

DIRECTORS' REPORT TO THE SHAREHOLDERS

For The Year Ended June 30, 2021

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alikum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 11th Annual General Meeting of Baraka Patenga Power Limited. We are pleased to present herewith the Directors' Report on operational activity of the company and the Auditors' Report along with the Audited Financial Statements of the Company for the year ended June 30, 2021, for your valued consideration, approval and adoption.

Directors' Responsibilities towards Shareholders

In compliance with the requirements of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/C-MRRCD/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:

The power sector has experienced an outstanding progress in last few years. The following table shows the present installed capacity by power plants in our country.

Installed Generation Capacity (MW) as on September, 2021	
Public Sector	
BPDB	6,013
APSCL	1,444
EGCB	957
NWPGCL	1,401
B-R Power gen	149
RPCL	182
Subtotal	10,146 46%
Joint Venture	
BCPCL (JV of NWPGCL & CMC, China)	1,244
Subtotal	1,244 6%
Private Sector	
IPPs	8,042
SIPPs (BPDB)	99
SIPPs (REB)	251
15 YR. Rental	169
3/5 YR. Rental	920
Subtotal	9,481 43%
Power Import	
Bheramara HVDC	1,000
Tripura	160
Subtotal	1,160 5%
TOTAL	22,031*
*Including Captive Power & Off Grid Renewable Energy Total Installed Capacity (22,031+2,800+404) =25,235MW	
Source: www.bpdb.gov.bd	



Since Bangladesh strives to become a middle-income country, the electric energy demand in Bangladesh has been increasing at a significantly high rate. This demand is fueled by the sustained growth in GDP in recent years. Bangladesh Government has undertaken various projects to meet this rapidly growing demand. Moreover, strong focus is given towards Renewable Energy in present days. In line with the Renewable Energy policy 2009, the Government is committed to facilitate both public and private sector investment in Renewable Energy projects and scale up contributions of existing Renewable Energy based electricity productions.

Sustainable social and economic development depends on adequate power generation capacity of a country. There is no other way for accelerating development except to increase the power generation.

The Board is pleased to inform you that the existing plant of Baraka Patenga Power Limited is showing excellent performance and generated 207,067 MWh of electricity and supplied 198,922 MWh to the national grid during the year 2020-2021 earning revenue of Tk. 2,216,953,005 during the year ended on June 30, 2021.

You will be glad to know that the two subsidiaries of Baraka Patenga Power Limited namely Baraka Shikalbaha Power Limited and Karnaphuli Power Limited are also in tremendous operating condition and are supplying electricity seamlessly to the national grid. Moreover, to diversify our business, during the year 2020-2021, another subsidiary company namely Baraka Securities Limited has been formed. Baraka Securities has already received TREC certification from Dhaka Stock Exchange Limited and is expected to start its commercial operation very soon.

(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, 2021	
			Average	Maximum	Energy Generation (MwH)	Energy Sold (MwH)
Baraka Patenga Power Limited Chattogram - HFO Fired 50MW	438,000	489,421	47.28%	62.55%	207,067	198,922
Karnaphuli Power Limited Patiya, Chattogram - HFO Fired 110MW	963,600	1,024,832	10.18%	78.72%	89,325	87,267
Baraka Shikalbaha Power Limited Patiya, Chattogram - HFO Fired 105MW	919,800	967,892	17.77%	94.28%	163,197	160,861

Apart from the abovementioned power plants, Baraka Patenga Power Limited has formed a 51% subsidiary company named Baraka Securities Limited (BSL). The Company was formed with an intention to do share brokerage business. Accordingly, BSL applied to Dhaka Stock Exchange Limited (DSE) for a Trading Right Entitlement Certificate and after all required formalities the DSE issued TREC certificate no. Registration/DSE/TREC # 274/2021/301 on September 01, 2021 favoring Baraka Securities Limited. The company will start its commercial operation after getting the required Broker-Dealer license from the Bangladesh Securities and Exchange Commission.



