



**BARAKA POWER LIMITED**

## **ANNUAL REPORT** **2018-19**

*Lighting Bangladesh, We Promise...*

# NATION'S DREAM, OUR PROMISE...

We are dreaming of a Bangladesh; when every corner of the nation is brightened with electricity. We dream about an individual, about a society, about a Nation. The power of collective dreams gives us strength and power to achieve our promise.

## **Consistently Achieved Higher Credit rating**

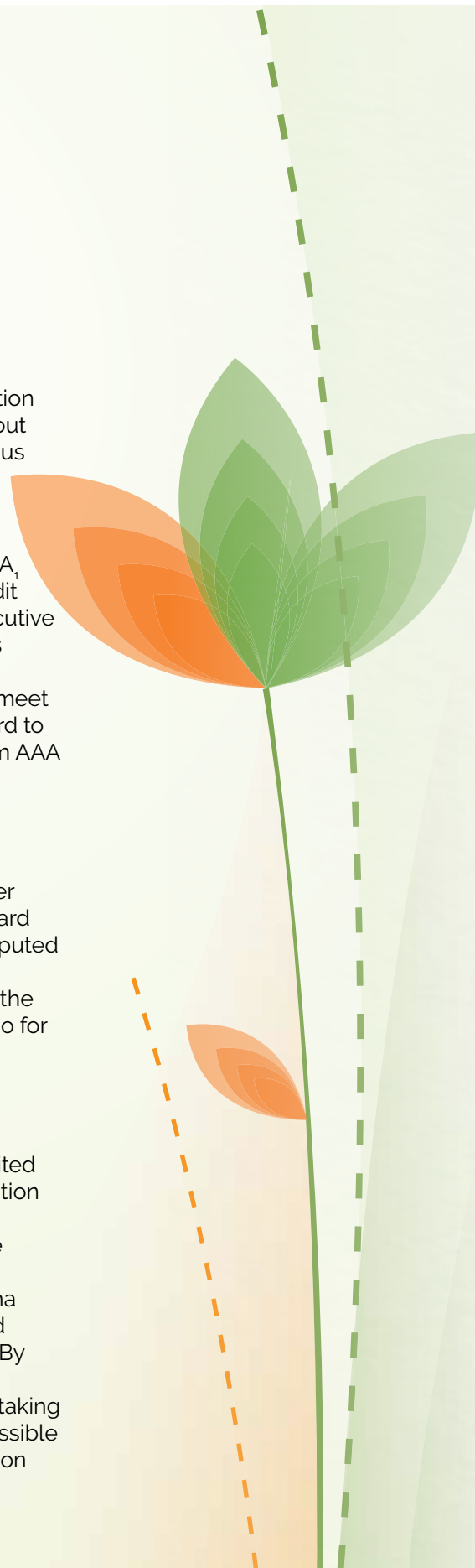
During the last year, Baraka Power Limited has been awarded AA<sub>1</sub> (Double A One) Credit Rating by the reputed rating agency, Credit Rating Agency of Bangladesh (CRAB) Limited. This is the consecutive second time for the Company to score such a higher rating. This is one of the highest rating for a power plant of the country. The Credit Rating of Baraka Power indicates very strong capacity to meet financial commitment offering a high degree of safety with regard to timely payment of financial obligations deferring marginally from AAA rated facilities.

## **Multiple Times ICMAB Best Corporate Award winner**

In recognition of its continually improving culture of corporate governance and fair presentation of financial data, Baraka Power Limited has been bestowed with the ICMAB Best Corporate Award for four times (During the year 2012, 2013, 2014 & 2016) by the reputed Institute of Cost and Management Accountants of Bangladesh (ICMAB). The ICMAB introduced the award in 2007 to recognize the country's best corporate enterprises and encourage others to go for good corporate culture and management.

## **Successfully Completed EPC of Two Power Projects Simultaneously**

Through a very competitive bidding process, Baraka Power Limited has been appointed as Engineering, Procurement and Construction (EPC) contractor of two new Power Projects having a total EPC contract price of USD 61.50 Million. Although this is the first time the Company undertook such an immense responsibility, the EPC of those two new Power Projects namely "Baraka Shikalbaha Power Limited" and "Karnaphuli Power Limited" were completed very successfully by Baraka Power Limited during the last year. By successful and satisfactory completion of these EPC contracts, Baraka Power has ultimately announced its potentials for undertaking large and small EPC contracts in future days, thus opening a possible revenue earning window as well as enhanced goodwill, reputation and wide acceptability in home and abroad.



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## COMPANY INFORMATION

Baraka Power Limited emerged at the time when Bangladesh was suffering huge power crisis. The country badly needed power facility to fulfill the socio-economic demand of power. At that time, to fulfil the dream of having an enterprise at their sweet home that will embody the sponsors' aspirations to serve Bangladesh, Baraka Power was formed by accumulation of hard earned remittances of a group of Non Resident Bangladeshis (NRBs) with the joint collaboration of a group of local entrepreneurs. Baraka Power is the only private sector power generating company developed by a group of NRB sponsors. The company was incorporated in Bangladesh on 26 June 2007 as a Private Limited Company. On 25 September 2008, the Company was converted to Public Limited Company under the Companies Act, 1994. On January 12, 2015 the company was renamed from its former name "Barakatullah Electro Dynamics Limited" to presently named "Baraka Power Limited".

Baraka Power Limited took part in tender initiated by Bangladesh Power Development Board (BPDB) and won the bid to implement, generate & supply electricity from a 51 MW power plant at Fenchuganj, Sylhet for a period of 15 years on Build, Own & Operate (BOO) basis. Accordingly, Baraka Power signed agreement with Bangladesh Power Development Board on 28 April 2008 for supplying electricity. The 51 MW Power plant at Fenchuganj, Sylhet has commissioned successfully on 10 October 2009 and started commercial operation on 24 October 2009.

The company became listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on 16 May 2011 and trading of its shares in the bourses started on 19 May 2011.

In the year 2011, Baraka Power Limited was awarded another 50 MW IPP HFO based power plant at Patenga under the open tendering method. Accordingly, Baraka Power Limited formed a subsidiary company namely Baraka Patenga Power Limited (BPPL) to design, finance, insure, construct, own, commission, operate and maintain a 50 MW, HFO-fired power generating facility at South Patenga, Chattogram for a term of 15 years. The BPPL plant started commercial operation on May 04, 2014 and since then the company is continuously supplying electricity to the National Grid uninterruptedly.

Subsequently, Baraka Patenga Power Limited (Subsidiary of Baraka Power) formed two more power plants as its subsidiary named Karnaphuli Power Limited (KPL) and Baraka Shikalbaha Power Limited (BSPL).

Karnaphuli Power Limited (KPL) has signed the Power Purchase Agreement (PPA) with Bangladesh Power Development Board (BPDB) on February 4, 2018 and has also signed the Implementation Agreement (IA) with the Government of Bangladesh (GOB) represented by the Ministry of Power, Energy and Mineral Resources on the same day. KPL started Commercial Operation of its 110 MW HFO fired IPP power plant on 20 August 2019. Baraka Power Limited has directly invested in 25% shares of Karnaphuli Power Limited and Baraka Patenga Power Limited (a 51% subsidiary of Baraka Power Limited) has invested in 51% shares of KPL. By way of cross holding (with Baraka Patenga Power's 51% holding), Baraka Power Limited's aggregate shareholding in Karnaphuli Power Limited is 51.01% thus adding an additional 56.11 MW with its own capacity of 51 MW.





Baraka Shikalbaha Power Limited (BSPL) has signed the PPA with BPDB on August 19, 2018 and has also signed the IA with the Government of Bangladesh represented by the Ministry of Power, Energy and Mineral Resources on the same day. BSPL, a 105 MW HFO fired IPP power plant, started its Commercial Operation on 24 May 2019. Baraka Power Limited has directly invested in 20% shares of BSPL and Baraka Patenga Power Limited (a 51% subsidiary of Baraka Power Limited) has invested in 51% shares of BSPL. By way of cross holding (with 51% holding of Baraka Patenga Power), aggregate shareholding of Baraka Power Limited in Baraka Shikalbaha Power Limited is 46.01% thus adding an additional 48.31 MW with its own capacity of 51 MW.

With the implementation of Baraka Patenga Power Limited, Karnaphuli Power Limited and Baraka Shikalbaha Power Limited; Baraka Power Limited ultimately reached to an aggregate production capacity of 180.92 MW (i.e. 51 MW of BPL + 51% of BPPL's 50 MW + 51.01% of KPL's 110 MW + 46.01% of BSPL's 105 MW).

Apart from power sector, to diversify its dependability on a single product (Electricity) and to reduce future business risk, in the year 2016-2017, Baraka Power Limited has acquired a Ready-Made-Garments Factory having 10-line (woven tops) production capacity situated at Singbari, Tongi, Gazipur. Under

the expert management and continuous guideline of BPL, performance of the Garments Factory is improving gradually. Although this garments unit is yet to provide any significant net positive return, it is expected to contribute satisfactory positive returns in future days to boost the overall profitability of the Company.

#### Nature of Business

The Principal activity of Baraka Power Limited is to set up power plants for the generation and supply of electricity. However, the Company also enters into Engineering, Procurement and Construction (EPC) contracts for implementation of new power projects. Apart from these, the Company also invested in three other power plants and one garments project.

#### Principal Products and Service

Electricity is the principal product of the Company. Under private sector power generation policy of Bangladesh, Baraka Power Limited is supplying electricity uninterruptedly to the Bangladesh Power Development Board (BPDB) through the national grid. Apart from this, Baraka Power Limited also provides Engineering, Procurement and Construction (EPC) services to new power plants.



## OUR SUBSIDIARIES

### BARAKA PATENGA POWER LIMITED

% Holding :	51.00% direct	Financial Highlights	
Business Nature :	Power Plant	<i>During the Year 2018-2019 (Solo):</i>	
Legal Status :	Public Limited Company	Total Revenue	2,886,421,600
Date of Incorporation :	07 June 2011	Gross Profit	653,471,096
Date of Commercial Operation :	04 May 2014	Net Profit After Tax	273,771,236
Location of Plant :	Patenga, Chattogram	Total Comprehensive Income	272,830,811
Major Products & Services :	Generation & Supply of Electricity	Total Assets	5,423,441,317
Capacity :	50 Mega Watt		

### BARAKA FASHIONS LIMITED

% Holding :	51.00% direct	Financial Highlights	
Business Nature :	Ready-Made-Garments	<i>During the Year 2018-2019:</i>	
Legal Status :	Private Limited Company	Total Revenue	350,254,768
Date of Incorporation :	08 May 1995	Gross Profit	(41,019,641)
Date of Acquisition :	21 May 2017	Net Profit After Tax	(144,976,842)
Location of Factory :	Tongi, Gazipur	Total Comprehensive Income	(144,976,842)
Major Products & Services:	Woven Products	Total Assets	321,163,238
Capacity :	10 Lines		

### KARNAPHULI POWER LIMITED

% Holding :	51.01% (25% direct & 26.01% cross holding)	Financial Highlights	
Business Nature :	Power Plant	<i>During the Year 2018-2019:</i>	
Legal Status :	Public Limited Company	Total Revenue	-
Date of Incorporation :	17 November 2014	Gross Profit	(13,039,929)
Date of Commercial Operation :	20 August 2019	Net Profit After Tax	(49,021,374)
Location of Plant :	Patiya, Chattogram	Total Comprehensive Income	(49,021,374)
Major Products & Services:	Generation & Supply of Electricity	Total Assets	7,000,587,438
Capacity :	110 Mega Watt		



## OUR ASSOCIATES

BARAKA SHIKALBAHA POWER LIMITED			
% Holding :	46.01% (20% direct & 26.01% cross holding)	Financial Highlights	
Nature of Business :	Power Plant	<i>During the Year 2018-2019:</i>	
Legal Status :	Public Limited Company	Total Revenue	542,778,761
Date of Incorporation :	13 December 2017	Gross Profit	136,967,094
Date of Commercial Operation :	24 May 2019	Net Profit After Tax	75,955,255
Location of Plant :	Patiya, Chattogram	Total Comprehensive Income	75,955,255
Capacity :	105 Mega Watt	Total Assets	7,729,356,193
Major Products & Services:	Generation & Supply of Electricity		



## HIGHLIGHTS OF COMPLETED NEW POWER PROJECTS

COMPANY NAME	KARNAPHULI POWER LIMITED
Guaranteed Capacity	110 MW
STG Facility	5 MW
Signing of PPA & IA	04 February 2018
Contract Duration	15 Years from COD
Commercial Operation	20 August 2019
Location	Patiya, Chattogram
Plant Land Area	7 Acres (Appx)
Project Cost	BDT 740 Cr. (Appx)
Source of financing	70% Debt : 30% Equity (Appx)
Off-taker	BPDB
Fuel Type	HFO
Gen-sets Provider	Wartsila Finland OY
Engine Type	4-Stroke Reciprocating Super Charged Engine
Engine Model	W18V50
Number of Generators	6 nos.
Each Engine Capacity	18.415 MW
Generator efficiency	97.9 %
Length of Engine	18.781 m
Width of Engine	4.09 m
Height of Engine	6.02 m
Weight (dry) of Engine	368000 kg
Weight (wet) of Engine	383000 kg
Frequency	50 Hz
Major Lenders (Approved)	IDCOL The City Bank Limited Prime Bank Limited Bank Asia Limited Dhaka Bank Limited Eastern Bank Limited





COMPANY NAME	BARAKA SHIKALBAHA POWER LIMITED
Guaranteed Capacity	105 MW
STG Facility	-
Signing of PPA & IA	19 August 2018
Contract Duration	15 Years from COD
Commercial Operation	24 May 2019
Location	Patiya, Chattogram
Plant Land Area	7 Acres (Appx)
Project Cost	BDT 750 Cr. (Appx)
Source of financing	70% Debt : 30% Equity (Appx)
Off-taker	BPDB
Fuel Type	HFO
Gen-sets Provider	Wartsila Finland OY
Engine Type	4-Stroke Reciprocating Super Charged Engine
Engine Model	W18V50
Number of Generators	6 nos.
Each Engine Capacity	18.415 MW
Generator efficiency	97.9 %
Length of Engine	18.781 m
Width of Engine	4.09 m
Height of Engine	6.02 m
Weight (dry) of Engine	368000 kg
Weight (wet) of Engine	383000 kg
Frequency	50 Hz
Major Lenders (Approved)	United Commercial Bank Limited Janata Bank Limited Sonali Bank Limited The City Bank Limited Modhumoti Bank Limited SABINCO IDLC Finance Limited



