

BARAKA PATENGA POWER LIMITED

Directors' Report to the Shareholders For the year ended on June 30, 2023

Bismillahir Rahmanir Rahim

Dear Shareholders,
Assalamu Alikum,

I sincerely welcome you all to the 13th Annual General Meeting of Baraka Patenga Power Limited on behalf of the Board of Directors and Management. We are glad to share the Directors' Report on the Company's Operational Activity, the Auditors' Report and the Company's Audited Financial Statements for the Year Ended June 30, 2023, for your valued review, approval and adoption.

Directors' Responsibilities towards Shareholders

In compliance with the requirements of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Directors are responsible for the governance of the Company and in that capacity, the Directors confirm, to the best to their knowledge that-

(i) Industry Outlook and future development:

It is highly likely that electricity consumption per capital in Bangladesh will increase significantly as demand is expected to increase in line with GDP growth and the Government's master plan to generate 40,000 MW by 2030 and 60,000 MW by 2041.

The power sector of Bangladesh has experienced an outstanding progress in the last 15 (fifteen) years which is evident from the following table:

Particulars	2009 January	2023 September	Achievement in last 15 years
Total power plants	27	152	(+) 125
Production capacity MW (including captive and renewable energy)	4,942	28,562	(+) 23,620
Maximum production MW	3,268 6 January 2009	15,648 19 April 2023	(+) 12,380
Grid sub-station capacity (MVA)	15,870	64,000	(+) 48,130
Electricity import MW	-	2,656	(+) 2,656
Per capita electricity production (KWh)	220	602	(+) 382

Source: বিদ্যুৎ বিভাগ, বিদ্যুৎ, জ্বালানি ও খনিজ সম্পদ মন্ত্রণালয়, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার কর্তৃক অক্টোবর ২০২৩ এর প্রকাশনা "বাংলাদেশের বিদ্যুৎ খাত, অভাবনীয় সাফল্যের পনের বছর"

With more and more modernization of livelihood people are becoming more dependent on electricity-based tools and equipment. Due to the outbreak of COVID people all over the world became more familiar and habituated with online based machineries. Moreover, with the implementation of different mega projects that require significant electricity consumption it is expected that future electricity consumption will increase at a higher rate than ever before.

The primary component for a nation's socioeconomic progress is electricity. The government's goal of making Bangladesh one of the developed nations by 2041 is causing economic growth and development efforts to accelerate. Baraka Patenga Power Limited along with its subsidiary power plants have concentrated on several platforms for producing more power in order to meet the Government's aim as well as to carry out the corporate mission.

The Board is pleased to inform you that the existing plant of Baraka Patenga Power Limited generated 189,574 MWh of electricity and supplied 186,283 MWh to the national grid during the year 2022-23 earning revenue of Tk. 3,648,806,437 during the year ended on June 30, 2023.

You'll be happy to know that Baraka Shikalbaha Power Limited and Karnaphuli Power Limited, the two subsidiaries of Baraka Patenga Power Limited are also in excellent functioning condition and are supplying electricity to the national grid without any interruptions. Additionally, Baraka Securities Limited (BSL), the other subsidiary company of BPPL has completed its first full year of operation in 2022-23 and considering the overall capital market performance the operating results of BSL are satisfactory.

DIRECTORS' REPORT (Continued)

(ii) Segment wise or Product wise performance:

Particulars	Dependable Capacity (MwH)	Installed Capacity (MwH)	Plant factor of generation (based on Dependable Capacity)		For the year ended on June 30, 2023	
			Average	Maximum	Energy Generation (MwH)	Energy Sold (MwH)
Baraka Patenga Power Limited, Chattogram- HFO Fired 50MW	438,000	489,421	43.21%	73.78%	189,574	186,283
Karnaphuli Power Limited, Patiya, Chattogram - HFO Fired 110MW	963,600	1,024,832	61.47%	89.60%	592,904	582,870
Baraka Shikalbaha Power Limited, Patiya, Chattogram - HFO Fired 105MW	919,800	967,892	50.04%	84.70%	461,282	454,347

Baraka Patenga Power Limited has formed a 51% subsidiary business called Baraka Securities Limited (BSL) in addition to the aforementioned power stations. The Company has been established with the goal of operating a stock brokerage. After completing all necessary procedures, DSE granted TREC certificate no. Registration/DSE/TREC # 274/2021/301 on September 1, 2021 in favor of Baraka Securities Limited. After receiving the broker-dealer license from the Bangladesh Securities and Exchange Commission, the company started its commercial operation on 11th April, 2022. During the year ended on 30 June 2023, BSL earned a total Brokerage Commission of Tk. 10,112,179.