DIRECTORS' REPORT (Continued)

(iii) Risks and concerns

I. Internal Risk Factors

a) Credit Risk

Normally every business has to allow some credit/ fund to its customers or others. When an entity offers credit to its clients, there is a risk that its clients may not pay their debt. So, in operating any business credit risk always lies in the business.

Management Perception

The Company's sales are made solely to Bangladesh Power Development Board under the stipulated conditions prescribed in the Power Purchase Agreement (PPA) and subsequently the receivables are realized. Therefore, degree of credit risk for the company is very low.

b) Liquidity Risk

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

Management Perception

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

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

Performance of subsidiaries, joint ventures and associates have direct impact on the interest of their parents. If the subsidiaries, joint ventures and associates perform well, parent will be benefited and vice-versa. As future performance of subsidiaries, joint ventures and associates can go wrong than expected, there is always a risk that the interest of the parent may be affected negatively.

Management Perception

Baraka Patenga Power Limited has three subsidiaries namely Karnaphuli Power Limited, Baraka Shikalbaha Power Limited and Baraka Securities Limited. Due to the sponsors' vast expertise in power sector since long, it is expected that there will be less possibilities to arise such risk from Karnaphuli Power Limited and Baraka Shikalbaha Power Limited. Moreover, being a service providing organization, management is optimistic that chance of risk arising from Baraka Securities Limited is also very low.

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

The company has signed a contract with BPDB to generate & supply of electricity for 15 years on BOO basis. The revenue stream of the Company is guaranteed under the terms and conditions of PPA over the project life. So, there is no significant risk associated in this respect.

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 collects its raw materials from different sources. The major raw material to run the power plant is Furnace Oil which is procured from Singapore based renowned suppliers namely SHELL, VITOL & others. The Company can also procure Furnace Oil from BPC approved dealers in local market. Apart from the availability of the major raw material, the plant contains sufficient furnace oil in its stock as contingency to overcome any unforeseen events.

II. External Risk Factors

a) Interest Rate Risks

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

Management Perception

The Management of the Company is well aware of the volatility of the money market of our country and also believes that rising interest rates will not substantially affect the profitability of the Company due to a major part of total term loan has been financed by low cost World Bank IPFF fund.

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:

Management of BPPL is aware of the risks related to currency fluctuations. Major imported machinery and equipment purchases from abroad have been settled. Currently, principal raw material i.e. HFO and spare parts are being procured from suppliers from various countries in foreign currency. However, fuel cost is coverable at the time of billing to BPDB and tariff rate (paid in foreign currency equivalent to Bangla Taka) is also adjusted with the local and foreign Consumer Price Index (CPI) time to time. Therefore, Management believes exchange rate fluctuation is not going to hamper profitability of the Company.

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

Over the last decade, energy demand grew heavily with shortage in addition of supply. Management believes power insufficiency is threat to the Country's industrial growth and its citizens' standard of living. However, it must be noted that the additional supply driven by the Government's plans will only narrow the immense gap between supply and demand. It is anticipated that future demand for power shall be increased for which more participation is needed.

d) Economic and Political risks

Economic risks

Economic risk is the risk that is associated with the influence of financial and other economic factors on the operation of an entity. Assessment of economic risks is crucial in assessing the overall risk of the business of an entity. Economic risks have a direct impact on the revenues and expenses amount and accordingly the company's profits. Main types of economic risks include risk of rising prices for raw materials and energy, risk of minimum wages increasing, risk of higher taxes and duties rates, etc.

Management Perception

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased industrial production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.

Political risks

Political risk refers to the risk that an entity's returns could suffer as a result of political changes or instability in a country. Instability affecting returns could stem from a change in government, legislative bodies, other foreign policy makers or military control. Political risks are extremely hard to quantify because there are limited sample sizes or case studies when discussing a particular country. Some political risks can be insured against through international agencies. The outcome of a political risk could drag down returns or even go so far as to remove the ability to withdraw capital from an investment. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

DIRECTORS' REPORT (Continued)

Management Perception

Political risk affects the economy of a country. It's beyond the control of the management of a company. As it is a non-controllable factor, management of BPPL always tries to avoid or reduce the consequences of the risk. So, management of the company is always concerned about the prevailing and upcoming further changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

e) Market and Technology-related Risks

Market and technology-related risks arise for any industrial concern as it keeps itself aligned with innovation. Capacity of generating power is dependent largely on the capacity of its generator. The demand for new and cost effective technology may render the existing technology obsolete, which may cause negative impact on the performance of the Company.