## CORPORATE ETHOS





## COMMITMENT TO GREEN ENERGY

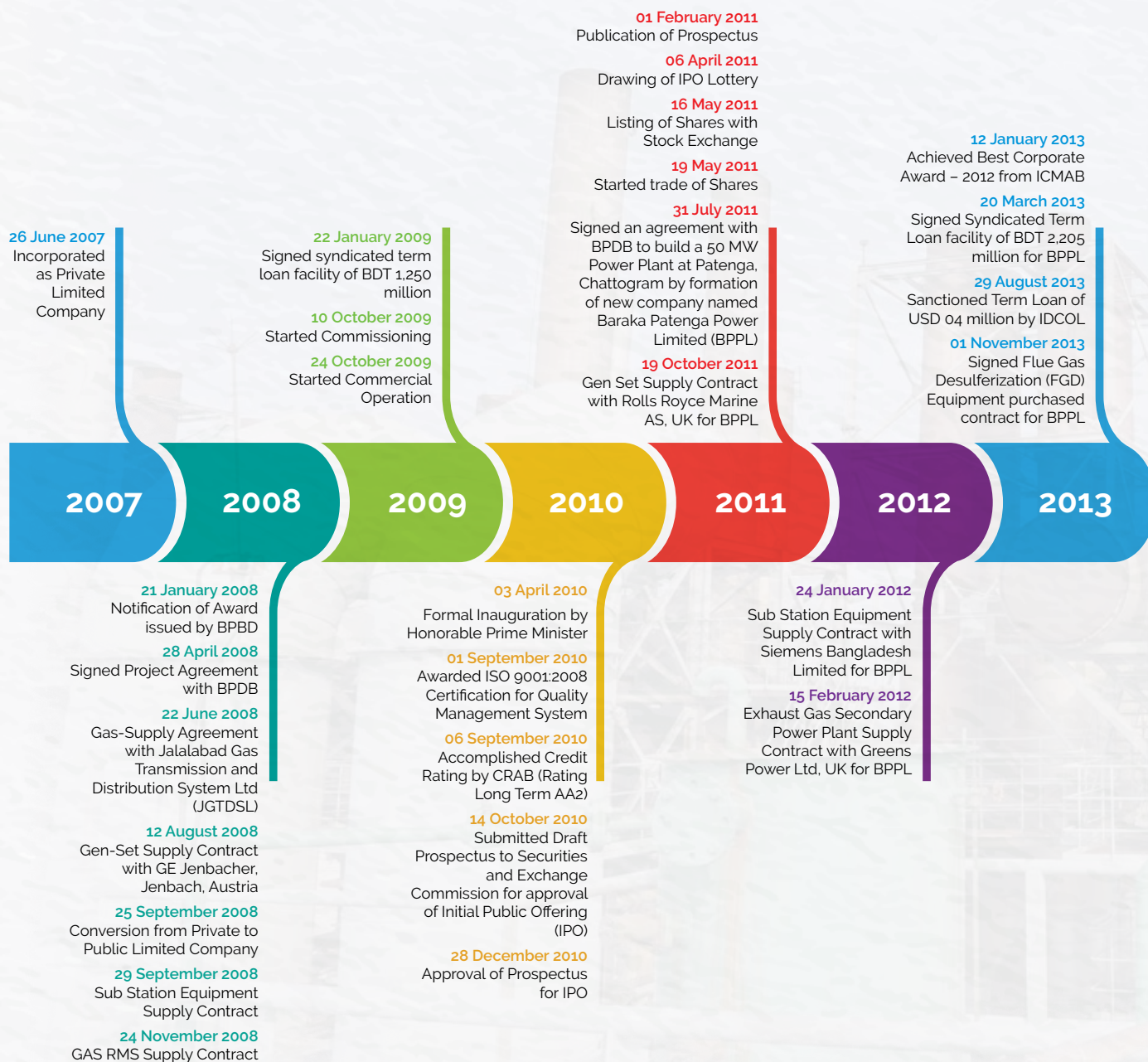
The Baraka Power ethos places a special emphasis on environmental and ecological conservation. We are committed to preserving and regenerating the environment during the process of project implementation and operation of our power plants. Our environmental preservation and regeneration efforts are expressed in the slew of projects and programs we have undertaken in and around our facilities and operations. A focus area, in this context, is the global warming and climate change issue. The Company believes that only through preservation of environment long term sustainability can be achieved.

Baraka Power is working on projects that include experiencing green cover, reducing effluents and emission, maintaining local ecological balance and improving long term corporate sustainability. The Company adopted and implemented policies which ensure emission control through initiatives such as installation of Flue Gas Desulfurization (FGD) which was first ever introduced in the history of power plant of Bangladesh. The system control Sulphur emission from furnace oil to protect our mother nature from pollution. Moreover, we have also implemented STG facilities to recycle and reuse valuable resources, thus ensuring reduction of burning fuel. Apart from these, to protect the balance of the environment, used waters are purified with a water treatment plant (WTP) before releasing them.

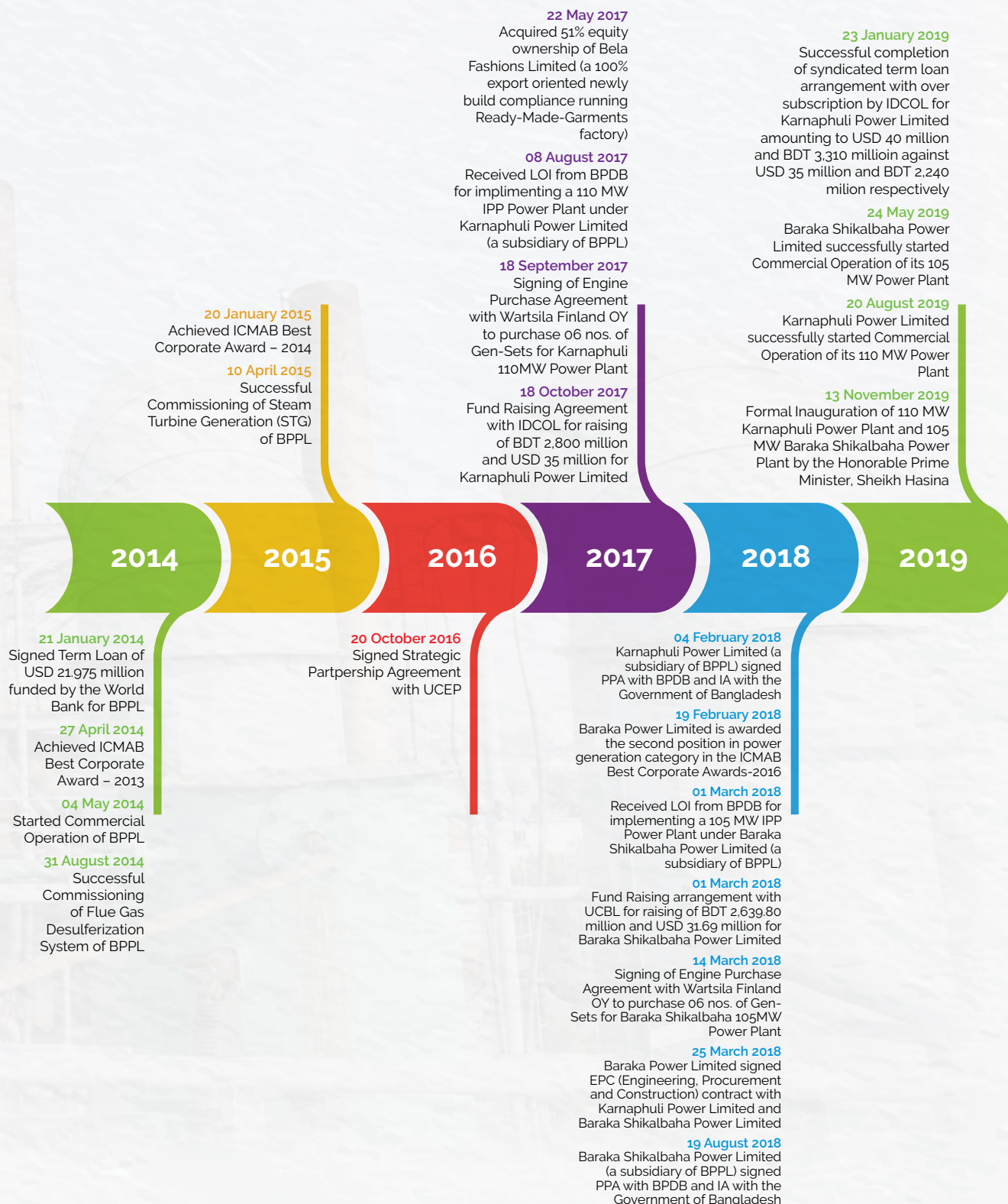


# ENERGY

## SUCCESS MILESTONES







## CORPORATE DIRECTORY

### Company Name

Baraka Power Limited

### Company Registration No.

C-67429 (4921)/07 dated June 26, 2007

### Legal Form

The Company was incorporated in Bangladesh on 26 June 2007 as a Private Limited Company. On 25 September 2008 the Company was converted into Public Limited Company under the Companies Act 1994. On January 12, 2015 the company changed its name from Barakatullah Electro Dynamics Limited to Baraka Power Limited.

### Statutory Auditors

Kazi Zahir Khan & Co  
Chartered Accountants  
Shamsunnahar & Wazi Complex (8th Floor)  
Suite-9B, 31/C/1 Topkhana Road  
Segunbagicha, Dhaka, Bangladesh

### Legal Advisor

Sarwar & Associates  
Flat # 4C, House # 96A  
Road # 7, Block # F  
Banani, Dhaka-1213

P & H Associates  
Property Plaza, Suite 5  
66 New Circular Road  
Mouchak, Ramna, Dhaka

### Bankers & Financial Institutions

Infrastructure Development Co. Ltd. (IDCOL)  
Trust Bank Limited  
United Commercial Bank Limited  
IPDC Finance Limited  
Bangladesh Infrastructure Finance Fund Ltd.  
BD Finance  
Industrial and Infrastructure Development Finance Co. Ltd.

### Location of Power Plants

Fenchuganj, Sylhet  
South Patenga, Chattogram  
Patiya, Chattogram

### Location of Textile Project

Tongi, Gazipur

### Registered Office

102-Azadi, Mirboxtola  
Sylhet-3100, Bangladesh.  
Phone: +880-821-726760  
Fax: +880-821-712154

### Corporate Office

6/A/1 (1<sup>st</sup> & 2<sup>nd</sup> floor)  
Segunbagicha, Dhaka-1000, Bangladesh.  
Phone: +880-2-9572305, 9560339  
Fax: +880-2-9559015

### Sylhet Office

Khairun Bhaban (6<sup>th</sup> floor)  
Mirboxtola, Sylhet-3100, Bangladesh.  
Phone: +880-821-711815  
Fax: +880-821-712154

E-mail: info@barakapower.com

Web: www.barakapower.com

### BOARD OF DIRECTORS OF BARAKA POWER LIMITED

#### Faisal Ahmed Chowdhury

*Chairman*

#### Engr. Md. Ahsanul Kabir

*Vice-Chairman*

#### Abdul Bari

*Vice-Chairman*

#### Gulam Rabbani Chowdhury

*Director*

#### Nanu Kazi Mohammed Miah

*Director*

#### Robin Choudhury

*Director*

#### Dr. Md. Zakir Hossain

*Independent Director*

#### Helal Ahmed Chowdhury

*Independent Director*

#### Fahim Ahmed Chowdhury

*Managing Director*



#### AUDIT COMMITTEE MEMBERS

**Dr. Md. Zakir Hossain**

*Chairman*

**Nanu Kazi Mohammed Miah**

*Member*

**Helal Ahmed Chowdhury**

*Member*

**Md. Saiful Islam Chowdhury**

*Secretary*

#### NOMINATION & REMUNERATION COMMITTEE MEMBERS

**Dr. Md. Zakir Hossain**

*Chairman*

**Faisal Ahmed Chowdhury**

*Member*

**Gulam Rabbani Chowdhury**

*Member*

**Md. Saiful Islam Chowdhury**

*Secretary*

#### PURCHASE & PROCUREMENT COMMITTEE MEMBERS

**Faisal Ahmed Chowdhury**

*Chairman*

**Fahim Ahmed Chowdhury**

*Member*

**Monowar Ahmed**

*Member & Secretary*

#### OPERATION & MAINTENANCE COMMITTEE

**Gulam Rabbani Chowdhury**

*Chairman*

**Engr. Md. Ahsanul Kabir**

*Member*

**Fahim Ahmed Chowdhury**

*Member*

**Md. Shariful Alam**

*Member & Secretary*

#### MANAGEMENT TEAM

**Mr. Fahim Ahmed Chowdhury**, Managing Director

**Mr. Monzur Kadir Shafi**, Managing Director (BPPL)

**Engr. Md. Ahsanul Kabir**, Head of Administration

**Mr. Monowar Ahmed**, Chief Financial Officer

**Mr. Mohammed Monirul Islam**, Chief Financial Officer (BPPL)

**Mr. Md. Shariful Alam**, General Manager (Technical)

**Mr. Khan Sharif Raihan**, Senior Deputy General Manager (Technical-BPPL)

**Mr. Mirajul Karim**, Deputy General Manager (HR & Admin)

**Mr. Md. Nuruzzaman Miah**, Plant Manager – (Fenchuganj Plant)

**Mr. Mohammad Rana**, Company Secretary (BPPL)

**Mr. Monoj Das Gupta**, Head of Internal Audit and Compliance (BPPL)

**Mr. Mohammed Murad Hossain**, Assistant General Manager (Commercial)

**Mr. Mufti Abdul Mokshit Al Malum**, Head of Internal Audit and Compliance

**Mr. F R M Monzur E Khuda**, Plant Manager (BPPL)

**Md. Saiful Islam Chowdhury**, Company Secretary

BOARD MEMBERS









## DIRECTORS' PROFILE



**MR. FAISAL AHMED CHOWDHURY**  
Chairman - BPL



**MR. ABDUL BARI**  
Vice Chairman - BPL



**ENGR. MD. AHSANUL KABIR**  
Vice Chairman - BPL



**MR. GULAM RABBANI CHOWDHURY**  
Director - BPL



**MR. NANU KAZI MOHAMMED MIAH**  
Director - BPL



**DR. MD. ZAKIR HOSSAIN**  
Independent Director - BPL



**MR. HELAL AHMED CHOWDHURY**  
Independent Director - BPL



**MR. FAHIM AHMED CHOWDHURY**  
Managing Director - BPL



**MR. MONZUR KADIR SHAFI**  
Managing Director - BPPL



**MR. MD. SHIRAJUL ISLAM**  
Director - BPPL



**MR. AFZAL RASHID CHOUDHURY**  
Director - BPPL



**DR. TOFAYEL AHMED PH.D**  
Independent Director - BFL & KPL

#### MR. FAISAL AHMED CHOWDHURY

Chairman	Baraka Power Limited
Chairman	Royal Homes Limited
Chairman	Royal Educare Limited
Chairman	Baraka Apparels Limited
Chairman	Baraka Fashions Limited
Director	Baraka Patenga Power Limited
Director	Karnaphuli Power Limited
Director	Baraka Shikalbaha Power Limited

Mr. Faisal Ahmed Chowdhury is a visionary business leader and possessing over twenty nine years of highly successful leadership experience. Along with NRBs and local entrepreneurs, Mr. Faisal Chowdhury established Baraka Power Limited in 2007. Then he established Baraka Patenga Power Limited, Karnaphuli Power Limited and Baraka Shikalbaha Power Limited in Chattogram. Baraka Patenga Power Limited is the first power plant to be funded by the World Bank foreign currency loan under IPFF facility.