(iii) Risks and concerns

I. Internal Risk Factors:

a) Credit Risk:

Typically, any firm must extend some credit or funds to its clients or other third parties. An organization runs the risk of its customers defaulting on their debt when it extends credit to them. Therefore, the business is always exposed to credit risk when conducting operation.

Management Perception:

The Company only sells to Bangladesh Power Development Board in accordance with the terms of the Power Purchase Agreement (PPA), after which the receivables are realized. Therefore, the corporation faces extremely little credit risk.

b) Liquidity Risk:

Liquidity risk arises from the possibility that a business won't be able to pay its short-term debts. This typically happens because the company is unable to transform its present assets into cash in a timely manner without suffering a loss of capital or profits. If the markets on which a company depends experience a loss of liquidity, if a company's credit rating declines, if the company experiences sudden unexpected cash outflows, or if another event makes counterparties reluctant to trade with or lend to the company, the company is exposed to liquidity risk.

Management Perception:

The accounts and finance department at BPPL is competent at handling the company's cash flow and liquidity problems. The department strives to maximize working capital, confirm and reconcile receipts and expedite payment release. The department develops appropriate planning as well to prevent upcoming financial issues.

c) Risk associated with the Issuer's interest in subsidiaries, joint ventures and associates:

Subsidiaries, joint ventures and associates' performance directly affects their parent's interests. The parent will gain from the success of the subsidiaries, joint ventures and associates, and vice versa. There is always a chance that the parent's interests may suffer as future performance of subsidiaries, joint ventures and associates may be worse than anticipated.

DIRECTORS' REPORT (Continued)

Management Perception:

Karnaphuli Power Limited, Baraka Shikalbaha Power Limited and Baraka Securities Limited are the three subsidiaries of Baraka Patenga Power Limited. Given the sponsors' extensive experience in the power business, it is anticipated that Karnaphuli Power Limited and Baraka Shikalbaha Power Limited won't pose as much of a risk. Additionally, as Baraka Securities Limited is a service provider, management believes that the risk associated with it is also quite minimal.

d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer.

Since the Company's sales are made solely to Bangladesh Power Development Board, any unfavorable condition by BPDB may hamper its revenue and profitability.

Management Perception:

With BPDB, the business has agreed to generate and supply power on a BOO basis for 15 years. Under the terms and conditions of the PPA, the Company's revenue stream is assured for the duration of the project. Therefore, there is less risk involved in this regard.

e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely.

Raw materials are one of the prime factors of production. If a company depends on single or few suppliers for its raw materials, it will be exposed to the risk of stock-out or stoppage of production.

Management Perception:

BPPL obtains its raw materials from a variety of places. Furnace Oil, a key raw ingredient used to operate the power plant, is purchased from internationally reputable suppliers with offices in Singapore, including SHELL, VITOL and others. Additionally, the company has access to local BPC-approved vendors who sell furnace oil. Along with having access to the main raw material, the factory also keeps enough furnace oil in reserve to face any unforeseen circumstances.

II. External Risk Factors:

a) Interest Rate Risks:

Borrowed money with short- and long-term maturities as well as the volatility of the money market, all have an impact on interest rate risk, which in turn affects the interest rate structure.

Management Perception:

The management of the company is well aware of the unpredictability of the money market in our nation and also feels that because a large portion of the overall term loan was funded by low-cost World Bank IPFF fund, rising interest rates won't have a significant impact on the company's profitability.

b) Exchange Rate Risks:

Devaluation of local currency against major international currencies i.e. USD, GBP and Euro may affect company's income.

Management Perception:

The BPPL management is cognizant of the dangers posed by currency volatility. Major foreign purchases of imported machinery and equipment have been resolved. HFO, the primary raw ingredient, and spare parts are currently purchased in foreign currency from providers located in different nations. Fuel costs are however definable at the time of billing to BPDB, and the tariff rate (paid in a currency comparable to Bangla Taka) is periodically modified with the local and international Consumer Price Index (CPI). Therefore, according to management, changes in exchange rates won't have significant impact on the company's profitability.

c) Industry Risks:

Market Demand Risk:

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

Management Perception:

The country's economic development and residents' standard of living, according to management, are both threatened by electricity insufficiency. It should be highlighted, though, that the increased supply brought on by the government's plans will only help to close the enormous disparity between future supply and demand. The need for power is expected to rise in the future, necessitating greater participation.

DIRECTORS' REPORT (Continued)

d) Economic and Political risks:

Economic risks:

Economic risk is the risk connected to how financial and other economic issues might affect the operation of a business concern. Assessing economic hazards is essential to determining how risky a business is. The amount of sales and expenses as well as the profits made by the company are directly impacted by economic threats. The main categories of economic risk include the risk of growing energy and raw material prices, the danger of rising minimum wages, the risk of rising tax and duty rates, etc.

