that a significant portion of respondents perceive a connection between CSR practices and the company's overall financial health and sustainability.

Conversely, 31.3% of respondents do not believe that DGPC's commitment to CSR has contributed to securing long-term financial stability. This suggests that there might be a segment within the organization that views CSR initiatives as potentially detracting from financial goals or as having a neutral impact on the company's financial future. A smaller group, representing 6.3% of respondents, expressed uncertainty, indicating that they are not entirely convinced one way or the other about the impact of CSR on long-term financial stability.

Overall, the data suggests that while a majority of respondents believe that DGPC's CSR commitment has positively influenced long-term financial stability, there is also a segment that holds a different view. This highlights the diverse perspectives within the organization regarding the financial implications of CSR activities.



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Overall, the data suggests that while a majority of respondents believe that DGPC's CSR commitment has positively influenced long-term financial stability, there is also a segment that holds a different view. This highlights the diverse perspectives within the organization regarding the financial implications of CSR activities.

20. How would you suggest DGPC could improve its CSR strategy to generate better financial outcomes?

- Focus on ICT development to foster remote farmers to incorporate their small cottage businesses.

- By aligning it more closely with core business objectives, such as investing in sustainable energy projects that both benefit communities and enhance long-term profitability

- Need more awareness/advocacy on it to the community.
- I think DGPC should work more on CSR strategy to have a positive impact on the society that benefits the company in the future.
- Invest in sustainable practices, like energy-efficient technologies, to reduce costs and benefit the environment.
- Share clear and transparent reports on CSR activities to build trust and attract responsible investors.
- Partner with NGOs, government agencies, and other organizations to create bigger and better CSR impacts.
- Encourage employees to actively participate in CSR projects to boost their morale and

productivity.

- Set clear performance goals for CSR initiatives and track their results to make better decisions.

3.7 Discussions and recommendations

Results of the findings show that Druk Green Power Corporation (DGPC) engages in Corporate Social Responsibility (CSR) activities, yet there is significant unawareness among employees, with 68.8% lacking knowledge of these initiatives. Despite this, many respondents recognize CSR's strategic value and its positive effects on corporate profitability, especially concerning environmental efforts like afforestation. Furthermore, CSR is seen as vital for enhancing the company's public image and tackling environmental and social issues related to operations. There are concerns about CSR's strategic importance in generating financial value, improving returns, attracting new investments, and ensuring business stability.

The positive aspects of CSR favorable outcomes in the case of DGPC are about its profitability, risk coverage, and community. Some respondents have said that employees' involvement is essential to the success of such projects. In addition, employment opportunities offered by CSR as a sustainable environmental body and CSR as a tool for crafting the image of DGPC were presented as additional advantages.

But the survey suggested some negative factors as well. One significant problem is the relatively passive involvement of employees in CSR projects, as they often fail to recognize the CSR policies of their companies. Moreover, the role of CSR for its financial implications, with a specific focus on its effectiveness on sustainability and operating expenses, has yet to be clarified. The second is that while CSR strategies may be properly developed, they are not optimally aligned toward achieving the goals and objectives of DGPC. Hence, enhanced communication, enhanced strategic focus of CSR on business objectives, and improved objectives associated with CSR are critically required to increase its efficiency.

DGPC faces significant challenges in implementing its Corporate Social Responsibility (CSR) initiatives, mainly due to a lack of employee awareness and engagement. The prevalent belief that CSR activities lead to long-term financial gains must be reevaluated. A disconnect exists between CSR goals and DGPC's core business strategies, highlighting the need to integrate CSR efforts with operational objectives to align with the organization's financial aims. However, these challenges present growth opportunities. By emphasizing employee awareness, improving CSR reporting transparency, and better aligning CSR with business strategies, DGPC can enhance the effectiveness of its CSR initiatives. This could positively influence its financial performance and adaptability to environmental and societal changes.