After completing his graduation, during the 1990's he relocated to the UK and started his own business founding Apex Printing and Publications Ltd. and then went on to establish Imprint Trading Ltd. He successfully started an internationally recognized real estate company in Bangladesh named Royal City (300 acres), situated at the gateway of Sylhet. He established an international standard educational organization, by the name of Royal Educare Limited (REL) in Bangladesh. REL includes Eurokids Kindergarten and Royal Institute of Smart Education (RISE) primary & secondary school. RISE School incorporates the world renowned Cambridge University Curriculum.

Mr. Faisal Chowdhury is also involved in several community and social interest activities and organizations. He is an Elected Executive Committee Member of Foreign Investors Chamber of Commerce & Industry (FICCI) for the year 2019-2021, Executive Member of the Bangladesh Red Crescent Society, Sylhet Unit and Mujib-Jahan Blood Bank and President of Sylhet Zimkhana Cricket Club. He is the publisher of The Daily Sylhet Mirror, a renowned newspaper of Sylhet. Mr. Faisal Ahmed Chowdhury is a widely travelled personality having a good understanding of the diversity of culture. He regularly attends business seminars and international exhibitions throughout the world and has built high level international networks to take Bangladeshi businesses into global level.

#### MR. ABDUL BARI

Vice Chairman	Baraka Power Limited
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Alhaj Abdul Bari is a prominent businessman. He started his business career in tourism sector in the year 1972. Later he entered into the Garments business and also invested in other business sectors such as Medical College & Hospital, Pharmaceuticals, Property Business etc. He also has other business interests in UK.

#### ENGR. MD. AHSANUL KABIR

Vice Chairman	Baraka Power Limited
Director & CEO	Syltop Associate (Pvt.) Limited

Engr. Md. Ahsanul Kabir has a very wide range of knowledge on electro mechanical technology. Since his student life he was very much enthusiastic about science and technology. Due to his keen interest, he attended every Gov. Science fair of his vicinity during student life and was even awarded for his innovative ideas in National Science Fairs at that time.

After joining as a vice chairman of Baraka Power he worked on various issues that include problems of switch yard, like blasting of Lighting arrester which for sure is a costly part and could've been risky for the plant. Being able to solve tons of problems within the company; helped BPL to save a big portion of its valuable resources. He also worked on insufficient air flow in intake air filter room which helps in decreasing air temperature of engine room.

The failure of grounded wire mesh which causes disconnection of three engines from ground were solved by him which made the engines secure for use. He is also working for damp radiator problem of BPL plant for a long time and finally all the fans are in better condition than before; ensuring that the project is running well. All the fans (247 nos of radiator fan are there in BPL) are working satisfactorily. Due to his unprecedented technical problem-solving ability the Company could reduce its expenses increasing the annual profit.

At his early age he was awarded in National Science Fair held at Dhaka. Also, he was a B grade Hawaiian guitar radio artist in his early life. He innovated different technical knowhow in the civil engineering construction work. Thriving every step, his continuous success in business is remarkably phenomenal.

On the other hand, he has vast experience of 33 years in civil Engineering technology and whole civil construction of Baraka Power Limited (Fenchugonj 51 MW) is completed under his technical assistance including additional drawing and design. He is the CEO and director of Syltop Associate Pvt. Ltd., a leading property developer in Dhaka and Sylhet. He is also the Chief Engineer of Architects and Builders. A company led and run by him.

High hopes, tough goals, emerging vision and a will to change the world has been the most immense driver of his continuous success.

## DIRECTORS' PROFILE (Continued)

### MR. GULAM RABBANI CHOWDHURY

Director	Baraka Power Limited
Chairman	Baraka Patenga Power Limited
Chairman	Queens Healthcare Limited
Chairman & MD	Karnaphuli Power Limited
Chairman & MD	Baraka Shikalbaha Power Limited
Managing Director	Baraka Fashions Limited
Managing Director	Baraka Apparels Limited
Managing Director	Royal Homes Limited
Managing Director	Royal Educare Limited

Mr. Gulam Rabbani Chowdhury has a vast experience in machine manufacturing, real estate, power, education and readymade garments industry. His dynamism of entrepreneurship and management discipline played a key role in making a new startup "Baraka Group" to a huge success.

Mr. Rabbani, a very successful entrepreneur and negotiator, inspire NRB investors to invest in Bangladesh. He led a huge capital investment in an extremely complex operation-oriented business like power generation successfully. Presently he is leading Baraka Power Limited as its Director. With the efforts of Mr. Chowdhury, the success story of Baraka Power Limited set a new milestone for NRB investors, encouraging them to make further investment in the power sector. Accordingly, the second power project of Baraka Family named Baraka Patenga Power Limited was formed under his leadership. Inspired by the success of these two power plants, he is leading another two HFO fired power plants of 110MW and 105MW at Chattogram namely Karnaphuli Power Limited and Baraka Shikalbaha Power Limited respectively. Developing his entrepreneurial vision further afield, he ventured into the readymade garments industry and started Baraka Fashions Limited; a ten lines capacity woven garments located at Tongi, Gazipur.

Before starting Baraka Power Limited, Mr. Chowdhury with the support of a group of NRB investors successfully established an innovative and unique large-scale townscape vision by the name of "Royal City" in Sylhet, on 2006; which is a project of Royal Homes Limited. It has made a significant impact in the future of Sylhet as a fast-developing city, providing well planned residential and commercial facilities.

During his career, Mr. Chowdhury identified the lack of high international standard educational facilities in Sylhet. Along with a consortium of NRB investors, he has been a key figure in establishing a leading educational organization by the name of Royal Educare Limited (REL). REL currently comprises of educational facilities from Eurokids Kindergarten up to and including primary and secondary schooling in RISE (Royal Institute of Smart Education). RISE school has incorporated the world respected and renowned

Cambridge Curriculum. The Cambridge body has approved RISE as one of the best technology based premium international schools in the country, located in the heart of Sylhet.

Mr. Chowdhury started his career at a very early age during his student life. In 1984 he joined an organization named New Engineering Works Limited. As a part of his work activities there, he learned about tea state machine manufacturing process and earned knowledge about practical uses of metallurgical and mechanical engineering. There he got ample opportunity to work very closely with some of the world-renowned natural gas exploration companies. During these times he realized the vast potentiality of entering into heavy industrial machineries based activities in Bangladesh. As a derive to use his practical knowledge and experience in the machine tools industries more effectively and efficiently, Mr. Chowdhury started his business career as Founder Managing Director by establishing Alim Industries Ltd. (An agricultural machinery manufacturing company) in the early 1990's. His enthusiasm, hard work, dedication, dynamism, foresight and skilled leadership took the company into one of the top-rated companies in the Agro Machinery Manufacturing sector. As a result, the company achieved a Presidential Award by innovating modernized agro based machine tools in the Bengali year 1395.

Mr. Chowdhury is also actively involved with some professional organizations where he significantly contributes to achieve the respective organizations' goals. At present he is an Executive Member of Bangladesh Association of Publicly Listed Companies (BAPLC). He is a former Vice President of Bangladesh Independent Power Producers' Association (BIPPA).

Mr. Chowdhury earned his bachelor degree in science under the Chittagong University. He attended many overseas trainings; specializing in metallurgy & manufacturing process, gaining a deep understanding and knowledge of industrial manufacturing and development. He has attended Business Leadership Forum on Smart Energy in Italy. He has visited many countries and attended seminars, international conferences and exhibitions such as in Australia, Canada, China, Denmark, France, Germany, India, Italy, Malaysia, Maldives, Morocco, Singapore, Thailand, Turkey, UAE, UK and USA. As a result of the numerous business successes across a variety of sectors, Mr. Chowdhury has received many accolades and corporate awards.



#### MR. NANU KAZI MOHAMMED MIAH

Director	Baraka Power Limited
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Mr. Nanu Kazi Mohammed Miah was born in Sylhet, Bangladesh. At a very early age, he settled in England, where he completed his education in Business Management. After completing his education, he decided to devote himself in business. In 1984, he started his first restaurant business which became very successful. From there he was able to establish a successful restaurant business hub in UK. Moreover, he engaged himself in various businesses in Bangladesh such as the Airlines and the Power Sectors.

#### DR. MD. ZAKIR HOSSAIN

Independent Director	Baraka Power Limited
Independent Director	Baraka Fashions Limited

Professor Dr. Md. Zakir Hossain was made as an Independent Director of the Board on October 26, 2017. Dr. Hossain has taught in tertiary level education and done a substantial amount of research works in past 30 thirty years. Currently, he is a Professor (Grade-I) in the Department of Statistics, Shahjalal University of Science & Technology (SUST), Sylhet, Bangladesh. He obtained PhD in Statistics (in the area of Demography) from Banaras Hindu University, India and did his MPhil in Statistics (in the area of Bio-statistics) from Rajshahi University, Bangladesh. Dr. Hossain has 3 books under his authorship and published a staggering number of 52 research articles in reputed journals at home and abroad. In line of presentation, Dr. Hossain has offered 44 scientific papers in different national and international conferences.

At Shahjalal University of Science & Technology, Professor Hossain has carried out responsibilities as the Head, Department of Statistics; Dean, School of Physical Sciences; Dean, School of Agricultural and Mineral Sciences; Director, SUST Research Centre while doing the teaching and research all along.

Dr. Hossain has designed and implemented a number of study projects on various issues in micro and macro levels sponsored by several organizations including IFC, FAO, UNICEF, DANIDA, Save the Children, University Grants Commission, Ministry of Education (GARE), and Social Science Research Council and Chittagong Hill Tracts Development Board. In addition, he has provided consultancy to various issues in different organizations and projects such as Food Security for Vulnerable Group Development (FSVD) Project, MNH-FP Services (Mamota Project), UNICEF-BBS Multiple Indicator Cluster Surveys (MICS) and Patuakhali Barguna Aquaculture Extension Project (PBAEP). Professor Hossain's areas of research include impact studies on development and demographic issues. He has completed a number of research projects related to national planning and policies.

Professor Hossain is a member of various professional organizations namely Bangladesh Statistical Association (BSA), International Union for the Scientific Study of Population (IUSSP), Indian Association for the Study of Population (IASP), Islamic Society of Statistical Sciences (ISOSS), Bangladesh Association for the Advancement of Science (BAAS), and Bangladesh Association of Scientists and Scientific Professionals (BASSP).

#### MR. HELAL AHMED CHOWDHURY

Independent Director	Baraka Power Limited
Independent Director	Baraka Patenga Power Limited

Mr. Helal Ahmed Chowdhury is an Independent Director of Baraka Power Limited and also an Independent Director of Baraka Patenga Power Limited. He is working as Supernumerary Professor of Bangladesh Institute of Bank Management (BIBM). Mr. Chowdhury served Pubali Bank Limited as Managing Director for around nine years during 2006-2014. He joined Pubali Bank in 1977 as class I officer through Superior Service Examination and was promoted in course to the highest post of MD & CEO in the same bank which is a rare event and record. Under his dynamic leadership, Pubali bank got transformed into an institutional role model of government turned private commercial bank. Mr. Chowdhury got PBL Gold Medal in 1995 for his outstanding performance in the career apart from many other accolades as best Banker, Banker to the masses, Best performer etc. for several years given by different organizations, Newspapers, ICAB, ICMAB and others at home and abroad. Pubali Bank Limited received the prestigious award "Best Financial Institution" of the country given by DHL and Daily Star in 2009. A career banker for around four decades, Mr. Chowdhury was an Independent Director of Islami Bank Bangladesh Ltd. He is a Member of General Parshad of PKSF (Palli Karma Sahayak Foundation). He received foundation training from the then BCCI, London and Sonali Bank, London in 1986-87. He is an M.A. and a Diplomaed Associate of IBB. Mr. Chowdhury, a widely travelled personality, participated in different training, seminar and short and long courses both at home and abroad including Oxford and Cambridge Universities of UK and UC Berkeley and Columbia Universities of USA. He also attended leadership seminar in Miami, USA and conference on CEO's of Americas in New Orleans, USA. He participated in the Oracle Global Conference in San Francisco, USA. He participated at different trade delegations abroad including entourage of the Hon'ble Prime Minister in 2012 in Myanmar. He was a Board Member and Vice Chairman of Association of Banker Bangladesh (ABB) and was also a Board Member of BIBM. He is a member of ICC Banking Commission and working as a resource person in different training/seminars abroad. He is engaged with a number of Social Organizations and Trade Bodies at different capacities.

## DIRECTORS' PROFILE (Continued)

### MR. FAHIM AHMED CHOWDHURY

Managing Director	Baraka Power Limited
Director	Baraka Patenga Power Limited
Director	Karnaphuli Power Limited
Director	Baraka Shikalbaha Power Limited
Director	Baraka Fashions Limited
Director	Royal Homes Limited
Director	Baraka Apparels Limited
Director	Royal Educare Limited

Mr. Fahim Ahmed Chowdhury was appointed as the Managing Director of Baraka Power Limited on 25 September 2018. Before taking the responsibility of the Managing Director, he was the Deputy Managing Director of the Company.

Fahim A Chowdhury is a member of a reputed business family. He is a person with strong vision and the confidence to take calculated risks required in business. After completion of his graduation he began his career at Birmingham airport, GAP flagship & TFL in order to gain experience in customer service. He then started his own business in different sectors such as a fast food takeaway restaurant, money transfer & travel agent and real estate business etc. in London and in all cases established a strong reputation for his capability and integrity. He completed MBA in Human Resource Management (HRM) and also achieved a BETEC qualification in customer service from the City Council of London which established a vast knowledge in building community relationships as well as increased his managerial skills. In the spirit of contributing to the development of the motherland he moved to Bangladesh in 2007 and joined as a Project Director to Baraka Power and subsequently took the responsibility of Deputy Managing Director, Head of Finance and finally as Managing Director. He is one of the founders of an international standard hospital project in Sylhet called "Queens Hospitals Ltd." and renowned international schools RISE & Eurokids.