Management Perception:

Bangladesh's economy has been rising gradually. The per capita income is now higher than it has been in recent years because of the consistent industrial growth and increased industrial output. In addition, the government's supportive policies and other regulatory organizations' industry-friendly regulations have proven to be beneficial to the nation's economy.

Political risks:

Political risk is the possibility that a country's political unrest or developments could have a negative impact on an entity's financial performance. Changes in the administration, legislative bodies, other foreign policy-makers, or military control could all have an impact on returns. Political risks are exceedingly difficult to estimate because there aren't many case studies or sample sizes available for a given country. International organizations offer insurance against some political risks. The result of a political risk could reduce returns or even make it impossible to withdraw money from an investment. Any political unrest or disturbance in the nation may have a negative impact on the economy as a whole.

Management Perception:

Economic risk has an impact on a nation. The management of a company cannot control it. The management of BPPL constantly strives to prevent or decrease the effects of the risk as it is an uncontrollable issue. As a result, the company's management is constantly worried about the current and impending changes in global or national policy and ready to act promptly to protect its interests.

e) Market and Technology-related Risks:

Every industrial concern faces market and technological risks as long as it maintains its alignment with innovation. Power generation capacity is significantly influenced by the generators' capacity. The desire for new, less expensive technology could make the old obsolete, which would have a bad influence on the company's performance.

Management Perception:

Modern machinery and cutting-edge technologies were used by the company's management for its power plants. The power plant is equipped with 8 (eight) generator sets from Rolls Royce, a well-known manufacturer of HFO-powered engines, located in Norway and 1 (one) generator set from Tide Power System Co. Ltd., located in China. The highly skilled and effective team at BPPL performs and completes timely maintenance work at the plant in accordance with the manufacturer's guideline and criteria to ensure uninterrupted energy generation. By obtaining enough HFO, spare parts, and lubricating oil from suppliers at lead periods overseen by company personnel, management has taken precautions against any operations disruptions.

f) Potential or existing government regulations:

Companies in Bangladesh are governed by a number of laws, including the Companies Act 1994, laws and regulations pertaining to taxes, guidelines established by the Bangladesh Securities and Exchange Commission, etc. Any rapid modifications to the policies established by those bodies could have a negative effect on the company's operations.

Management perception:

The management firmly feels that any fiscal action by the government that would harm the industry's expansion is highly unlikely. Moreover, the government's current regulations are helpful to the growth of this industry, and it is anticipated that they will continue in the future.

g) Potential or existing changes in global or national policies:

The political and economic unrest in Bangladesh and elsewhere may have an impact on how well businesses perform. Any political unrest or disturbance in the nation may have a negative impact on the economy as a whole.

Management perception:

Any company cannot manage the risk caused by modifications to international or national policies. However, the Company is well prepared to implement new guidelines and safety precautions as and when necessary to lower such risks. Furthermore, any business may suffer from political turmoil brought on by strikes and large-scale rallies. However, because it is a daily requirement, electrical service is typically kept unimpeded. The insurance contract with the insurance firms, in particular, ensures that sufficient risks are covered to pay for all potential damages.

DIRECTORS' REPORT (Continued)

h) Competitive condition of the business:

A company in a specific industry may have to contend with fierce rivalry from its rivals. With easy access to international goods in local marketplaces, competition is intensifying and posing a threat to corporate viability.

Management Perception:

Bangladesh has a high demand for electricity. The country needs new power producing facilities to fulfill its expanding demand, which is expected to continue to rise. Additionally, entry into this sector is carefully regulated through BPDB and other regulatory authorities. Therefore, it is quite unlikely that the company will face intense rivalry from other electricity producers.

(iv) Cost of Goods Sold, Gross Margin and Net Profit Margin:

Solo Basis (Amount in taka)				
Particulars	June 30, 2023	June 30, 2022	Deviation	
			Amount	Percentage
Revenue	3,648,806,437	3,642,660,931	6,145,506	0.17%
Cost of Sales	3,226,749,079	3,204,835,331	21,913,748	0.68%
Gross Profit	422,057,358	437,825,600	(15,768,242)	(3.60)%
Net Profit After Tax	121,475,688	271,021,041	(149,545,353)	(55.18)%
Gross Profit Margin (%)	11.57%	12.02%		
Net Profit Margin (%)	3.33%	7.44%		