Management Perception

Management of the Company has utilized state-of-the-art technology and modern machinery for its power plants. The power plant has been equipped with 8 (eight) units of generator sets from the world renowned HFO powered engine manufacturer, Rolls Royce, Norway and 1 (one) unit of generator set from Tide Power System Co. Ltd., China. In order to ensure uninterrupted generation of electricity, BPPL's highly experienced and efficient team performs and carries out timely maintenance work in the plant as per the manufacturer's guidelines and requirements. Management has safeguarded against potential disruptions in operations by procuring sufficient quantity of HFO, spare parts and lube oil from suppliers at lead times managed by professionals of the Company.



f) Potential or existing government regulations

Companies of Bangladesh operates under various laws like Companies Act, 1994, taxation related laws and rules, rules of Bangladesh Securities and Exchange Commission etc. Any abrupt changes of the policies formed by those bodies may impact the business of the company adversely.

Management perception

The management highly believes it is unlikely that the Government will initiate any fiscal measure having adverse effect on the growth of the industry. On the contrary, the Government has moved towards alternative suppliers for furnace oil, reserve building & power capacity generation and distribution. So current Govt. regulation is favorable to the development of this sector and it is expected that it shall be continued in future periods.

g) Potential or existing changes in global or national policies

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

Management perception

The risk due to changes in global or national policies is beyond control of any company. Yet the Company is well prepared to adopt new policies and preventive measures as and when required to reduce such risks. Furthermore, political unrest due to strikes and mass protests may have a negative impact on any business. However, electricity service being considered a daily necessity, is most often kept out of obstruction. Most importantly, adequate risks are covered under the insurance agreement with the insurance companies, to compensate for all the potential damages.

h) Competitive condition of the business

A company of a particular sector might have to face stiff competition from its competitors. Easily availability of global products in the local markets accelerates the competition, challenging the profitability of the business.

Management Perception

There is a great demand for electricity in Bangladesh. This demand will increase day by day and in order to meet this growing demand; the country needs more power generation plants. Moreover, entrance in this sector is strictly regulated vide approval of BPDB and other regulatory bodies. Hence, possibility of facing stiff competition from other power producers is very unlikely.

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

Solo Basis (Amount in taka)				
Particulars	June 30, 2021	June 30, 2020	Deviation	
			Amount	Percentage
Revenue	2,216,953,005	1,691,216,401	525,736,604	31.09%
Cost of Sales	1,667,118,140	1,198,204,646	468,913,494	39.13%
Gross Profit	549,834,865	493,011,755	56,823,110	11.53%
Net Profit After Tax	211,122,864	182,637,653	28,485,211	15.60%
Gross Profit Margin (%)	24.80%	29.15%		
Net Profit Margin (%)	9.52%	10.80%		

Consolidated Basis (Amount in taka)				
Particulars	June 30, 2021	June 30, 2020	Deviation	
			Amount	Percentage
Revenue	7,335,854,475	5,448,793,155	1,887,061,320	34.63%
Cost of Sales	4,467,534,861	2,924,923,802	1,542,611,059	52.74%
Gross Profit	2,868,319,614	2,523,869,353	344,450,261	13.65%
Net Profit After Tax	641,765,626	433,172,532	208,593,094	48.15%
Gross Profit Margin (%)	39.10%	46.32%		
Net Profit Margin (%)	8.75%	7.95%		

The above tables show that in both solo basis and consolidated basis operation, gross profit margin and net profit margin has increased. Under solo basis performance, during the year 2020-21 the gross profit margin increased by 24.80% than the previous year and net profit margin increased by 9.52%. While under consolidated basis performance, gross profit margin increased by 39.10% in the year 2020-21 while net profit margin increased by 8.75%. This reflects efficient and good operational capability of the company along with its subsidiaries. These increases are due to raise in demand from BPDB resulting to increased sales revenue, cost of sales, gross profit margin and net profit margin.