Fahim A Chowdhury is also involved in many charitable organizations. He is the president of the executive committee of Baraka Arabic Islamic Centre, Past President of the Rotary club of Sylhet Sunshine, President of "Nirjar Shahitta Shongcriti Crira Shongtha". He is also a life member of Baraka Foundation & Vide President of Sylhet Ideal Society.

### MR. MONZUR KADIR SHAFI

Managing Director	Baraka Patenga Power Limited
Director	Karnaphuli Power Limited
Director	Baraka Shikalbaha Power Limited
Director	Baraka Fashions Limited
Director	Royal Homes Limited
Director	Baraka Apparels Limited
Director	Queens Healthcare Limited
Director	Royal Educare Limited

Mr. Monzur Kadir Shafi is a first generation entrepreneur who partnered with two other young business professionals at a young age to start a hospitality business in Hamtramck, Michigan, in 1998.

Mr. Shafi, graduated in 1990. To sharpen his skills, he obtained multiple training in hospitality business on a global scale. His first venture into the business started in New York City where he quickly turned marketing skills into new business entrepreneurship and his 'experiment' in Michigan earned him credits and accolades from all including the Better Business Bureau of Michigan and Detroit News. His interest in US politics also allowed him to be known by notable politicians in Michigan, like Senator Carl Levin, Senator Gary Peters and US Congressmen Hansan Clark, John Conyers and others. His success in restaurant business, earned him an interview with CNN, which was telecasted globally.

He belongs to a Muslim family in Sylhet. His father, Late Muhibur Rahman Chowdhury and his family also influenced him to be a successful business entrepreneur. But his desire to enter into Hospitality industry from a simple life in Sylhet to United States of America and to gain recognition in the society was purely because of his hard diligent work and his persistent in becoming successful.

Mr. Shafi is a widely travelled personality and participated in different trainings & seminars at home and abroad. He is a Director of Royal Educare Limited, that established two preschools in the name of Eurokids in the cities of Dhaka and Sylhet and also established The Royal Institute of Smart Education (RISE)-a premium International English Medium school in Sylhet City. Apart from these, Mr. Shafi is a member of the Trustee Board of North East University Bangladesh and also a Vice President of Bangladesh Scouts, Sylhet Region.

Mr. Shafi believes in calculated risk taking, self-confidence, persuasion, innovation, the capacity to cope with challenges, hard work and commitment. These are the factors which contribute to the success of Mr. Shafi as an entrepreneur. He gives maximum importance to good judgement, time, cost & quality management of the project he gets involved in. After obtaining diversified knowledge and experience in different field of business, he joined Baraka Patenga Power Limited (BPPL) as Project Director and by dint of his excelled was assigned the post of Deputy Managing Director & Head of Finance of BPPL. Presently he is acting as the Managing Director of the Baraka Patenga Power Limited.

#### MR. MD. SHIRAJUL ISLAM

Director	Baraka Patenga Power Limited
Director	Baraka Fashions Limited
Director	Baraka Apparels Limited

Mr. Shirajul Islam is a reputed business person having garments business in U.K. and thus gathered more than 25 years of experience in Readymade garments (RMG) business. Besides, he also engaged himself in hotel business. He has the potential skills required to manage diversified business in different countries. Baraka Group found the qualities that match to be a Director of the company and have the honor to absorb him for the position. The newly established associate company i.e. Baraka Apparels Limited and Baraka Fashions Limited have been founded by capitalizing his vast experience in the RMG sector.

#### MR. AFZAL RASHID CHOUDHURY

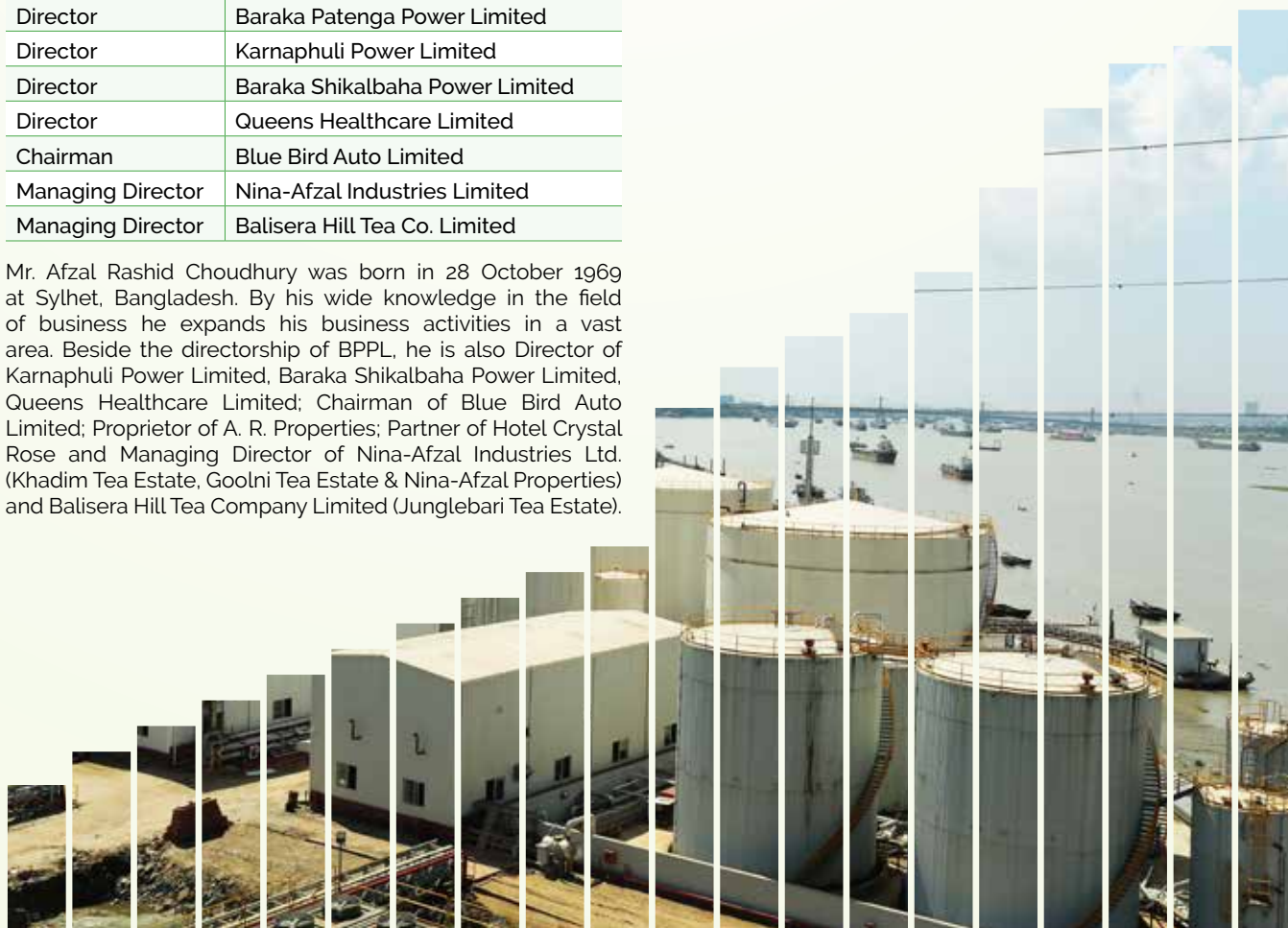
Director	Baraka Patenga Power Limited
Director	Karnaphuli Power Limited
Director	Baraka Shikalbaha Power Limited
Director	Queens Healthcare Limited
Chairman	Blue Bird Auto Limited
Managing Director	Nina-Afzal Industries Limited
Managing Director	Balisera Hill Tea Co. Limited

Mr. Afzal Rashid Choudhury was born on 28 October 1969 at Sylhet, Bangladesh. By his wide knowledge in the field of business he expands his business activities in a vast area. Beside the directorship of BPPL, he is also Director of Karnaphuli Power Limited, Baraka Shikalbaha Power Limited, Queens Healthcare Limited; Chairman of Blue Bird Auto Limited; Proprietor of A. R. Properties; Partner of Hotel Crystal Rose and Managing Director of Nina-Afzal Industries Ltd. (Khadim Tea Estate, Goolni Tea Estate & Nina-Afzal Properties) and Balisera Hill Tea Company Limited (Junglebari Tea Estate).

#### DR. TOFAYEL AHMED PH.D

Independent Director	Karnaphuli Power Limited
Independent Director	Baraka Shikalbaha Power Limited
Independent Director	Baraka Fashions Limited

Professor Dr. Tofayel Ahmed was appointed to the Board of Directors of Karnaphuli Power Limited and Baraka Fashions as an Independent Director on October 30, 2017. He was appointed in the Board of Baraka Shikalbaha Power Limited on March 12, 2018. He is the Head of the Dept. of Business Administration at North East University Bangladesh. He has 38 years of knowledge and experience of teaching and writing on Business Administration. He has contributed in a lot of research articles on different issues of business to both national and international journals. He has visited a number of countries and has attended various foreign conferences. He holds a Ph.D from the University of Chittagong on the thesis topic of "Productivity and Profitability of the private Sector Cotton Spinning Mills of Bangladesh."





## PROFILE OF SENIOR TEAM MEMBERS



#### **Mr. Monowar Ahmed**

*Chief Financial Officer*

Mr. Monowar Ahmed achieved his Commonwealth Executive MBA (CEMBA) degree from Bangladesh Open University (BOU). He gathered about 23 years of working experience including 20 years in Power Sector. Mr. Ahmed has a vast expertise in the field of Strategic Planning, Commercial Activities, Business Development, Event Management, Project Financing and Implementation. He started his career in a 100% Export Oriented Garments Industry and then extend his service to Summit Power Limited for long 9 years. Since 01 March 2009 he is contributing towards advancement of Baraka Power Limited. Presently he is acting as Chief Financial Officer of the Company.

#### **Mr. Mohammed Monirul Islam**

*Chief Financial Officer (BPPL)*

Mr. Mohammed Monirul Islam is a professional in Finance & Accounting, having specialization on financial feasibility, portfolio management, company law and project management. Mr. Monir was born and brought up in a noble family in Comilla in 1973. He completed his Bachelor of Commerce under University of Dhaka in 1992 and Masters of Commerce under University of Dhaka in 1994. He also completed his Chartered Accountancy Course in 1998 from B. Alam & Co., one of the leading Chartered Accountancy firms in Bangladesh. Furthermore, he obtained an MBA degree in finance in 2007. Mr. Monir has accumulated more than 22 years of experience in different large private organizations namely Rangs Group, Summit Power Limited and Baraka Power Limited. Currently he is working in Baraka Patenga Power Limited as its Chief Financial Officer.

#### **Mr. Md. Shariful Alam**

*General Manager (Technical)*

Engineer Md. Shariful Alam having 13 years' experience in Marine & 19 years in HFO & Gas based Power plants. Among 13 years of his sea career, he has served 3 years plus as Chief Engineer on board ocean going ship. He has obtained his Marine engineering from Bangladesh Marine Academy, a branch of Malmo University of Sweden. He has studied in South Tyne side college, UK and achieved his Class-1 Certificate of Competency. He also did Masters in Business Administration from Stamford university. Mr. Shariful has started his career with Bangladesh Shipping Corporation and Neptune Orient Lines, a government shipping lines of Singapore prior quitting his sea career. After quitting his sea career, he has started his shore career with Covanta Bangladesh Operating Ltd., a US based 110MW barge mounted power plant. Prior joining with Baraka Group, Mr. Shariful was working with Clarke Energy & Orient Energy as head of service/product support of GE Jenbacher Gas Engines in Bangladesh.

#### **Mr. Khan Sharif Raihan**

*Senior Deputy General Manager-Technical (BPPL)*

MarEngr. Khan Sharif Raihan, a graduate of Bangladesh Marine Academy, has more than two decades working experience in the field of Engineering in different sectors like Shipping, Hospitality, Power, etc. He holds Marine Engineer Officer Class 1 Certificate of Competence from UK. He is Bureau Veritas certified Lead Auditor of Occupational Health and Safety Management System, OHSAS 18000. He has also earned MBA degree in HRM and MSc in Environmental Science. He has special interest in Renewable Energy and has two publications in international conference proceeding.

Prior joining Baraka family, he worked for Bangladesh Marine Academy as Engineering Instructor. He was the Chief Engineer of Radisson Blu Water Garden Hotel Dhaka, Business Development Manager for Rangs Industries Ltd & the project coordinator for Engineering, Procurement & Construction (EPC) of 32 MW Gas based power plant of Rahim Energy Ltd.

#### **Mr. Mirajul Karim**

*Deputy General Manager (HR & Admin)*

Mr. Mirajul Kari is a HR Professional, Trainer and specialized on Industrial Health and safety audits. He completed him BBA and MBA from Chittagong University and Post-Graduation Diploma from Bangladesh Institute of Management. He also completed an extensive training program on Occupational Safety and Health from JISHA (Japan Industrial Safety and Health Association), Tokyo, Japan.

Mirajul Karim brings along with more than 19 years of experience in the field of Human Resources in different organizations of Bangladesh. Prior to Joining Baraka, he served as Head of HR & Compliance of SQ Group and Apex Footwear Ltd. He also worked in leading role in human resource department of Nestle Bangladesh Ltd., Building Technology & Ideas and Rahimafrooz Batteries Ltd. He is an active member of Bangladesh Society of Human Resources Management (BSHRM).

#### **Mr. Md. Nuruzzaman Miah**

*Plant Manager (Fenchuganj Plant)*

Mr. Nuruzzaman completed his graduation in Electrical & Electronic Engineering (EEE) in 2010 from Atish Dipankar University of Science & Technology (ADUST). He also completed Diploma-in-Engineering from Dhaka Polytechnic Institute in 1992. He gathered 26 years of work experience after gain of Diploma Engineering. He has work in different private power sector on Operation, Maintenance, Erection, Installation and Commissioning of power plants & Heavy Industries. He also work in 100MW Diesel base Quick Rental power plant at Aggreko, Ghorashal and different gas engine as such Caterpillar, Germany and ROLLS ROYCE Power Ventures INC, UK. He has also served in several power plants prior to joining at Baraka Power Ltd.