Consolidated Basis (Amount in taka)				
Particulars	June 30, 2023	June 30, 2022	Deviation	
			Amount	Percentage
Revenue	22,484,293,041	24,422,796,449	(1,938,503,408)	(7.94)%
Cost of Sales	18,292,599,284	20,986,571,842	(2,693,972,558)	(12.84)%
Gross Profit	4,191,693,757	3,436,224,607	755,469,150	21.99%
Net Profit/(Loss) After Tax	(183,547,799)	215,281,436	(398,829,235)	(185.26)%
Gross Profit Margin (%)	18.64%	14.07%		
Net Profit Margin (%)	(0.82)%	0.88%		

The three major component in the revenue of the Company are Capacity Proceeds, Variable Operational & Maintenance Proceeds (VOMP) and Energy Proceeds. Under solo basis performance, during the year VOMP proceeds & Fuel proceeds decreased by 12% and 3% respectively as generation has decreased over the year due to lower demand of power supply from BPDB. Capacity proceeds increased by 23% due to increase of foreign exchange rate, CPI adjustment and recognition of true up bill proceeds. The consolidated revenue has decreased mainly due to reduction of revenue of its two subsidiaries namely Karnaphuli Power Limited and Baraka Shikalbaha Power Limited.

While variation in the solo basis COGS is quite insignificant, due to reduction of power generation resulting from reduced demand from BPDB, the consolidated COGS also decreased.

The solo basis gross profit margin decreased mainly due to higher electricity bill of the plant, higher repair and maintenance expenses and higher lubricant expenses. Lubricants consumption increased significantly due to increase of prices of diesel and lube oil and as major overhauling work was running throughout the year. Spare parts consumption increased by 13% during the year due to carry out of schedule maintenance and STG maintenance work.

The net profit after tax decreased due to significant reduction in other income resulting from combined effect of lower dividend earnings and foreign exchange loss.

- (v) In the year 2022-23 Foreign Exchange Loss was Tk. 231,335,006 compared to Foreign Exchange Loss of Tk. 185,579,924 in 2021-22.

DIRECTORS' REPORT (Continued)

(vi) Related Party Transaction

- A. During the year, the Company carried out a number of transactions with related party in the normal course of business. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of IAS 24: related Party Disclosures.

Transactions with key management personnel:

	30-06-23 (Taka)	30-06-22 (Taka)
Employee Benefits	20,087,611	16,972,485
Total	20,087,611	16,972,485

Key management personnel include Managing Director, Chief Financial officer, Company Secretary, Plant Manager and Head of Internal Audit.

B. Other Related Party Transactions:

Name of the related party	Relationships	Nature of Transactions	Transactions during the period			
			Opening Balance	Addition	Adjustment	Closing Balance
Karnaphuli Power Ltd	Subsidiary	Short Term Loan	(24,847,113)	32,715,927	(7,868,814)	-
Baraka Shikalbaha Power Ltd	Subsidiary	Short Term Loan	(556,985,707)	1,405,049,044	(1,399,241,770)	(551,178,433)
Baraka Securities Limited	Subsidiary	Share Capital	40,800,000	10,200,000	-	51,000,000
		Share Trading	1,142,315	15,519,589	(16,661,544)	360
Baraka Power Ltd	Entity with significant influence	Short Term Loan	-	246,621,153	(253,411,474)	(6,790,321)

(vii) Utilization of IPO Proceeds:

Baraka Patenga Power Limited got listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on July 12, 2021. As per condition no. 2 under Part-C of the consent letter no. BSEC/CI/BB-15/2018/384 dated May 4, 2021, IPO proceeds have been duly utilized for the purposes as specified in the prospectus.

- (viii) If the financial results deteriorate after the company goes for Initial Public Offering, Repeat Public Offering, Rights Share Offer or Direct Listing; the same will be explained in the respective Directors' Report.
- (ix) Quarterly performances of the company are in line with the Annual Audited Financial Statements.
- (x) Director's Remuneration

Payment to Directors during the year ended on June 30, 2023:

Name	Designation	Period	30-06-2023	30-06-2022
Mr. Monzur Kadir Shafi	Managing Director	July 2022 to June 2023	11,860,200	9,900,000
Total			11,860,200	9,900,000

In addition to the above, directors who attend meeting, have received meeting attendance fee @ Tk. 11,000 (including VAT) per director per meeting. The total board meeting attendance fee during the year is Tk. 605,000.

- (xi) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- (xii) Proper books of account of the company have been maintained;

DIRECTORS' REPORT (Continued)

- (xiii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;

However, the Independent Auditors have recognized the following emphasis in their report: "We draw attention to Note- 3.10 (C) of the Financial Statements, which describes that the company did not make WPPF provision during the year because of the Bangladesh Independent Power Producers Association (BIPPA) has applied to Ministry of Labor and Employment via Ministry of Power, Energy and Mineral Resources (MPEMR) to exempt the private power generation company from making provision of WPPF. Our opinion is not modified in respect to this matter."