(v) In the year 2020-2021 Foreign Exchange Loss was Tk. 236,038 compared to Foreign Exchange Loss of Tk. 16,068,530 in 2019-2020.

(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 BAS 24: related Party Disclosures.

Transactions with key management personnel:

	30-06-21 (Taka)	30-06-20 (Taka)
Employee Benefits	13,199,308	11,510,778
Total	13,199,308	11,510,778

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

DIRECTORS' REPORT (Continued)

B. Other Related Party Transactions:

There has been no other related party transactions during the period 2020-2021.

(vii) **Utilization of IPO Proceeds:**

Since 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, funds collected through IPO were not used during the year ended on June 30, 2021.

However, after listing with DSE and CSE, IPO funds were used as per disclosure made 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, 2021:

Name	Designation	Period	30-06-2021	30-06-2020
Mr. Monzur Kadir Shafi	Managing Director	July 2020 to June 2021	7,754,750	5,568,000
Total			7,754,750	5,568,000

In addition to the above, directors who attend the board meeting, have received board meeting attendance fee @ Tk. 11,000 (including VAT) per director per meeting. The total board meeting attendance fee during the year is Tk. 1,023,000.

- (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;
- (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;
- (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 12.50% cash dividend for the year ended June 30, 2021 subject to approval by the shareholders at the 11th 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, 2021, total of 13 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:

Date	Changes	Reason of changes
6 October 2021	Mr. Monzur Kadir Shafi was Re-appointed as salaried Managing Director for a period of next 5 years under the existing terms and conditions.	Expiry of current term

As per requirement of section 110(3) of the Companies Act, 1994 re-appointment of Mr. Monzur Kadir Shafi as Managing Director for another term of 5 years with effect from October 6, 2021 will have to be approved by the shareholders in the 11th 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 11th Annual General Meeting by rotation and being eligible, offer them for re-election:

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

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

- (xxv) Management's Discussion and Analysis signed by MD has been reported in the Annual Report of the Company.
- (xxvi) Declaration by the MD and the CFO to the Board regarding Financial Statements for the year ended on June 30, 2021 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 2020-2021, financial performance of BPPL shows a stable result.

The Directors take pleasure in reporting the financial results of the company for the year ended June 30, 2021 and recommended apportion of retained earnings as mentioned below:

Profit available for appropriation	June 30, 2021	June 30, 2020
Profit after tax	211,122,864	182,637,653
Add: Undistributed profit brought forward from previous year	1,091,281,803	1,007,869,150
Total amount Available for Appropriation	1,302,404,667	1,190,506,803
Appropriation:	June 30, 2021	June 30, 2020
Final dividend for the year 2018-2019 (@10% Cash dividend)	-	(99,225,000)
Final dividend for the year 2019-2020 (@10% Cash dividend)	(99,225,000)	
Closing Retained Earnings at year end (before proposed dividend)	1,203,179,667	1,091,281,803
Proposed dividend for the year 2020-2021 (@12.50% Cash dividend)	(216,244,360)	
Retained Earnings after Proposed Dividend	986,935,307	

Auditors

M/S Malek Siddiqui Wali, Chartered Accountants have carried out the audit for the year 2020-2021 and will retire in the 11th AGM. Accordingly, being eligible, Malek Siddiqui Wali, Chartered Accountants have expressed their intention to be appointed as statutory auditor of the company for the year 2021-2022 and the Board has recommended to appoint Malek Siddiqui Wali, Chartered Accountants as the statutory auditor of the Company for the year 2021-2022 at a fee of Tk. 2,50,000/- subject to approval by the shareholders in the 11th Annual General Meeting.

DIRECTORS' REPORT (Continued)

Acknowledgement

Finally, the Board of Directors would like to place on record its deep gratitude to the humble shareholders for their kind co-operation and support towards the business of the company.

The Board express their thankful appreciation for the assistance and co-operation received from 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, the Bangladesh Securities And Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Central Depository Bangladesh Limited (CDBL), various Government Authorities, Individuals and Agencies.