## PROFILE OF THE SENIOR TEAM MEMBERS (Continued)

### Mr. Mohammad Rana

*Company Secretary (BPPL)*

Mr. Mohammad Rana joined Baraka family on October 2017. Having more than 13 years of work experience in different Bank & Financial Institutions and Merchant banks, Mr. Rana is very proficient on Financial Analysis, Public Issue of shares and bonds including Initial Public Offering and Repeat Public Offering, Rights Issue of both listed and non-listed companies, capital market related activities, secretariat activities, compliance issues, company formation and incorporation related matters, merger & amalgamation and other corporate affairs. He has completed his BBA in Finance & Banking from University of Dhaka and also completed MBA in Finance from the same institution. Mr. Rana is a certified Income Tax Practitioner. Presently he is continuing his Cost and Management Accounting course with Institute of Cost and Management Accountants of Bangladesh (ICMAB) and also continuing the Chartered Secretariat course with Institute of Chartered Secretaries of Bangladesh (ICSB).

### Mr. Monoj Das Gupta

*Head of Internal Audit and Compliance (BPPL)*

Mr. Monoj Das Gupta joined Baraka Family in June 2009. He has ample knowledge in the field of Accounts, Finance, Income Tax & VAT and Internal Control & Compliance. Since then he is serving with great integrity and honesty to add optimal value towards the Company. After completion of his graduation, he completed M.COM in Accounting in 2006. He also earned professional qualification CA PE-1 in 2008 and enlisted as Income Tax Practitioner (ITP) under NBR in 2013. Apart from the academic qualification, he attended many courses and knowledge sharing seminars to gain added professional excellence. Currently he is working as Head of Internal Audit and Compliance for Baraka Patenga Power Limited.

### Mr. Mohammad Murad Hossain

*Assistant General Manager (Commercial)*

A confident, intelligent and resourceful Commercial & Business Development Professional, Mr. Mohammad Murad Hossain received his Master's in Business Administration from EU & Master's in Political science from National University. He has extensive experience of over 19+ years in manufacturing of agro machine, yarn, accessories, finished garments, power sector's, commercial and development activities. Local and international tendering process including DPM, OTM & LTM tendering, marketing, business development, lean Manufacturing and supply chain management. He has long experience working with global organization along with UN. Mr. Murad has visited number of countries including China, Italy, France, Netherlands, Malaysia, East Timor, Indonesia, Vietnam and India for business promotion, business seminar and international exhibition purpose.

### Mr. Mufti Abdul Mokshit Al Malum

*Head of Internal Audit and Compliance*

Mr. Mufti Abdul Mokshit Al Malum was born in a respected family of Sylhet town. Mr. Malum has been a part of Baraka Power Limited since the inception of the company. He is vastly experienced in accounting functions. Prior to joining Baraka Power Limited, he had served the accounts department of Square Pharmaceuticals Ltd., a top-ranked pharmaceuticals company of Bangladesh, for twelve years. He earned MBA degree on Banking & Finance in 2004 from Metropolitan University, Sylhet. Prior to that he had graduated from the University of Chittagong in the year 1991.

### Mr. Md. Saiful Islam Chowdhury

*Company Secretary*

Mr. Chowdhury was born and brought up in a very beautiful hill city named Rangamati. He has more than 12 years of working experience in corporate sector. Before joining Baraka Power Limited in 2011, he worked for Sinha Group and other reputed companies. He joined in Baraka Power Limited as Assistant Manager and now working as Company Secretary. He had earned his bachelor's degree (BBA) from Assumption University of Thailand, mostly known as ABAC, a Top Ranked University in ASEAN. Later on, he earned his master's degree (MBA) from Institute of Business Administration, Dhaka University. Along with his secretarial expertise, he is also a soft skill trainer.





## THE CHAIRMAN'S MESSAGE



**FAISAL AHMED CHOWDHURY**  
Chairman



Our two new power plants started Commercial Operatio Successfully. Baraka Power Limited started its journey in the power sector wth only one 51 MW power plant now became an agreegate power producer of 316 MW along with its subsidiaries and associate power plants. Out of the 316 MW production of the Baraka Family, your Company is the ultimate owner of 180.92 MW.



*Respected Shareholders,*

Assalamualikum,

I am proud and honored being able to welcome you all in the 12<sup>th</sup> Annual General Meeting (AGM) of Baraka Power Limited.

On behalf of the Board, I express the most sincere thanks to all respected shareholders for their constant confidence and trust on us. Your continuous support, cooperation and involvement has always inspired us and paved our ways to overcome all challenges in our journey towards success.

As promised in our previous AGM, we gladly announce that, the two new power projects we were working on have already started their Commercial Operation very successfully. Thus, Baraka Power Limited, which started its journey in the power sector with only one 51 MW power plant now became an aggregate power producer of 316 MW along with its subsidiaries and associate power companies. I express my deepest gratitude and thanks to the Almighty for enabling us to achieve this accomplishment.

Out of the total 316 MW production of the Baraka Family, your company is the ultimate owner of 180.92 MW. However, since operation of Baraka Shikalbaha Power started shortly before the annual financial closure and the other power plant Karnaphuli Power Limited has started operation after the annual financial closure of Baraka Power Limited, the financial benefits of the new power projects have not become noticeable in the annual financial statements of Baraka Power Limited. But I am sure that, those of you who are carefully monitoring our activities can surely visualize the bright future that awaits for all of us in future days.

This annual report sets out a full overview of our vision, aims and achievements as a company and I hope you will take the time to review the report carefully so you can see how we are succeeding and implementing our vision for Baraka Power.

The Fenchuganj plant of Baraka Power has been operational and profitable for many years now and continues to deliver profitable returns for our company. Baraka Patenga Power Limited, the 51% direct subsidiary of Baraka Power has also been in very satisfactory full swing operation throughout the year. Moreover, due to our corporate ethos of environmental conservation, we are continuing to operate the environmentally beneficial Desulphurization System (FGD) in Baraka Patenga Plant.

You already know that, to achieve diversification, we are aiming to advance further by exploring new opportunities for the profitable growth of the company. Our one such initiative is to provide EPC services. Baraka Power, for the first time since its initiation, took the responsibility as EPC contractor of two power projects. The contracted projects have been completed by Baraka Power very successfully and satisfactorily, thus added reputation for the company as well as contributed positively in its profitability.

However, among all these success and achievements, we are facing diverse challenges too. One such challenge is our newly acquired subsidiary Baraka Fashions Limited as the company is not performing as has been anticipated. Yet we are still confident that the performance of this subsidiary will revive within a very short span of time. Management believes that such underperformance of an organization after change in ownership is a typical phenomenon and since gradual upgradation in the operational process are being implemented, Baraka Fashions Limited will ultimately earn good return in near future.

We are truly a forward thinking and pioneering company with a clear vision set on profitability as well as improving the socio-economic prosperity of our beloved nation, Bangladesh.

On that positive note, I would like to thank all my colleagues on the Board for their continued support and encouragement. I would also like to convey my sincere gratitude to related Government Institutions, Financers, Suppliers, Customers and All of Our Stake Holders for their continuous support and encouragement.

Finally, I express my most sincere and heartfelt gratitude to the shareholders and all the employees of our company for letting us achieve the success that we are celebrating.

Thank you.



**Faisal Ahmed Chowdhury**  
Chairman

## MESSAGE FROM THE MANAGING DIRECTOR



**FAHIM AHMED CHOWDHURY**  
Managing Director



Starting with a single power producing Company, Baraka Power Limited has now become the ultimate parent corporation consisting of total 5 (five) companies. Due to our unwavering commitment to the country, we will continue to support Government plans to establish a sustainable development for the powre sector in Bangladesh.

*Bismillahir Rahmanir Rahim*

Dear Distinguished Shareholders,  
Assalamu Alikum,

I warmly welcome you all to the 12th Annual General Meeting of Baraka Power Limited. It is a great pleasure and pride to present the Annual Report of 2018-19 of Baraka Power Limited to you. On behalf the Board of Directors, I would like to share my views with all stakeholders of our Company.

The last year was one of the busiest periods for us. During the year we successfully implemented two new power plants having total capacity of 215MW. While implementing those power projects, we had frequent meetings with our regulators, suppliers, employees and peer companies. However, we are proud that we could have completed the projects with optimum performance. Our performance in the year 2018-2019 bears testimony to the fact that we have been able to operate the company successfully and efficiently. I am delighted to report you that all four of our power plants are running well and producing electricity uninterruptedly as per the demand of our client Bangladesh Power Development Board (BPDB).

The World Economic Outlook Reports of IMF express that, during the FY 2019 the global growth remains subdued. Rising geopolitical tensions have increased uncertainty about the future of the global trading system and international cooperation, taking a toll on business confidence, investment decisions and global trade. As a result, the global economic outlook remains precarious. Meanwhile, Rapid expansion of the Ready-Made Garment (RMG) sector helped Bangladesh economy to transform to a more manufacturing-based economy. In addition to that, large inflows of remittances helped strengthen our reserve position to support private consumption. The country made progress in reducing poverty and improving many Sustainable Development Goals (SDGs) indicators. As per IMF the real GDP growth of Bangladesh is 7.8% in FY 2019 having an inflation rate of 5.5%. Over the last decade Bangladesh is emerging from a low-income to lower-middle income status. World Bank has forecasted the Gross Domestic Product (GDP) growth rate of Bangladesh at 7.2 percent for the fiscal year 2019-20, while government's projection for the same fiscal year is 8.2 percent.

Given these global and national economic overview, we are very ambitious about our future growth and expansion. Starting with a single power plant of only 51MW at Fenchuganj, Baraka Power Limited has now become the ultimate Parent Corporation consisting of total 5 (five) companies and we will continue to grow in future, Insha'Allah. I really believe that your prudent evaluation of our performance and valued guidance will help us in paving the way for sound and sustainable growth.

A brief comparative analysis of our financial performances, financial position and cash flows is disclosed in the annual report for your convenience and ready reference. I am pleased to inform you that in preparation of our Financial Statements, appropriate accounting policies have been consistently applied and that the accounting estimates are based on reasonable and prudent judgment. The risk factors that are being faced by us have also been disclosed in the annual report for your valued scrutiny and thoughtful analysis.

As part of our philosophy, we believe in environmentally and socio-economically beneficial projects. We care for people and the planet while generating profit. Our plants and projects are built with a focus on reducing effluents and emission as well as maintaining an ecological balance.

Our people are the cornerstone of our success and we are always seeking ways to improve and enhance their skills and expertise. This is why we have been regularly providing and arranging training sessions to help our employees to enhance their knowledge and skills and thus ensuring better performance in their work.

We are proud to say that we are a law-abiding entity. It is the result of the determination and firmness shown by our management team throughout the journey. Due to our unwavering commitment to the country, we will continue to support government plans to establish a sustainable development for the power sector in Bangladesh.

Baraka Power Ltd. has been maintaining ethical standard & business commitment in every aspect of its business which has amplified a high reputation in the financial market.

Finally, I express my heartfelt thanks to all the stakeholders of the Company for their confidence in us and their valuable contribution to the company. Our stakeholders have always been our source of inspiration. Thank you all.

Wishing you prosperity and healthiness.



**Fahim Ahmed Chowdhury**  
Managing Director



# DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED JUNE 30, 2019

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alikum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 12<sup>th</sup> Annual General Meeting of Baraka 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, 2019 thereon, 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/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 of 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 generation capacity by power plants in our country.

PRESENT INSTALLED GENERATION CAPACITY (MW) AS ON 03 OCTOBER, 2019	
<b>Public Sector</b>	
BPDB	5,613
APSCL	1,444
EGCB	957
NWPGCL	1,395
RPCL	182
BPDB-RPCL JV	149
<b>Subtotal</b>	<b>9,740</b>
<b>Private Sector</b>	
IPPs	6,689
SIPPs (BPDB)	99
SIPPs (REB)	251
15 YR. Rental	169
3/5 YR. Rental	1,320
Power Import	1,160
<b>Subtotal</b>	<b>9,688</b>
<b>Captive Power</b>	<b>2,800</b>
<b>Renewable Energy</b>	<b>334</b>
<b>TOTAL</b>	<b>22,562</b>
Source: www.bpdb.gov.bd	

As per draft report of BPDB dated 03 October 2019, about 94% of the population has now access to electricity. The Government of Bangladesh has vision to provide electricity to all by 2021.

Electricity is the main ingredients for socio-economic development of a country. The country is experiencing rapidly rising energy consumption over the past two decades. This trend will intensify further in the coming years as economic growth and development efforts are accelerating due to Bangladesh's strives to become a middle-income country by 2021. Moreover, the Government of Bangladesh declared its intention to develop the country in order to become one of the advanced countries

by 2041 as the key goal of VISION 2041. To achieve the VISION, energy supply has to be increased rapidly in order to sustain the country's growth momentum. In order to meet the Bangladesh Government's target, Baraka Power Limited along with its Group Companies have focused on different platforms for generating more electricity.

The Board is pleased to inform you that the existing plant located at Fenchugonj, Sylhet is running excellent and generated 306,962 MWh of electricity and supplied 295,735 MWh to the national grid during the year 2018-2019. By selling of above units the company was able to earn revenue amounting Tk. 823,795,903 in the year 2018-2019.

One of our subsidiary, Baraka Patenga Power Limited (BPPL), a 50 MW HFO fired IPP power plant at Patenga, Chattogram, of which 51% equity is owned by your company, is also showing excellent performance and generated 260,130 MWh of electricity and supplied 250,415 MWh to the national grid during the year 2018-2019 earning revenue of Tk. 2,886,421,600 during the year ended June 30, 2019. The STG plant of BPPL is also operating seamlessly generating 3.20MW from heat recovery from the 08 nos. of Rolls Royce gensets exhaust gas without burning any fuel.

The last year was a very successful as well as eventful period for us. During this time, we successfully constructed two new power plants. Accordingly, the Baraka Shikalbaha Power Limited started Commercial Operation on 24 May 2019 and the Karnaphuli Power Limited started Commercial Operation on 20 August 2019.

Since operation of Baraka Shikalbaha Power started shortly before the annual financial closure and the other power plant Karnaphuli Power Limited has started operation after the annual financial closure of Baraka Power Limited, the financial benefits of the new power projects have not become noticeable in the annual financial statements of Baraka Power Limited. However, we strongly hope and believe that after inclusion of the operational performances of the new power projects, the financial indicators of the company will show better results in the coming years.