- (xiv) International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- (xv) The system of internal control is sound in design and has been effectively implemented and monitored;
- (xvi) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- (xvii) There are no significant doubts upon the company's ability to continue as a going concern;
- (xviii) Significant deviations from last year in operating results of the company has been highlighted and reasons thereof have been explained in the financial statements;
- (xix) Key operating and financial data of last five years has been annexed in **Annexure-A** of the Annual Report;
- (xx) The Board of Directors of the company has recommended 5.00% cash dividend for the year ended June 30, 2023 subject to approval by the shareholders at the 13th Annual General Meeting;
- (xxi) No bonus share or stock dividend has been or shall be declared as interim dividend;
- (xxii) During the year ended June 30, 2023, total of 6 meetings were being held by the Board of Directors. Directors who have attended the Board meeting are shown in **Annexure-B** of the Annual Report.
- (xxiii) The pattern of shareholding has been reported in **Annexure-C** of the Annual Report to disclose the aggregate number of shares;
- (xxiv) **Directors' appointment & re-appointment:**
Changes in the Board of Directors after last AGM:

	Changes/Activities	Reason of changes
30 January 2023	Mr. Zahrul Syed Bakht has been reappointed as Independent Director by the Board of Directors for another term of 3 years with effect from 30 January 2023.	Due to expiry of current term
14 November 2023	Mr. Md. Abul Quasem has been reappointed as Independent Director by the Board of Directors for another term of 3 years with effect from 14 November 2023.	Due to expiry of current term

Re-appointment of Mr. Zahrul Syed Bakht and Mr. Md. Abul Quasem as Independent Directors for a term of 3 (three) years will have to be approved by the shareholders in the 13th Annual General Meeting.

Moreover, as per Article number 129, 130, 131 and 132 of the Article of Association of the company following Directors shall retire in the 13th Annual General Meeting by rotation and being eligible, offer them for re-election:

01. Mr. Faisal Ahmed Chowdhury
02. Mr. Afzal Rashid Choudhury
03. Mr. Md. Shirajul Islam

Brief resumes of the directors have been disclosed in the Directors' Profile sections of the annual report of the Company.

DIRECTORS' REPORT (Continued)

- (xxv) Management's Discussion and Analysis signed by MD has been reported in the Annual Report.
- (xxvi) Declaration by the MD and the CFO to the Board regarding Financial Statements for the year ended on June 30, 2023 has been reported in **Annexure-D** of the Annual Report.
- (xxvii) The report on compliance of Corporate Governance Code has been presented in **Annexure-E** and the certificate on compliance position has been reported in **Annexure-F** of the Annual Report.

Financial Results & Profit Appropriation:

In the year 2022-2023, financial performance of BPPL shows a stable result.

The Directors take pleasure in reporting the financial results of the company for the year ended on June 30, 2023 and recommended apportion of retained earnings as mentioned below:

Profit available for appropriation:	June 30, 2023	June 30, 2022
Profit after tax	121,475,688	271,021,041
Add: Undistributed profit brought forward from previous year	1,235,385,626	1,180,608,945
Total amount Available for Appropriation	1,356,861,314	1,451,629,986
Appropriation:		
Final dividend for the year 2020-2021 (@12.50% Cash dividend)		(216,244,360)
Final dividend for the year 2021-2022 (@10% Cash dividend)	(172,995,488)	
Closing Retained Earnings at year end (before proposed dividend)	1,183,865,826	1,235,385,626
Proposed dividend for the year 2022-2023 (@5% Cash dividend)	(86,497,744)	
Retained Earnings after Proposed Dividend	1,097,368,082	

Auditors:

M/S Malek Siddiqui Wali, Chartered Accountants have carried out the audit for the year 2022-2023 and will retire in the 13th AGM. Since M/S Malek Siddiqui Wali, Chartered Accountants have been statutory auditor of the Company for the last three consecutive years, a new statutory auditor needs to be appointed for the year 2023-2024. Accordingly, being eligible, M/S Kazi Zahir Khan & Co., Chartered Accountants have expressed their intention to be appointed as statutory auditor of the Company for the year 2023-2024 and the Audit Committee has recommended for their appointment. Hence, the Board has recommended to appoint M/S Kazi Zahir Khan & Co., Chartered Accountants as the statutory auditor of the Company for the year 2023-2024 at a fee of Tk. 2,50,000/- (excluding VAT) subject to approval by the shareholders in the 13th Annual General Meeting.