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, 2021 Consolidated	June 30, 2020 Consolidated	June 30, 2019 Consolidated	June 30, 2018 Consolidated	June 30, 2017 Consolidated
FINANCIAL POSITION					
Non-Current Assets	16,735,721,684	17,309,144,284	17,408,510,109	4,495,956,324	3,852,561,087
Current Assets	6,907,159,185	3,369,603,126	2,595,523,138	2,074,507,504	1,476,977,927
TOTAL ASSETS	23,642,880,869	20,678,747,410	20,004,033,247	6,570,463,828	5,329,539,014
Share Capital	992,250,000	992,250,000	992,250,000	992,250,000	992,250,000
Retained Earnings	1,833,720,102	1,291,179,476	956,984,246	875,299,384	708,097,816
Non-Controlling Interest	788,508,131	335,553,320	289,605,355	81,407,753	(1,666,992)
Non-Current Liabilities	8,173,757,166	3,207,007,507	1,974,399,769	2,206,065,975	2,565,875,317
Current Liabilities	11,854,645,470	14,854,136,297	15,791,878,752	2,415,585,166	1,065,024,164
TOTAL EQUITY & LIABILITIES	23,642,880,869	20,678,747,410	20,004,033,247	6,570,463,828	5,329,539,014
OPERATING RESULTS					
Revenue	7,335,854,475	5,448,793,155	3,429,200,361	2,594,491,208	2,648,485,011
Gross Profit	2,868,319,614	2,526,604,818	777,398,261	633,428,735	644,619,560
Operating Profit	2,600,964,963	2,259,061,169	648,522,993	558,863,896	584,673,292
Income Tax Expenses	(7,714,916)	(556,361)	(2,119,659)	(8,146,606)	(9,121)
Non Controlling Interest	413,754,811	240,709,981	13,197,602	(9,510,755)	(482,650)
Net Profit after tax	641,765,626	433,172,532	287,507,515	270,968,747	317,954,538
FINANCIAL RATIOS					
Gross Profit Margin (%)	39.10%	46.37%	22.67%	24.41%	24.34%
Net Profit Margin (%)	8.75%	7.95%	8.38%	10.44%	12.01%
OTHER INFORMATION					
Face value per share	10	10	10	10	10
Proposed Dividend	12.50% cash	10 % cash	10 % cash	10% cash	20% cash
Earnings Per share (EPS)	6.47	4.37	2.90	2.73	3.20
Net Assets value (NAV) per Share	28.48	23.00	19.63	18.82	17.14
Net Operating Cash Flows Per Share (NOCFPS)	6.58	14.40	0.43	7.87	5.48

BOARD MEETING AND ATTENDANCE

During the year ended June 30, 2021

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	13	13	-
2	Mr. Faisal Ahmed Chowdhury	13	13	-
3	Mr. Fahim Ahmed Chowdhury	13	13	-
4	Mr. Afzal Rashid Choudhury	13	5	-
5	Mr. Md. Shirajul Islam	13	12	-
6	Mr. Helal Ahmed Chowdhury	13	10	-
7	Mr. Zahrul Syed Bakht	13	11	-
8	Mr. Md. Abul Quasem	7	6	Appointed as Independent Director on 14 November 2020