(ii) **Segment wise or Product wise performance:**

Plant Particulars	Licensed Capacity (MwH)	Installed Capacity (MwH)	Plant factor (% on Licensed Capacity) considering the unit of energy sold		Energy Generation (MwH)	Energy Sold (MwH)
			Average	Maximum		
Fenchugonj, Sylhet - Gas Fired 51MW	446,760	483,026	74.84%	96.12%	306,962	295,735
Patenga, Chattogram - HFO Fired 50MW	438,000	489,421	59.41%	80.42%	260,130	250,415





## DIRECTORS' REPORT (Continued)

### (iii) Risks and concerns

#### Interest rate risks

Volatility of money market may influence the overall interest rate structure of the country. On June 30 2019, as the company has about Tk. 81.99 crore of outstanding loans, any unfavorable change in interest rate structure may affect the company's business adversely.

#### Management perception

Management of the company believes that rise in interest rate will not substantially affect the company. If interest rate rises, the company will go for alternative sources of financing. To mitigate the interest rate risk Finance department always monitor the Bank Interest Rate and choose/shift best alternative rate for borrowings and lending.

#### Exchange rate risks

The Company is exposed to currency risk as it imports machinery and equipment against payment of international currencies (USD and EURO). Unfavorable volatility or currency fluctuations may increase import cost and thus affect profitability of the company.

#### Management perception

The management of the company is fully aware of the risks associated with currency fluctuations. Major imported machinery and equipment purchases from abroad has been settled. Currently spare parts are being procured from suppliers of various countries. At the time of price negotiation with suppliers, exchange rate is considered sharply. Therefore, management believes that currency risk is not going to hamper business of the Company.

#### Industry risks

The Company is operating in an industry where there is a huge gap between demand and supply. Although power sector is a highly demanding and aggravated sector in our country, chances are there that excessive competition may hamper the company's business.

#### Management perception

Currently there is a gap between demand and supply of electricity in our country. On the other hand, demand for electricity is increasing drastically day by day. In this situation chance of excessive competition is almost zero. Moreover, BPDB purchase 100% of the electricity produced by the company at a rate predetermined in the Power Purchase Agreement which is also adjusted as per consumer price index. Hence, the company is protected against any sort of loss due to competition or inflation.

#### Market and technology-related risks

Capacity of generating power is dependent to a great extent on the capacity of its generators. Should there be any disturbance in the technology used by the company; operation of the company may face major turbulence.

#### Management perception

The company is using state of the art technology and modern machines. The plant is comprised of 19 units of generator sets





from the world-renowned gas fueled reciprocating engine manufacturer GE Jenbacher, Austria. Total installed capacity of the plant is 55.14 MW where contracted capacity is 51 MW of electricity. To ensure uninterrupted supply of electricity the project has 8.11% of reserve margin in production. To reduce any chance of disturbances the company has entered a spare parts supply contract for a period of 15 years with GE Jenbacher. Furthermore, the management of the company is very serious about timely maintenance of the machineries.

#### Potential or existing government regulations

Although existing government rules and regulations are very favorable for the company, chances are there that the government might take any policy that may adversely affect profitability and operation of the company.

#### Management perception

The Government is committed for providing affordable and reliable electricity to all citizens by 2020 for economic and social development. Hence, management of the company is confident enough that regarding government policy Baraka Power will not have to face any unfavorable situation.

#### Potential changes in global or national policies

Changes in government policy as well as policy of foreign countries may affect adversely the business of the company. Any structural change in power generation industry may adversely affect the business and may have negative impact on the profitability of the Company.

#### Management perception

Modern life is totally dependent on electricity. Without electricity modern life cannot sustain. Without uninterrupted flow of electricity, development of a country is not possible. Hence, as far as national policy is concerned, power sector is not going to face any adverse effect. On the other hand, chances of global policies hampering power sector of our country is very negligible.

#### History of non-operation

If a company becomes non-operative for some period in its operating life then risk of becoming non-operative in future for the same reasons or other probable reasons should be considered carefully.

#### Management perception

The Company does not have any history of non-operation. So, no risk has arisen in this respect. Moreover, the Company is expanding its business by installing more power plants and investing in other sectors including RMG. So, chance of becoming non-operative in future is very low.

#### Operations risks

Operational risk covers the ability of the project to achieve the performance as envisaged. Technology used, fuel supply arrangement, operation & maintenance (O&M) arrangement and political condition are major sources of operational risk for the company.

#### Management perception

To mitigate fuel supply problem Baraka Power Limited has signed gas supply agreement with Jalalabad Gas Transmission and Distribution Systems Ltd. (JGTDSL) on 22 June 2008 for a term of 15 years to supply gas in required quantity and specification throughout the agreement period. For O&M of the plant, Baraka Power Limited has appointed local qualified engineers and technicians who have experience to work in power plants. Moreover, the plant vendor GE Jenbacher GmbH & Co. will supply all necessary spare parts for a period of 15 years with warranty of 1 year from the date of delivery. During major overhaul, Baraka Power Limited will engage GE Jenbacher GmbH & Co. for providing the overhaul services. As the company installed 19 units of generators, electricity supply will not be hampered to a great extent even at the time of scheduled maintenance or any minor problem. Power project in general has operational risk and for this project is quite high considering 15 years of operation. However, technical expertise availability in the country, supply contract with the vendor as well as reserve margin of around 8.11% (installed capacity) mitigates the operational risk to a great extent.



## DIRECTORS' REPORT (Continued)

### Project duration risk

The company entered an agreement with Bangladesh Power Development Board (BPDB) with a condition that the agreement shall become effective upon signing and shall terminate fifteen (15) years after the commercial operations date, unless extended or earlier terminated pursuant to the provisions of the agreement.

### Management perception

Management perceives that there are no possibilities of early termination of the agreement as there are huge demand for power in our country. Government of Bangladesh is encouraging more local entrepreneur to invest in this sector to meet up demand and supply gap. Moreover, at present scarcity of power reveals that the power crisis will remain in future as economy of Bangladesh is growing and demand for power and electricity is increasing. So, there is scope of extension of the term of current agreement subject to approval of BPDB.



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

Particulars	June 30, 2019	June 30, 2018	Solo Basis (Amount in taka)	
			Deviation	
			Amount	Percentage
Revenue	823,795,903	699,915,120	123,880,783	17.70%
Cost of Sales	340,936,205	261,912,190	79,024,015	30.17%
Gross Profit	482,859,698	438,002,930	44,856,768	10.24%
Net Profit After Tax	391,235,879	319,052,358	72,183,521	22.62%
Gross Profit Margin (%)	58.61%	62.58%	(3.97)%	
Net Profit Margin (%)	47.49%	45.58%	1.91%	

**Consolidated Basis (Amount in taka)**

Particulars	June 30, 2019	June 30, 2018	Deviation	
			Amount	Percentage
Revenue	4,060,472,271	3,580,312,392	480,159,879	13.41%
Cost of Sales	2,977,850,552	2,481,606,447	496,244,105	20.00%
Gross Profit	1,082,621,719	1,098,705,945	(16,084,226)	(1.46)%
Net Profit After Tax (Owners)	375,397,741	349,745,355	25,652,386	7.33%
Gross Profit Margin (%)	26.66%	30.69%	(4.02)%	
Net Profit Margin (%)	9.25%	9.77%	(0.52)%	

The aforementioned solo basis table shows that revenue, cost of sales, gross profit and net profit after tax has increased than that of the previous year resulting to gross profit margin of 58.61% and net profit margin to 47.49%. Accordingly, the net profit margin has increased by 1.91% in the year 2018-19. Conversely, the consolidated basis table shows that the consolidated gross profit margin is 26.66% and net profit margin is 9.25% which are 4.02% and 0.52% lower respectively than that of the previous year consolidated figures.

(v) Other income of Tk. 100,524,726 is generated by the company from receivables with the related parties.

**(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:**

	30-06-19 (Taka)	30-06-18 (Taka)
<b>Employee Benefits</b>	21,921,650	22,476,000
<b>Total</b>	<b>21,921,650</b>	<b>22,476,000</b>

Key management personnel include Chairman & Head of Planning & Business Development (till September 2018), Vice Chairman & Head of Administration, Managing Director, Director-Finance, Company Secretary and GM-O&M.





## DIRECTORS' REPORT (Continued)

### Other Related Party Transactions

Name of the Related Party	Nature of Relationships	Nature of Transactions	Transactions during the year ended on 30-06-19			
			Opening Balance	Addition	Adjustment	Closing Balance
Baraka Patenga Power Limited	Subsidiary Company	Short term loan	101,046,872	2,886,505,736	2,987,552,608	-
Baraka Fashions Limited	Subsidiary Company	Short term loan	255,370,127	138,992,448	53,629,420	340,733,155
Karnaphuli Power Limited	Subsidiary Company	Short term loan	-	411,114,332	12,819,928	398,294,404
		EPC Work	-	570,071,752	285,071,752	285,000,000
Baraka Shikalbaha Power Ltd.	Associate Company	Short term loan	-	969,153,263	196,944,423	772,208,840
		EPC Work	-	1,347,188,131	600,000,000	747,188,131
Royal Homes Limited	Common Management	Advance for Commercial Space	151,691,623	39,920,874	-	191,612,497
Royal Educare Limited	Common Management	Short term loan	44,147,836	6,928,463	3,200,000	47,876,299
Queens Healthcare Limited	Common Management	Short term loan	-	2,773,414	-	2,773,414
Baraka Apparels Limited	Common Management	Short term loan	242,739,844	45,631,181	-	288,371,025

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

The company floated IPO shares during the year 2011. By utilizing the Net IPO proceeds, the company payoff its term loan of Tk. 740 million and another 400 million was invested in the subsidiary company which generated consolidated net profit of Tk. 300.71 million during the year ended June 30, 2019.

(viii) After the company went for Initial Public Offering (IPO), there were no significant variation shown in the financial results.

(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 June 30, 2019:

Name	Designation	Period	30-06-2019	30-06-2018
Mr. Fahim Ahmed Chowdhury	Managing Director	July'18 to June '19	3,172,800	-
Mr. Faisal Ahmed Chowdhury	Chairman	July'18 to June '19	1,251,000	4,438,500
Mr. Gulam Rabbani Chowdhury	Director	July'18 to June '19	1,251,000	4,438,500
Mr. Md. Ahsanul Kabir	Vice-Chairman & Head of Administration	July'18 to June '19	2,673,000	2,524,500
<b>Total</b>			<b>8,347,800</b>	<b>11,401,500</b>

In Addition to the above, directors who attend the board meeting, have drawn board meeting attendance fee @ Tk. 10,000 per director per meeting. The total board meeting attendance fee during the year is Tk. 540,500.

- (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 financial results & profit appropriation;
- (xix) Key operating and financial data of last five years has been annexed in **Annexure I**;

(xx) **Dividend:**

The Board of Directors of the company has recommended 10% cash dividend on 220,061,366 ordinary shares of Tk. 10 each for the year ended June 30, 2019 subject to approval by the shareholders at the 12th Annual General Meeting;

- (xxi) No bonus share or stock dividend has been or shall be declared as interim dividend;

(xxii) **Board Meeting & Attendance:**

During the year ended June 30, 2018, total of 08 meetings were being held by the Board of Directors. The Directors who have attended the Board meeting are shown in **Annexure II** of this report.

- (xxiii) The pattern of shareholding has been reported in **Annexure-III** to disclose the aggregate number of shares;



## DIRECTORS' REPORT (Continued)

### (xxiv) Directors' appointment & re-appointment:

Changes in the Board of Directors after last AGM:

Date	Changes	Reason of changes
29 April 2019	Mr. Gulam Rabbani Chowdhury resigned from the post of Chairman but continuing as Director	Voluntarily resigned from the post of Chairman
29 April 2019	Mr. Faisal Ahmed Chowdhury elected as Chairman	Upon resignation of Mr. Gulam Rabbani Chowdhury from the post, the Board of Directors elected Mr. Faisal Ahmed Chowdhury as Chairman
19 July 2019	Engr. Md. Ahsanul Kabir retired from the post of Vice Chairman and again reelected as Vice Chairman	Retired due to expiry of term & reelected by the Board of Directors

After completion of the last AGM, due to personal reasons, Mr. Gulam Rabbani Chowdhury resigned from the post of Chairman and Mr. Faisal Ahmed Chowdhury has been elected as the Chairman of the Company by the Board of Directors. Moreover, due to expiry of current term, Engr. Md. Ahsanul Kabir has retired from his position of Vice Chairman and then reelected by the Board as Vice Chairman again.

Moreover, as per Article No. 112, 113, 114 and 115 of the Article of Association of the company following Directors shall retire in the 12th Annual General Meeting by rotation and being eligible, offer them for re-election:

01. Engr. Md. Ahsanul Kabir
02. Mr. Nanu Kazi Mohammed Miah
03. Mr. Robin Choudhury

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

(xxv) Management's Discussion and Analysis signed by MD has been reported in the "Message from the Managing Director" section of the Annual Report.

(xxvi) Declaration by the MD and the CFO to the Board regarding Financial Statements for the year ended on 30th June 2019 has been reported in **Annexure IV**.

(xxvii) The report on compliance of Corporate Governance Code has been presented in **Annexure V** and the certificate on compliance position has been reported in **Annexure VI**.

### Financial Results & Profit Appropriation:

In the year 2018-2019, financial performance of your company shows a satisfactorily stable result. The Directors take pleasure in reporting the financial results of the company for the year ended June 30, 2019 and recommended apportion of retained earnings as mentioned below:

Profit available for appropriation:	June 30, 2019	June 30, 2018
Profit after tax	<b>391,235,879</b>	<b>319,052,358</b>
Add: Undistributed profit brought forward from previous year	363,461,910	392,332,662
Prior years' adjustment	(5,899,970)	-
<b>Total amount Available for Appropriation</b>	<b>748,797,819</b>	<b>711,385,020</b>
Appropriation:	June 30, 2019	June 30, 2018
Final dividend for the year 2016-2017 (@ 05% cash & 15% stock)		(347,923,110)
Final dividend for the year 2017-2018 (@ 10% stock)	(200,055,788)	-
<b>Closing Retained Earnings at year end (before proposed dividend)</b>	<b>548,742,039</b>	<b>363,461,910</b>
Proposed dividend for the year 2018-2019 (@ 10% cash)	(220,061,366)	-
<b>Retained Earnings after Proposed Dividend</b>	<b>328,680,673</b>	-



#### Auditors:

M/S Kazi Zahir Khan & Co., Chartered Accountants was appointed as the auditor of the company in its 11<sup>th</sup> AGM held on December 13, 2018. They have carried out the audit for the year 2018-2019 and will retire in the 12<sup>th</sup> AGM. Being eligible, M/S Kazi Zahir Khan & Co., Chartered Accountants have expressed their intention to be reappointed as statutory auditor of the company for the year 2019-2020. Accordingly, the Board has recommended to appoint M/S Kazi Zahir Khan & Co., Chartered Accountants as the statutory auditor of the Company for the year 2019-2020 subject to approval by the shareholders in the 12<sup>th</sup> Annual General Meeting.