Acknowledgement:

The Board of Directors would like to express its sincere appreciation to the modest shareholders for their thoughtful cooperation and support towards the operations of the company.

The Board wishes to express its gratitude to the Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms, Bangladesh Power Development Board (BPDB), Power Cell of the Power Division, Ministry of Power, Energy and Mineral Resources (MPEMR), Banks & Financial Institutions, Insurance Companies, Service Providers, Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) for their support and cooperation.

We look forward to even better days ahead.

On behalf of the Board of Directors,

Wishing you a prosperous, healthy and happy future.



Gulam Rabbani Chowdhury
Chairman

FINANCIAL SUMMARY

Annexure-A

Key operating and financial data of last five years

Particulars	June 30, 2023 Consolidated	June 30, 2022 Consolidated	June 30, 2021 Consolidated	June 30, 2020 Consolidated	June 30, 2019 Consolidated
FINANCIAL POSITION					
Non-Current Assets	15,674,004,519	16,263,016,891	16,735,721,684	17,309,144,284	17,408,510,109
Current Assets	15,020,838,782	17,294,360,806	6,907,159,185	3,369,603,126	2,595,523,138
TOTAL ASSETS	30,694,843,301	33,557,377,697	23,642,880,869	20,678,747,410	20,004,033,247
Share Capital	1,729,954,880	1,729,954,880	992,250,000	992,250,000	992,250,000
Retained Earnings	1,453,643,169	1,810,186,456	1,833,720,102	1,291,179,476	956,984,246
Non-Controlling Interest	1,840,108,582	2,128,701,750	788,508,131	335,553,320	289,605,355
Non-Current Liabilities	9,832,555,454	10,641,508,044	8,173,757,166	3,207,007,507	1,974,399,769
Current Liabilities	14,384,535,053	15,787,755,103	11,854,645,470	14,854,136,297	15,791,878,752
TOTAL EQUITY & LIABILITIES	30,694,843,301	33,557,377,697	23,642,880,869	20,678,747,410	20,004,033,247
OPERATING RESULTS					
Revenue	22,484,293,041	24,422,796,449	7,335,854,475	5,448,793,155	3,429,200,361
Gross Profit	4,191,693,757	3,436,224,607	2,868,319,614	2,526,604,818	777,398,261
Operating Profit	3,874,115,515	3,145,995,197	2,600,964,963	2,259,061,169	648,522,993
Income Tax Expenses	(59,177,707)	(56,214,091)	(7,714,916)	(556,361)	(2,119,659)
Non Controlling Interest	(69,540,654)	207,137,590	413,754,811	240,709,981	13,197,602
Net Profit after tax (Attributable to owners of the Company)	(183,547,799)	215,281,436	641,765,626	433,172,532	287,507,515
FINANCIAL RATIOS					
Gross Profit Margin (%)	18.64%	14.07%	39.10%	46.37%	22.67%
Net Profit Margin (%)	(0.82%)	0.88%	8.75%	7.95%	8.38%
OTHER INFORMATION					
Face value per share	10	10	10	10	10
Proposed Dividend	5% cash	10% cash	12.50% cash	10% cash	10% cash
Earnings Per share (EPS)	(1.06)	1.25	6.47	4.37	2.90
Net Assets value (NAV) per Share	26.81	28.92	28.48	23.00	19.63
Net Operating Cash Flows Per Share (NOCFPS)	22.54	4.13	3.79	14.40	0.43

BOARD MEETING AND ATTENDANCE

DURING THE YEAR ENDED ON JUNE 30, 2023

Annexure-B

Number of Board Meetings and Attendance Status

Sl.	Name of Directors	Number of meetings held whilst Board Members	Meeting attendance	Remarks
1	Mr. Gulam Rabbani Chowdhury	6	6	
2	Mr. Faisal Ahmed Chowdhury	6	6	
3	Mr. Fahim Ahmed Chowdhury	6	6	
4	Mr. Afzal Rashid Choudhury	6	5	
5	Mr. Md. Shirajul Islam	6	5	
6	Mr. Zahrul Syed Bakht	6	5	
7	Mr. Md. Abul Quasem	6	5	
8	Mr. Monzur Kadir Shafi	6	6	



PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2023

Annexure-C
Pattern of Shareholding

Sl.	Name of Shareholders	Status	No. of Shares Held	Percentage (%) of Share Holding
a)	Parents/Subsidiary/Associate Companies			
	Baraka Power Limited	Associate Company	50,604,750	29.25%
b)	Directors, Chief Executive Office, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouse and minor Children			
	Mr. Gulam Rabbani Chowdhury	Chairman	4,150,000	2.40%
	Mr. Faisal Ahmed Chowdhury	Director	4,150,000	2.40%
	Mr. Fahim Ahmed Chowdhury	Director (Nominated by Baraka Power Limited)	850,500	0.49%
	Md. Shirajul Islam	Director (Nominated by Baraka Power Limited)	1,050,000	0.61%
	Mr. Afzal Rashid Choudhury	Director (Nominated by Baraka Power Limited)	1,050,000	0.61%
	Mr. Zahrul Syed Bakht	Independent Director	-	-
	Mr. Md. Abul Quasem	Independent Director	-	-
	Mr. Monzur Kadir Shafi	Managing Director	4,150,001	2.40%
	Ms. Momthaz Chowdhury	Spouse of Mr. Gulam Rabbani Chowdhury	1,060,328	0.61%
	Ms. Rushina Ahmed Chowdhury	Spouse of Mr. Faisal Ahmed Chowdhury	501,534	0.29%
	Ms. Abeda Khanom Chowdhury	Spouse of Mr. Fahim Ahmed Chowdhury	1,069,833	0.62%
	Ms. Shubina Ahmed Chowdhury	Spouse of Mr. Monzur Kadir Shafi	232,020	0.13%
	Ms. Anamika Roy	Spouse of Mr. Monoj Das Gupta (Head of Internal Audit & Compliance)	40,000	0.02%
c)	Executives *		-	-
d)	Shareholders holding 10% or More Voting interest			

* The expression "executives" means top five salaried employees of the company, other than the Directors, Chief Executives Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.

DECLARATION BY MD AND CFO

Annexure-D

[As per condition No. 1(5)(xxvi) of the Corporate Governance Code]

Baraka Patenga Power Limited Declaration by MD and CFO

Date: 26 October 2023
The Board of Directors
Baraka Patenga Power Limited

Subject: Declaration on Financial Statements for the year ended on June 30, 2023.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Baraka Patenga Power Limited for the year ended on June 30, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Monzur Kadir Shafi
Managing Director
26 October 2023



Mohammed Monirul Islam
Chief Financial Officer
26 October 2023

CORPORATE GOVERNANCE COMPLIANCE REPORT

Baraka Patenga Power Limited

Status of Compliance with the Corporate Governance Guideline (CGC)

For the year ended June 30, 2023

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9.00)

ANNEXURE-C

As Per condition no.1 (5) (xxvi)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors.-			
1 (1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	√	–	The Boards of Directors are comprised of 8 (eight) Directors
1 (2)	Independent Directors			
1 (2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√	–	There are 02 (two) Independent Directors
1 (2)(b)	For the purpose of this clause "independent director" means a director-			
1 (2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√	–	–
1 (2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√	–	–
1 (2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√	–	–
1 (2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√	–	–
1 (2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	√	–	–
1 (2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√	–	–
1 (2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√	–	–
1 (2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	√	–	–
1 (2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓	–	–
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓	–	Duly appointed by the Board of Directors and approved by shareholders in AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	✓	–	–
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓	–	–
1(3)	Qualification of Independent Director.-			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	✓	–	–
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid -up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	–	–	–
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	–	–	–
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	✓	–	Mr. Md. Abul Quasem is former Deputy Governor of Bangladesh Bank
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	–	–	–
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓	–	Mr. Zahrul Syed Bakht is a Chartered Accountant
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	✓	–	–
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission	–	–	No such issue arose
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	–	–
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	–	–
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer;	✓	–	–
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	–	–	No such issue arose
1(5)	The Directors' Report to the Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓	–	–
1(5)(ii)	The Segment-wise or product-wise performance;	✓	–	–
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	–	–
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	–	–
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓	–	No such issue arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	–	–
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	✓	–	–
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	–	–	No such matter to explain
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓	–	No such matter to explain
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓	–	–
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓	–	–
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓	–	–
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓	–	–
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	–	–
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓	–	–
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	\checkmark	–	–
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	\checkmark	–	No such matter to explain
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	\checkmark	–	–
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	–	–	The Board of Directors has recommended 5% cash dividend for the year ended June 30, 2023.
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	\checkmark	–	–
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	\checkmark	–	–
1 (5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1 (5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name -wise details);	\checkmark	–	–
1 (5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	\checkmark	–	–
1 (5) (xxiii) (c)	Executives; and	\checkmark	–	–
1 (5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	\checkmark	–	–
1 (5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1 (5) (xxiv) (a)	a brief resume of the director	\checkmark	–	–
1 (5) (xxiv) (b)	nature of his/her expertise in specific functional areas;	\checkmark	–	–
1 (5) (xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	\checkmark	–	–
1 (5) (xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			
1 (5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	\checkmark	–	–
1 (5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	–	–	N/A
1 (5) (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	\checkmark	–	–
1 (5) (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	\checkmark	–	–
1 (5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	\checkmark	–	–
1 (5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	\checkmark	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√	–	–
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	√	–	–
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	√	–	–
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√	–	–
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), at condition No.6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√	–	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√	–	
2	Governance of Board of Directors of Subsidiary Company:-			Baraka Patenga Power Limited has 3 subsidiary companies namely 1) Kamaphuli Power Limited, 2) Baraka Shikalbaha Power Limited, 3) Baraka Securities Limited
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√	–	
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	√	–	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√	–	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√	–	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√	–	
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√	–	–
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√	–	–
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√	–	–
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√	–	–
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√	–	–
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√	–	In Practice
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√	–	In Practice
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its member;	√	–	In Practice
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√	–	Disclosed in the Annual Report
4.	Board of Director's Committee			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√	–	–
4(ii)	Nomination and Remuneration Committee	√	–	–
5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√	–	–
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√	–	–
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√	–	–
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√	–	Audit Committee (AC) is comprised of 3 (three) members including an Independent Director
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	√	–	All the AC members are non-executive Directors including Independent Director;