PATTERN OF SHAREHOLDING

As on June 30, 2021

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	Parent Company *	50,604,750	51.00% *
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	4.18%**
	Mr. Faisal Ahmed Chowdhury	Director	4,150,000	4.18%**
	Mr. Fahim Ahmed Chowdhury	Director (Nominated by Baraka Power Limited)	850,500	0.86%**
	Md. Shirajul Islam	Director (Nominated by Baraka Power Limited)	1,050,000	1.06%**
	Mr. Afzal Rashid Choudhury	Director (Nominated by Baraka Power Limited)	1,050,000	1.06%**
	Mr. Helal Ahmed Chowdhury	Director (Nominated by Baraka Power Limited)	-	-
	Mr. Zahrul Syed Bakht	Independent Director	-	-
	Mr. Md. Abul Quasem	Independent Director	-	-
	Mr. Monzur Kadir Shafi	Managing Director	4,150,001	4.18%**
	Ms. Momthaz Chowdhury	Spouse of Mr. Gulam Rabbani Chowdhury	1,260,056	1.27%**
	Ms. Rushina Ahmed Chowdhury	Spouse of Mr. Faisal Ahmed Chowdhury	588,505	0.59%**
	Ms. Abeda Khanom Chowdhury	Spouse of Mr. Fahim Ahmed Chowdhury	1,069,833	1.08%**
	Ms. Shubina Ahmed Chowdhury	Spouse of Mr. Monzur Kadir Shafi	393,750	0.40%**
	Ms. Sultana Jesmin Chino	Spouse of Mr. Mohammed Monirul Islam (Chief Financial Officer)	499,000	0.50%**
	Ms. Anamika Roy	Spouse of Mr. Monoj Das Gupta (Head of Internal Audit & Compliance)	74,000	0.07%**
c)	Executives ***		-	-
d)	Shareholders holding 10% or More Voting interest		-	-
	Baraka Power Limited	Parent Company *	50,604,750	51.00% *

* After allotment of IPO shares on 5 July 2021, BPPL became an associate concern of Baraka Power Limited having 29.25% ownership control over BPPL (which was 51% before IPO share allotment).

** After allotment of IPO shares on 5 July 2021, the Percentage (%) of Share Holding changed accordingly.

*** 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

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

BARAKA PATENGA POWER LIMITED

Declaration by MD and CFO

Annexure-D

Date: 28 October 2021
The Board of Directors
Baraka Patenga Power Limited

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

Dear Sirs,


Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC-D/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, 2021 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, 2021 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and 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
28 October 2021


Mohammed Monirul Islam
Chief Financial Officer
28 October 2021

CORPORATE GOVERNANCE COMPLIANCE REPORT

Annexure-E

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

BARAKA PATENGA POWER LIMITED

Status of Compliance with the Corporate Governance Guideline (CGC)

For the year ended 30th June 2021

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRC-D/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)

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 is comprised of 9 (Nine) Directors Including Managing Director
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);	√	-	2 out of 9 directors are appointed as Independent 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 direct 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).	✓	-	-
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	-	-	N/A
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	-	-	N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-	-	N/A
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;	✓	-	-
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;	✓	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓	-	-
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.	✓	-	-
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);	✓	-	-
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.;	✓	-	N/A (IPO shares were allotted on 5 July 2021)
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;	✓	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓	-	-
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;	✓	-	-
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;	✓	-	-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	-
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 12.50% cash dividend for the year ended on June 30, 2021
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;	✓	-	-
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓	-	-
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);	✓	-	-
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);	✓	-	-
1(5)(xxiii)(c)	Executives; and	✓	-	-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓	-	-
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	✓	-	-
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓	-	-
1(5)(xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓	-	-
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;	✓	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓	-	-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓	-	-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓	-	-
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:-			
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;	✓	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)(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);	√	-	-
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	√	-	-
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;	√	-	-
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;	√	-	-
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	√	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 4 (four) members including 1 (one) 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
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;	√	-	-
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.	√	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 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.	√	-	-
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)(ii)(a)	report on conflicts of interests;	-	-	No such Incidence arose
5(6)(a)(ii)(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

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incidence arose
5(6)(a)(ii)(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)(ii) 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;	√	-	-
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 3 (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;	-	-	No such case arose
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

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(g).	The company secretary shall act as the secretary of the Committee;	√	-	-
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;	√	-	-
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 case arose during the year
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;	√	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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);	✓	-	-
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.	✓	-	-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 "H. RAHMAN & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2021
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

H. Rahman & Associates.

Cost & 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, 2021. 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:

- (a) 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.
- (b) 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;
- (c) 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
- (d) The governance of the company is satisfactory.

For H. Rahman & Associates



Md. Hafizur Rahman
Cost & Management Accountants

Place: Dhaka
Dated: 11 November, 2021

6/A/1, Segunbagicha, Ground Floor, Dhaka-1000. Phone: 01711447576.