#### Audit Committee

Audit committee has been formed by the Board of Directors at its meeting held on August 13, 2011. The committee consists of three members from the board including two Independent Directors. The company secretary of the company acts as member secretary of the committee. The Audit committee is responsible for reporting to the Board. The committee assists the Board in discharging its supervisory responsibilities with respect to Internal Control, Financial Reporting, Risk management and Auditing matters.

#### Corporate Governance

Corporate Governance refers to the processes, structures, and information used for directing and overseeing the management of the company. Corporate governance framework establishes the mechanisms for achieving accountability between the Board, senior management and shareholders, while protecting the interests of relevant stakeholders. It also sets out the structure through which the division of power in the organization is determined.

It clearly defines the responsibility of the management to the shareholders and also to the employees of the company. A separate disclosure on Corporate Governance compliance status has been reported in **Annexure-V & VI**.

#### Acknowledgement:

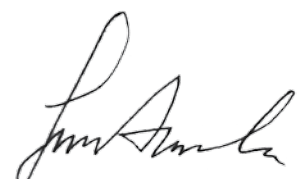
Board of Directors have always placed their deepest gratitude to the honorable shareholders for their kind co-operation and support towards the business of the company. The Directors assure the shareholders that, to the best of their knowledge, the Board would always try to uphold their interest in all steps of operation of the company.

The Board express their grateful appreciation to Bangladesh Power Development Board (BPDB), Power Cell of the Power Division, MPEMR, Jalalabad Gas T&D System Ltd., 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), various Government Authorities, Individual and Agencies for their immense assistance, support and co-operation.

The Board also appreciates the efforts made by the employees of the Company. Without the true commitment and passion of the employees the company could not have achieved the success that we are celebrating. We believe that with their tireless effort your company Baraka Power will achieve higher level of success in coming days.

We look forward to even better days ahead.

On behalf of the Board of Directors,



**Faisal Ahmed Chowdhury**  
Chairman

# FINANCIAL SUMMARY

(Consolidated)

Annexure - I

Particulars	June 30,2019	June 30,2018	June 30,2017	June 30,2016	June 30, 2015
<b>FINANCIAL POSITION</b>					
Non-Current Assets	12,665,790,373	6,337,713,093	6,013,295,059	5,980,581,835	6,173,495,918
Current Assets	4,854,139,140	3,836,108,164	2,766,230,092	2,273,735,211	2,168,132,816
<b>TOTAL ASSETS</b>	<b>17,519,929,513</b>	<b>10,173,821,257</b>	<b>8,779,525,151</b>	<b>8,254,317,046</b>	<b>8,341,628,734</b>
Share Capital	2,200,613,660	2,000,557,880	1,739,615,550	1,656,776,720	1,534,052,520
Share Premium	970,000,000	970,000,000	970,000,000	970,000,000	970,000,000
Retained Earnings	885,376,323	789,802,008	790,296,274	663,882,068	470,274,630
Non-Controlling Interest	836,974,616	877,191,969	802,120,236	726,278,701	632,203,906
Non-Current Liabilities	2,843,617,270	2,457,041,294	2,703,792,065	3,109,918,629	3,229,911,000
Current Liabilities	9,784,928,328	3,079,445,263	1,773,760,083	1,127,460,928	1,505,186,678
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>17,519,929,513</b>	<b>10,173,821,257</b>	<b>8,779,525,151</b>	<b>8,254,317,046</b>	<b>8,341,628,734</b>
<b>OPERATING RESULTS</b>					
Revenue	4,060,472,271	3,580,312,392	3,485,450,033	2,960,310,153	3,844,108,738
Gross Profit	1,082,621,719	1,100,164,797	1,115,095,144	1,125,957,975	1,042,093,141
Operating Profit	859,252,623	854,881,811	988,436,034	966,601,907	868,471,318
Income Tax Expenses	70,304,258	61,824,130	69,083,031	53,804,430	51,536,442
Non Controlling Interest	39,093,682	101,598,694	152,785,759	140,379,795	144,064,796
<b>Net Profit after tax</b>	<b>375,397,741</b>	<b>349,745,355</b>	<b>457,769,550</b>	<b>439,055,840</b>	<b>424,105,477</b>
<b>FINANCIAL RATIOS</b>					
Gross Profit Margin (%)	26.66%	30.73%	31.99%	38.04%	27.11%
Net Profit Margin (%)	9.25%	9.77%	13.13%	14.83%	11.03%
Return on Capital Employed (%)	11.11%	12.05%	14.11%	13.56%	12.70%
Debt Equity Ratio	46 : 54	44 : 56	47 : 53	52 : 48	55 : 45
<b>OTHER INFORMATION</b>					
Face value per share	10	10	10	10	10
Proposed Dividend	10 % cash	10 % stock	15 % stock and 5% cash	5 % stock and 15% cash	8 % stock and 8% cash
Earnings Per share (EPS)	1.71	1.75	2.63	2.65	2.76
Net Assets value (NAV) per Share	18.42	18.80	20.12	19.86	19.39
Net Operating Cash Flows Per Share (NOCFPS)	1.97	4.74	3.52	5.08	5.76

## BOARD MEETING AND ATTENDANCE

During the year ended June 30, 2019

Annexure - II

Sl.	Name of Directors	Number of meetings held whilst Board Members	Meeting attendance	Remarks
1	Faisal Ahmed Chowdhury	8	7	
2	Gulam Rabbani Chowdhury	8	8	
3	Md. Ahsanul Kabir	8	7	
4	Md. Abdul Bari	8	7	
5	Nanu Kazi Md. Miah	8	4	
6	Robin Choudhury	8	0	
7	Dr. Md. Zakir Hossain	8	7	
8	Helal Ahmed Chowdhury	8	7	
9	Md. Ahmed Ali	2	0	Resigned wef 06 October 2018





## PATTERN OF SHAREHOLDING

As on June 30, 2019

### Annexure - III

Sl.	Name of Shareholders	Status	No. of Shares Held	Percentage (%) of Share Holding
a)	Parents/Subsidiary/Associate Companies		-	-
b)	Directors, Chief Executive Office, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouse and minor Children			
	Mr. Faisal Ahmed Chowdhury	Chairman	4,573,946	2.078%
	Mr. Md. Ahsanul Kabir	Director & Vice Chairman	5,488,737	2.494%
	Mr. Abdul Bari	Director & Vice Chairman	4,405,737	2.002%
	Mr. Gulam Rabbani Chowdhury	Director	4,573,946	2.078%
	Mr. Nanu Kazi Mohammed Miah	Director	4,402,026	2.000%
	Mr. Robin Choudhury	Director	16,182,770	7.354%
	Dr. Md. Zakir Hossain	Independent Director	6,325	0.003%
	Mr. Helal Ahmed Chowdhury	Independent Director	-	-
	Mr. Fahim Ahmed Chowdhury	Managing Director	1,100,515	0.500%
	Mufti Abdul Mokshit Al Malum	Head of Internal Audit and Compliance	121,412	0.055%
	Ms. Rushina Ahmed Chowdhury	Spouse of Mr. Faisal Ahmed Chowdhury	9,566	0.004%
	Ms. Mohibun Bari Chowdhury	Spouse of Mr. Abdul Bari	273,555	0.124%
	Ms. Momtaz Chowdhury	Spouse of Mr. Gulam Rabbani Chowdhury	392,529	0.178%
	Ms. Tohmina Khatun	Spouse of Mr. NanuKazi Mohammed Mia	10,349	0.005%
	Ms. Shaheda Begum Shanti	Spouse of Mr. Robin Chowdhury	1,873,104	0.851%
	Ms. Abeda Khanom Chowdhury	Spouse of Mr. Fahim Ahmed Chowdhury	655,149	0.298%
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 - IV

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

**BARAKA POWER LIMITED**

**Declaration by MD and CFO**

Date: 24 October 2019  
The Board of Directors  
Baraka Power Limited  
102-Azadi, Mirboxtola  
Sylhet

**Subject: Declaration on Financial Statements for the year ended on 30 June 2019**

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 Power Limited for the year ended on 30 June 2019 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 30 June 2019 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,

  
**Fahim Ahmed Chowdhury**  
Managing Director  
24 October 2019

  
**Monowar Ahmed**  
Chief Financial Officer  
24 October 2019

# CORPORATE GOVERNANCE COMPLIANCE REPORT

## Baraka Power Limited

Annexure - V

### Status of Compliance with the Corporate Governance Code (CGC)

For the year ended 30th June 2019

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)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1</b>	<b>Board of Directors.-</b>			
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 BPL Board is comprised of 09 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);	✓		02 out of 09 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;	✓		The Independent Directors have declared their compliances.
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);	✓		-
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).	✓		-



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory 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;	-	-	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;	✓		-
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;	✓		-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		-
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;	-	-	N/A
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.	-	-	N/A
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-</b>			
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;	✓		-
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 event arose
1(5)	<b>The Directors' Report to the Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		-
1(5)(ii)	The Segment-wise or product-wise performance;	✓		-

## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		-
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		-
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;	✓		-
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 Company has declared 10% cash dividend
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;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		-
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 disscission of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		-
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 fianacial 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 <b>Annexure-A</b> ; 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 <b>Annexure-B</b> and <b>Annexure-C</b> .	✓		-
1(6)	<b>Meetings of the Board of Directors</b>			
	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			



## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓	NRC has been formed on 30 September 2019 and recommendation of the NRC regarding code of conduct is expected in the next meeting of the NRC.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company		✓	Will be complied after finalization of the code of conduct
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company:-</b>			
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.	✓		-
<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-</b>			
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).	✓		-
<b>3(2)</b>	<b>Requirement to attend Board of Director's Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	✓		-
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)</b>			
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;	✓		-
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;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 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.	✓		-
4.	<b>Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:</b>			
4(i)	Audit Committee;	✓		-
4(ii)	Nomination and Remuneration Committee	✓		-
5.	<b>Audit Committee.-</b>			
5(1)	<b>Responsibility to the Board of Directors</b>			
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 of Directors 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)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		-
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;	✓		-
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)(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 remain present in the Annual General Meeting (AGM):	✓		-
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;	✓		-

## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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)	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.	✓		-
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;	✓		-
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;	-	-	N/A
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 of Directors 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 internal audit and compliance process or in the financial statements;control system;	-	-	No such Incidence arose
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:-			



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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.	✓		-
6.	<b>Nomination and remuneration Committee(NRC).-</b>	NRC has been formed by the Board on 30 September 2019		
6(1)	<b>Responsibility to the Board of Directors</b>			
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)	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		-
6(2)(b)	All member of the Committee shall be non-executive directors;	-		-
6(2)(c)	Members of the Committee shall be nominated and 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;	-		-
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)	<b>Chairperson of the NRC</b>			
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;	-		-

## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	-		-
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	-	NRC has been formed by the Board on 30 September 2019 and meeting of the NRC will be held soon
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	No such event arose
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.	-	-	-
<b>6(5)</b>	<b>Role of the NRC</b>			
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.	-	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>7.</b>	<b>External or Statutory Auditors</b>			
7(1)	The issuer 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 statement;	✓		-
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.	✓		-
<b>8.</b>	<b>Maintaining a website by the Company.-</b>			
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)	✓		-
<b>9.</b>	<b>Reporting and Compliance of Corporate Governance.-</b>			
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 2019
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 - VI



**PODDER & ASSOCIATES**  
Cost and Management Accountants

## **Report to the Shareholders of Baraka Power Limited on compliance on the Corporate Governance Code.**

We have examined the compliance status to the Corporate Governance Code by Baraka Power Limited for the year ended on June 30, 2019. 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 Except under conditions number 1(7)(a), 1(7)(b), 4(ii), & 6 those are related with NRC. The NRC is formed on 30th September 2019.
- (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.

Place: Dhaka  
Dated: 03<sup>rd</sup> December 2019

**For Podder & Associates**

Jayanta Kumer Podder  
Cost & Management Accountants

# AUDIT COMMITTEE REPORT

The Audit Committee of Baraka Power Limited, a subcommittee of Board of Directors, was formed and its charter approved by the Board of Directors at its meeting held on August 13, 2011 to assist the board in ensuring that the financial statements reflects true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

## Committee's Composition and Meeting

The committee comprises -

1. Dr. Md. Zakir Hossain, Independent Director act as Chairman
2. Mr. Nanu Kazi Mohammed Miah, Director act as Member
3. Mr. Helal Ahmed Chowdhury, Independent Director act as Member
4. Md. Saiful Islam Chowdhury, Company Secretary act as Secretary of the Committee

Total of 04 meeting were held during 2018-2019. Permanent invitee to the meeting was the Chief Financial Officer. Special invitees were the Chairman and the Managing Director of the Company.

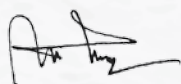
## Major Responsibilities of the Audit Committee

The Purpose, authority, composition, duties and responsibilities of the Audit Committee are defined in its charter. Some of the major responsibilities of the committee, among others, include:

- Review the annual, half-yearly and quarterly financial statements and other financial results and upon its satisfaction of the review, recommend same to the board for approval;
- Monitor and review the financial reporting process, application of accounting policies and principles to the financial statements and effectiveness & adequacy of Company's Internal Control System and Risk management Process;
- Recommend appointment, reappointment or removal and evaluating performance of external auditor;
- Review the internal audit function and related party transaction;
- Monitor and review the utilization of Initial Public Offering (IPO) proceeds whether the fund is utilized for the purposes as stated in the prospectus.

## Major Activities of the Audit Committee

- Reviewed and recommended to the Board the quarterly and annual financial statements for the year ended June 30, 2019;
- Considered and made recommendation to the Board on the appointment and remuneration of external auditors, Kazi Zahir Khan & Co., Chartered Accountants for the year 2019-2020;
- Reviewed the activities of the Compliance function, incidence reporting and actions, and the status of enforcement of the Codes of Conduct;
- Reviewed the Board Audit Committee Charter and Internal Audit Charter;
- Reviewed and received report on the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC). The above matters are significant recommendations for continuous improvement and therefore duly noted.



**Dr. Md. Zakir Hossain**  
Chairman  
Audit Committee  
24 October 2019

## CSR ACTIVITIES



The Vice Chairman of Baraka Power, Engr. Md. Ahsanul Kabir handing over cheque as financial assistance to Sylhet Nozrul Parishad in the event of 2019 Birthday Ceremony of our National Poet Quazi Nozrul Islam for the promotion of cultural activities in the society.