The positive effect on profitability, reputation, risk management, and, most importantly, community engagement continues to be a strong strength of DGPC's CSR initiatives, in which employees play a crucial role. However, low employee awareness, unclear financial impact, and misalignment of CSR strategies from company business objectives create weaknesses in these initiatives. To achieve the best impact of CSR, DGPC should concentrate on increasing employee engagement force as well as participation in CSR work, which is seen as crucial for attaining maximum profitability and achieving lengthy-term goals. However, in a move that signals the importance the company places on its commitment to CSR, the company will invest in creating improved awareness, enhanced communication of the initiatives, and employee education of the benefit and their relevance to the company's success.

In addition, plans for the implementation of CSR strategies should be prepared with an evaluation procedure of how they perform financially and socially to benefit DGPC. This should assist in finding out the opportunities for development and guarantee that CSR practices are coordinated according to the company's objectives. Also, more emphasis is required to be placed on enhancing the transparency of CSR disclosures since the public will notice the usefulness of CSR initiatives by DGPC and, therefore, trust the company. Therefore, increasing and improving the relations with communities and finding how the collaboration of specialized organizations, including NGOs and governments, can be of help to CSR programs is important. In this way, DGPC can increase its social and business liability to the local communities, improve its corporate image, and reduce the environmental and social threats it encounters and, therefore, ensure better future performance.

3.8 Summary and Conclusions

This paper concentrates on a financial analysis of the CSR activities of the Druk Green Power Corporation Limited (DGPC). CSR is not charity but a business necessity and a value-additional strategy that has great potential for enhancing the financial performance of organizations in the long run; this observation has been made in this report having assessed the CSR programs of the company in question through environmental protection, social contribution, renewable energy, and other programs undertaken by its employees.

This research shows that DGPC's CSR is an effective strategy in bringing about cost savings, better operational efficiency, and a drop in risk levels. Thus, DGPC should focus on environmental conservation investment to save a lot of money by avoiding fines and penalties, cutting many hours to gain project approvals, and increasing productivity rates. However, plans to involve communities, particularly those led by the company's workers, can help create goodwill with locals, cause little disruption of business, and improve the firm's image.

Though renewable energy investment projects need large capital investment, in the long term they are cost-effective and strategic for DGPC to remain at the forefront of energy providers. These activities help in the following ways: decrease fossil fuel consumption, lower the overall cost, and advance energy security. In addition, the company can prevent the risks of fuel price instability and climate change by diversifying energy production in DGPC.

By going through the analysis of the financial statements, the company can be said to have experienced the long-term effects of the CSR efforts of the DGPC in areas beyond the ability to generate quick financial returns.

In this way, the company focuses on the approaches that are beneficial for the environment and the community, which can also become the source of significant improvement in the future. Such activities enhance productivity outputs, the morale of employees, and relations with the stakeholders in cases where a company implements them. Thus, by properly connecting CSR activities to the general business model of DGPC, the respective financial and social gains of CSR activities can be optimized for effectiveness in the long term.

To wrap up, this report shows that DGPC's CSR efforts are more than just activity; they're a key part of the company's strategy to boost long-term financial success. By focusing on protecting the environment, working with local communities, using renewable energy, and encouraging employee-led projects, DGPC can make a real difference to both the environment and society. At the same time, this approach helps improve the company's financial performance and cements its place as a responsible and sustainable energy provider.

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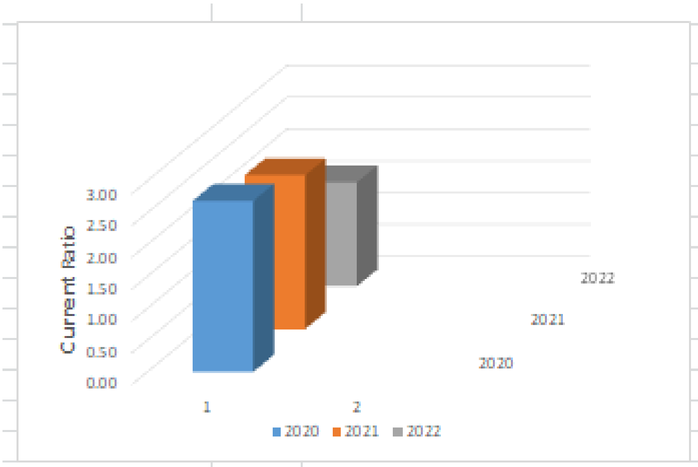
Appendix