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√	–	–
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√	–	–
5(2)(e)	The company secretary shall act as the secretary of the Committee.	√	–	–
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√	–	–
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	√	–	Mr. Zahrul Syed Bakht, Independent Director is Chairperson of Audit Committee
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	√	–	–
5(3)(c)	Chairperson of the Audit Committee shall remind present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√	–	–
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√	–	–
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√	–	–
5(5)	Role of Audit Committee			
	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√	–	–
5(5)(b)	monitor choice of accounting policies and principles;	√	–	–
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√	–	–
5(5)(d)	oversee hiring and performance of external auditors.	√	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	–	–
5(5)(f)	review along with the management, the annual financial statements before submission to the board for approval;	✓	–	–
5.5(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓	–	–
5.5(h)	review the adequacy of internal audit function;	✓	–	–
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓	–	–
5(5)(j)	review statement of all related party transactions submitted by the management;	✓	–	–
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓	–	–
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓	–	–
5(5)(m)	oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:	✓	–	–
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	–	–
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(iii)(a)	report on conflicts of interests;	–	–	No such Incidence arose
5(6)(a)(iii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	–	–	No such Incidence arose
5(6)(a)(iii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	–	–	No such Incidence arose
5(6)(a)(iii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	–	–	No such Incidence arose
5(6)(b)	Reporting to the Authorities:-			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	–	–	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(iii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	–	–	No such reportable incidence arose
6.	Nomination and remuneration Committee(NRC).-			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓	–	–
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓	–	–
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓	–	NRC is comprised of 03 (three) members including an Independent Director
6(2)(b)	All member of the Committee shall be non-executive directors;	✓	–	All the NRC members are non-executive Directors including an Independent Director
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓	–	The NRC members are duly appointed by the Board.
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓	–	–
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓	–	–
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	–	–	No such occurrence during the year
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓	–	In Practice
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓	–	–
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓	–	–
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓	–	Mr. Zahrul Syed Bakht, Independent Director is the Chairperson of the NRC
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓	–	–
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓	–	–
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓	–	–
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	–	–	No such issue arose

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓	–	–
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓	–	–
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓	–	–
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓	–	–
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓	–	–
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓	–	–
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓	–	–
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓	–	–
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓	–	–
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓	–	–
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓	–	–
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓	–	–
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓	–	–
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓	–	–
7.	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely :--			
7(1) (i)	appraisal or valuation services or fairness opinions;	✓	–	–
7 (1) (ii)	financial information system design and implementation;	✓	–	–
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	✓	–	–
7 (1) (iv)	broker –dealer services;	✓	–	–
7 (1) (v)	actuarial services;	✓	–	–
7 (1) (vi)	internal audit services or special audit services;	✓	–	–
7 (1) (vii)	any services that the Audit Committee determines.	✓	–	–
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	✓	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7 (1) (ix)	any other service that creates conflict of interest	✓	–	–
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓	–	–
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓	–	–
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓	–	–
8(2)	The company shall keep the website functional from the date of listing.	✓	–	–
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	✓	–	–
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	–	Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2023.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	✓	–	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓	–	

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Annexure-F



PODDER & ASSOCIATES

Cost and Management Accountants

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Baraka Patenga Power Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Baraka Patenga Power Limited** for the year ended on June 30, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- The Governance of the company is satisfactory.

For Podder & Associates

Jayanta Kumer Podder
Cost & Management Accountants

Place: Dhaka
Dated: November 26, 2023