1. Liquidity

	Liquity				
Year	Current Ratio= Total Current Asset/ Total Current Liabilities				Quick Ratio = Total Current Assets - Inventory / Total Current Liabilities
2020	2.69				7,729,206,537.95
2021	2.42				6,790,362,964.69
2022	1.63				5,738,277,817.22



2. Solvency Ratio

		Solvency Ratio		
Year	Debt to Equity Ratio = Total Debt / Total Equity		Interest Coverage Ratio = EBIT / Interest Expenses	
2020	0.135		2020	33.465
2021	0.145		2021	29.824
2022	0.205		2022	26.595

3. Profitability Ratio

Profitability

Gross Profit Calculation

Gross Proft = Revenue- Cost of good sold (COGS)	
2020	7,309,664,043.50
2021	7,329,255,944.75
2022	6,542,945,455.45

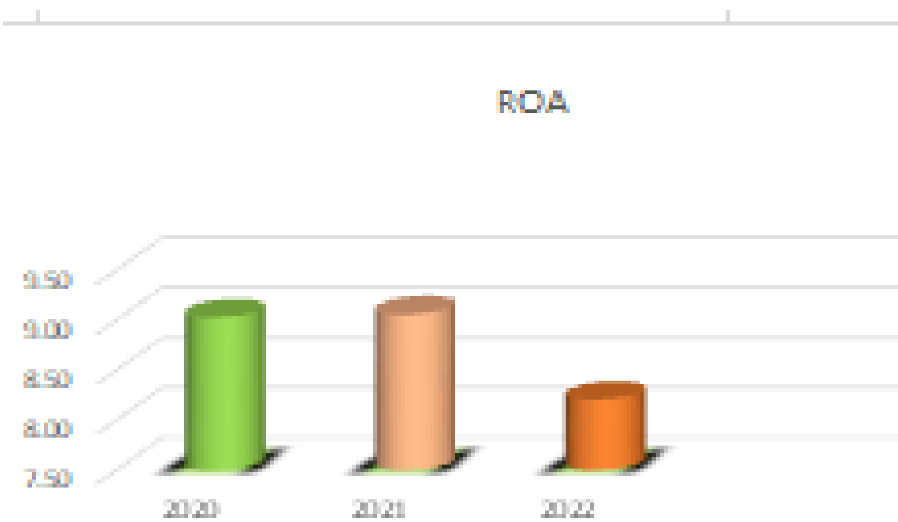
Year	Total Revenue	Cost of good sold (GOGS)
2020	13,340,908,135.50	7,309,664,043.50
2021	12,509,073,793.93	7,329,255,944.75
2022	12,026,289,306.71	6,542,945,455.45

Return on Asset (ROA)= Net Income / Total assets *100

Year	Calculation
2020	9.03
2021	9.06
2022	8.21

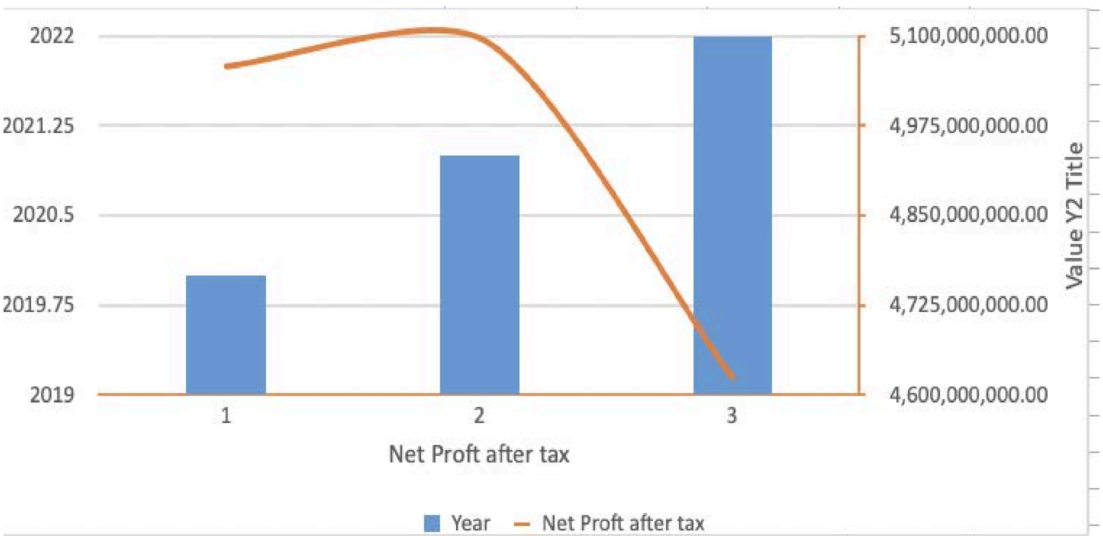
Return on Equity(ROE) = Net Income / Total Common Equity *100

Year	Calculation
2020	97.49
2021	97.10
2022	97.29



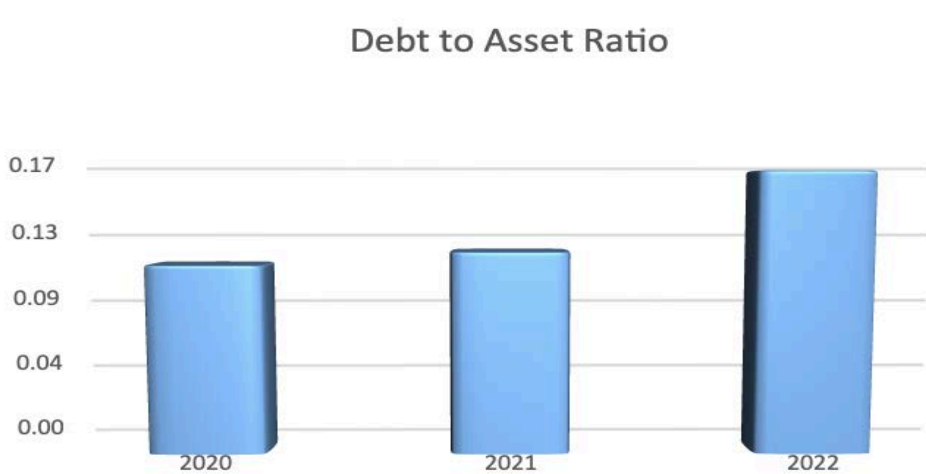
3. Market Ratio

	Market Ratio
	Earnings Per Share= Net Income after tax/ Total Number of common Outstanding
Year	Amount
2020	156.85
2021	156.29
2022	142.44
Year	Net Proft after tax
2020	5,057,739,084.90
2021	5,097,113,620.43
2022	4,624,405,780.58



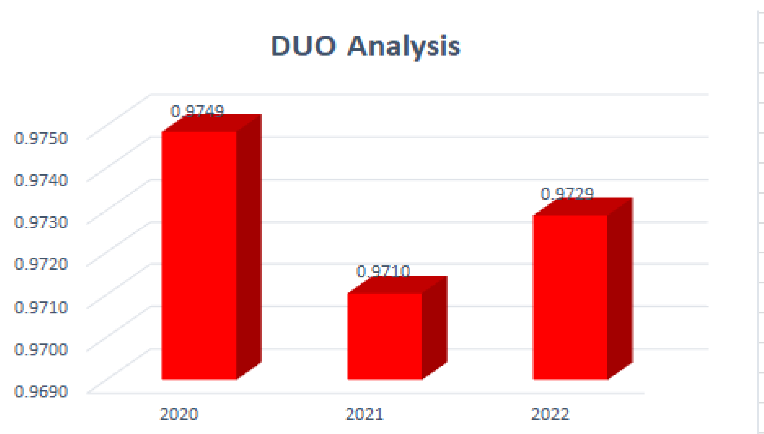
5. Leverage Ratio

Leverage Ratio											
Debt to Asset Ratio = Total Debt / Total Assets								Equity Multiplier = Total Assets / Total Equity			
2020	0.11							1.20			
2021	0.12							1.21			
2022	0.17							1.22			



6. DUO point Analysis

				DuPont Analysis			
Decomposition of Return on Equity = Net Profit / Sales *Sales / Total Assets * Total Assets / Total Common Equity							
Year							Asset Turnover=Revenue/Total Asset
2020		0.38					0.24
2021		0.41					0.22
2022		0.38					0.21
Year		Equity Muliplier=Total Asset/ Total Common Equity					
2020		10.80					
2021		10.72					
2022		11.86					
		Year	Calculation				
		2020	0.9749				
		2021	0.9710				
		2022	0.9729				



1. How familiar are you with DGPC's CSR initiatives? *

- ◯ Very familiar
- ◯ Somewhat familiar
- ◯ Not familiar

2.How important is CSR to DGPC's overall mission and vision? *

- ◯ Extremely important
- ◯ Very important
- ◯ Moderate important
- ◯ Slightly important
- ◯ Not at all important

Profitability and Financial Benefits

Description (optional)

3.In your opinion, do DGPC's CSR initiatives contribute to improving the company's profitability? *

- ◯ Yes
- ◯ No
- ◯ Not sure

4. How would you rate the impact of CSR initiatives on DGPC's long-term financial growth? *

- ◯ High impact
- ◯ Moderate impact
- ◯ Low impact
- ◯ Not impact

5.Have you observed any positive changes in DGPC's revenue as a result of its CSR programs? *

- ◯ Yes
- ◯ No
- ◯ Maybe

6.Which CSR activities do you believe have the greatest positive financial impact on DGPC? *

- ◯ Environmental conservation (e.g., afforestation, waste management)
- ◯ Educational and social support programs
- ◯ Religious and cultural activities
- ◯ Employee-driven CSR projects
- ◯ Other...

7. In your view, how has DGPC's reputation changed as a result of its CSR activities? *

- ◯ Significantly improved
- ◯ Improved
- ◯ No noticeable change
- ◯ Worsened

Cost Reduction and Operational Efficiency

Description (optional)

8. Have you noticed any cost reductions related to operational efficiency due to CSR initiatives? *

- ◯ Yes
- ◯ No
- ◯ Maybe

9. To what extent do you think DGPC's CSR initiatives have helped in reducing environmental or regulatory costs? *

- ◯ Significantly
- ◯ Moderately
- ◯ Slightly
- ◯ Not at all

10. Has DGPC's investment in CSR led to cost savings in areas such as environmental management or compliance? *

- No savings
- Minimal savings
- Moderate savings
- Significant savings
- Not sure

11. Do you believe that DGPC's CSR activities reduce the risk of financial penalties due to environmental or social non-compliance? *

- Yes
- No
- Maybe

12.How important is community engagement for DGPC's business success? *

- Somewhat important
- Critical to success
- Not very important
- Irrelevant

13.How would you rate the impact of CSR activities on DGPC's relationship with local communities? *

- Positive
- No noticeable impact
- Negative
- Other...

14. In your opinion, how do community-focused CSR projects influence DGPC's ability to attract new investors or clients? *

- [ ] Strong influence
- [ ] Moderate influence
- [ ] Minimal influence
- [ ] No influence

15.Do you believe that employee-driven CSR initiatives contribute to improving DGPC's internal culture and productivity? *

- [ ] Yes
- [ ] No

16. How do you think employee participation in CSR activities impacts DGPC's overall financial performance? *

- [ ] Positively impacts profitability
- [ ] No noticeable impact
- [ ] Negatively impacts profitability
- [ ] Unsure

17.To what extent do you believe DGPC's CSR initiatives help ensure the long-term sustainability of its operations? *

- To a great extent
- To some extent
- To a minimal extent
- Not at all

18. How do DGPC's CSR activities help the company manage risks related to environmental and social challenges? *

- Significantly
- Moderately
- Slightly

19.Do you think DGPC's commitment to CSR has helped in securing long-term financial stability? *

- Yes
- No
- Maybe

20.How would you suggest DGPC could improve its CSR strategy to generate better financial outcomes?

Short answer text