On behalf of Baraka Power Limited, Mr. Gulam Rabbani Chowdhury-Director is handing over donation to 52 Battalion of BGB, Beanibazar, Sylhet as an assistance for construction of Mosque.



Baraka Power Limited sponsored Regional Cub Camporee of Bangladesh Scouts, Sylhet on the eve of World Scout Day.



# MEMORABLE EVENTS



Tree Plantation event conducted by Baraka employees at the plant site.

For continuous development of the employees, diverse in-house and outsourced training programs are arranged at regular intervals.



Employees of Baraka Power Limited celebrating birth day events of their colleagues at the office in a very ecstatic atmosphere.



## AMUSEMENT PROGRAMS





## HISTORIC MOMENTS



The honorable Prime Minister inaugurating two power plants of Baraka Group Namely Karnaphuli Power Limited (a 110 MW HFO fired BOO based IPP project) and Baraka Shikalbaha Power Limited (a 105 MW HFO fired BOO based IPP project) both situated at Patiya, Chattogram, Bangladesh. In the auspicious moment among other Mr. Gulam Rabbani Chowdhury-Chairman & Managing Director of Karnaphuli Power Limited and Mr. Monzur Kadir Shafi-Director of Baraka Shikalbaha Power Limited were present with the Honorable Prime minister.

The inauguration program was celebrated simultaneously at the Gana Bhaban, at the District Commissioner's office of Chattogram and at the Plant Premises.





FINANCIALS



## INDEPENDENT AUDITORS' REPORT

To the shareholders of  
BARAKA POWER LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Baraka Power Limited and its subsidiaries (the Group) as well as the separate financial statements of Baraka Power Limited (the Company), which comprise the consolidated and separate statement of financial position as at 30 June, 2019, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June, 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, The Securities and Exchange Rules, 1987 and other applicable laws and regulations.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgement, were most significance in the audit of the financial statements for the year ended 30 June, 2019. The matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion in these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

## Independent Auditors' Report (Continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<b>01. Audit Opening Balance-Consolidated and Separate Financial Statements</b>	
<p>The consolidated financial statements of the Group and separate financial statements of the Company for the financial year ended 30 June, 2019 was the first one being subject to our audit.</p> <p>In accordance with International Standards on Auditing 510 Initial Engagements-Opening Balances, the first year audit of financial statements requires performing of a few additional audit procedures that are limited in the case of the audit performed for a consecutive year.</p> <p>The purpose of these additional audit procedures is to collect sufficient and relevant audit evidence about whether:</p> <ul style="list-style-type: none"> <li>- opening balance contain misstatements that materially after the financial statements for the current period; and</li> <li>- appropriate accounting policy applied to the opening balances was used continuously in the preparation of financial statements for the current period or whether the changes made were correctly accounted for and properly presented in accordance with the applicable financial reporting framework.</li> </ul> <p>Accordingly, this issue was identified as key audit matter for the audit of the consolidated and separate financial statements of the Group.</p>	<p>Our procedures, in relation to the key audit matter described, included, among others:</p> <ul style="list-style-type: none"> <li>- meeting with key personnel responsible for financial reporting of the Group as well as meetings with members of the audit team, including specialists planned to be involved in the audit procedures;</li> <li>- understanding of the Group's operations, its business environment and key risk are related to its operations;</li> <li>- understanding of the Group's internal control environment, including also tests of identified controls;</li> <li>- understanding of the Group's IT environment;</li> <li>- understanding of the accounting policy of the Group and assessing the continuity of its application;</li> <li>- understanding of key areas of estimation and professional judgement of the Group's management;</li> <li>- communication with the previous auditor on matters including;</li> <li>- a discussion of key audit issues and reading of audit documentation from the previous reporting period;</li> <li>- assessment of the key audit issues from the previous reporting period and their impact on the consolidated and separate financial statements for the current financial year.</li> </ul>



## Independent Auditors' Report (Continued)

### 02. Revenue Recognition and Provision for Customer Receivables-See Note No. 13 & 13A to the Consolidated and Separate Financial Statements

Revenue recognition and provision for customer receivables are key areas of judgement, particularly in relation to:

- energy revenue is made based on the survey of the meter reading. The customer (or government authority) verify the electrical energy output through inspection of meter and/or review of relevant reports generated from the meter. Upon agreement by both parties, the electrical energy delivered for the month is evidenced by the approvals of the professional engineers representing the Group and the customer. The meter is certified by independent professional engineers on a regular basis;
- capacity payments are recognized according to the terms set out for the Power Purchase Agreement (PPA) which is mainly the availability factor;
- identifying conflicting issues relating to billing and assessing whether there is little prospect cash will be received for revenue that has been billed; and
- assessing the recoverability of receivables who do not or are unable to pay their bills.

Our audit procedures included:

- assessing whether revenue recognition policies are applied through comparison with relevant accounting standards and industry practice, including the policy of not recognizing revenue where it is not probable that cash will be received;
- testing the Group's controls over revenue recognition and provision for customer receivables including reconciliations between sales and cash receipts systems and the general ledger;
- assessing the assumptions used to calculate the metered accrued income by ensuring that inputs used to the calculation have been derived appropriately;
- assessing the customer receivables provisioning policy based on historical cash collections, credits, re-bills and write-off information; and
- assessing the Group's disclosing of its revenue recognition and customer receivables provisioning policies, including the estimation and uncertainty involved in recording revenue and the receivables provisioning;
- discussed with the management regarding the treatment for revenue recognition and customer receivables provisioning policy of the Group.

### Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and, accordingly, we do not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## Independent Auditors' Report (Continued)

When we read the annual report, if, we conclude that there is a material misstatement therein; we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRSs as explained in note 2 and for such internal control as management determines in necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 and the BSEC guidelines require the management to ensure effective internal audit, internal controls and risk management functions of the Company.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosure, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Independent Auditors' Report (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

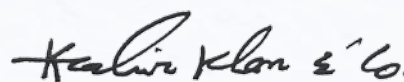
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In according with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books;
- c) the consolidated and separate statement of financial position and consolidated and separate statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Group and the Company's business.

Dated: Dhaka  
24 October, 2019



**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants

Signed by:  
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B  
Partner



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

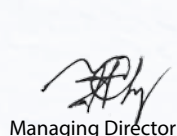
As on June 30, 2019

Particulars	Notes	As on June 30, 2019	As on June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>ASSETS</b>			
<b>A Non-Current Assets</b>			
Property, Plant & Equipment	04.A	6,025,538,372	6,196,766,201
Intangible Assets	05.A	443,000	626,167
Capital Work in Progress	6.00	6,325,741,009	23,476,058
Goodwill on Acquisition	7.00	31,969,000	31,969,000
Investment in Subsidiary	08.A	48,712,500	48,712,500
Investment in Associate	09.A	217,810,163	17,666,276
Pre-Operating Expenses	10.A	15,576,329	18,496,891
		<b>12,665,790,373</b>	<b>6,337,713,093</b>
<b>B Current Assets</b>			
Inventories	11.A	990,236,189	1,030,053,744
Investment in Marketable Securities-Held for Sale	12.A	10,436,648	3,601,600
Accounts Receivables	13.A	1,112,077,207	1,108,411,941
Other Receivables	14.A	752,746,756	255,569
Current Account with Related Parties	15.A	1,302,842,075	740,403,194
Advances, Deposits & Pre-payments	16.A	532,592,981	819,314,924
Cash & Cash Equivalents	17.A	153,207,284	134,067,192
		<b>4,854,139,140</b>	<b>3,836,108,164</b>
<b>C TOTAL ASSETS (A+B)</b>		<b>17,519,929,513</b>	<b>10,173,821,257</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>D Equity Attributable to Owners of the Company</b>			
Share Capital	18.A	2,200,613,660	2,000,557,880
Share Premium	19.A	970,000,000	970,000,000
Fair Value Reserve	20.A	(1,580,684)	(217,157)
Retained Earnings	21.A	885,376,323	789,802,008
		<b>4,054,409,299</b>	<b>3,760,142,731</b>
<b>Non-Controlling Interest</b>	22.00	836,974,616	877,191,969
<b>Total Equity</b>		<b>4,891,383,915</b>	<b>4,637,334,700</b>
<b>E Non-Current Liabilities</b>			
Term Loan-Non Current Maturity	23.A	2,801,387,071	2,436,990,095
Finance Lease Liability-Non Current Maturity	24.A	13,340,771	1,774,396
Provision for Gratuity	25.A	28,889,428	18,276,803
		<b>2,843,617,270</b>	<b>2,457,041,294</b>
<b>F Current Liabilities</b>			
Term Loan-Current Maturity	23.B	616,865,369	502,670,464
Finance Lease Liability-Current Maturity	24.B	3,327,833	528,676
Short term Liabilities	26.A	3,941,585,182	1,576,139,819
Deferred Liabilities	27.00	4,155,458,300	-
Liabilities for Expenses	28.A	26,895,891	16,527,465
Provision for Tax	29.A	76,537,234	102,644,688
Payable for WPPF	30.A	38,978,311	19,734,790
Accounts Payable	31.A	912,125,773	859,623,277
Other Payables	32.A	13,154,435	1,576,084
		<b>9,784,928,328</b>	<b>3,079,445,263</b>
<b>G TOTAL EQUITY &amp; LIABILITIES (D+E+F)</b>		<b>17,519,929,513</b>	<b>10,173,821,257</b>
<b>Net Assets Value Per Share (NAVPS)</b>		<b>18.42</b>	<b>18.80</b>

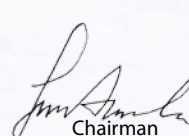
The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 24, 2019 and signed for and on behalf of the board.

  
 Company Secretary

  
 Managing Director

  
 Chief Financial Officer

  
 Chairman

  
 Director

  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


For the year ended June 30, 2019

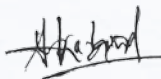
Particulars	Notes	Year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>Revenue</b>	33.A	4,060,472,271	3,580,312,392
<b>Cost of Revenue</b>	34.A	(2,977,850,552)	(2,481,606,447)
<b>Gross Profit</b>		<u>1,082,621,719</u>	<u>1,098,705,945</u>
General & Administrative Expenses	35.A	(223,369,096)	(261,938,758)
<b>Operating Profit</b>		<u>859,252,623</u>	<u>836,767,187</u>
Other Income	36.A	38,199,569	18,114,624
Financial Expenses	37.A	(388,822,087)	(320,645,118)
<b>Profit before WPPF</b>		<u>508,630,105</u>	<u>534,236,693</u>
Contribution to WPPF		(38,978,311)	(19,734,790)
<b>Profit before Tax</b>		<u>469,651,794</u>	<u>514,501,903</u>
Gain/(Loss) from Associates		15,143,887	(1,333,724)
Income Tax Expenses	38.A	(70,304,258)	(61,824,130)
<b>Net Profit after Tax</b>		<u>414,491,423</u>	<u>451,344,049</u>
Other Comprehensive Income/(loss) from Investment in Marketable Securities		(1,824,336)	(208,648)
<b>Total Comprehensive Income For The period</b>		<u>412,667,087</u>	<u>451,135,401</u>
Profit Attributable To:			
Owners of the company		375,397,741	349,745,355
Non controlling interest		39,093,682	101,598,694
		<u>414,491,423</u>	<u>451,344,049</u>
<b>Total Comprehensive Income Attributable To:</b>			
Owners of the company		374,034,214	349,587,255
Non controlling interest		38,632,874	101,548,146
		<u>412,667,088</u>	<u>451,135,401</u>
<b>Earnings per Share:</b>			
Basic Earnings per Share (par value Tk. 10 each)	39.A	<u>1.71</u>	<u>1.59</u>


The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 24, 2019 and signed for and on behalf of the board.

  
 Company Secretary


  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019
  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2019

Amount in Taka

Particulars	Equity Attributable to Owners of the Company					Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Fair Value Reserve	Retained Earnings	Total		
Balance as on 01-07-2017	1,739,615,550	970,000,000	(59,057)	790,296,274	3,499,852,767	802,120,236	4,301,973,003
Net Profit/(Loss) during the period	-	-	-	349,745,355	349,745,355	101,598,694	451,344,049
Payment of Cash Dividend @ 05% (2016-17)	-	-	-	(86,980,780)	(86,980,780)	-	(86,980,780)
Issue of Bonus Share @ 15% (2016-17)	260,942,330	-	-	(260,942,330)	-	-	-
Cash Dividend of Subsidiary @ 10% (2016-17)	-	-	-	-	-	(48,620,250)	(48,620,250)
Increase/(Decrease) in Fair Value	-	-	(158,100)	-	(158,100)	(50,548)	(208,648)
Non-Controlling Interest Arised on Acquisition	-	-	-	-	-	1,821,505	1,821,505
Non-Controlling Interest Arised on Issue of Share	-	-	-	-	-	22,548,000	22,548,000
Prior year's Adjustment	-	-	-	(2,316,511)	(2,316,511)	(2,225,668)	(4,542,179)
<b>Balance as on 30-06-2018</b>	<b>2,000,557,880</b>	<b>970,000,000</b>	<b>(217,157)</b>	<b>789,802,008</b>	<b>3,760,142,731</b>	<b>877,191,969</b>	<b>4,637,334,700</b>

Particulars	Equity Attributable to Owners of the Company					Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Fair Value Reserve	Retained Earnings	Total		
Balance as on 01-07-2018	2,000,557,880	970,000,000	(217,157)	789,802,008	3,760,142,731	877,191,969	4,637,334,700
Net Profit/(Loss) during the period	-	-	-	375,397,741	375,397,741	39,093,682	414,491,423
Prior years' adjustment	-	-	-	(79,767,646)	(79,767,646)	(32,729,977)	(112,497,623)
Increase/(Decrease) in Fair Value	-	-	(1,363,527)	-	(1,363,527)	(460,808)	(1,824,335)
Share Money Deposit	-	-	-	-	-	2,500,000	2,500,000
Cash Dividend of Subsidiary @ 10% (2017-18)	-	-	-	-	-	(48,620,250)	(48,620,250)
Issue of Bonus Share @ 10% (2017-2018)	200,055,780	-	-	(200,055,780)	-	-	-
<b>Balance as on 30-06-2019</b>	<b>2,200,613,660</b>	<b>970,000,000</b>	<b>(1,580,684)</b>	<b>885,376,323</b>	<b>4,054,409,299</b>	<b>836,974,616</b>	<b>4,891,383,915</b>


The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 24, 2019 and signed for and on behalf of the board.

  
Company Secretary

  
Chief Financial Officer


  
Director

  
Managing Director

  
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

Particulars	Notes	Year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>Cash Flow from Operating Activities:</b>			
Cash Receipts from Customers & Others		4,061,420,183	3,497,012,034
Cash Paid to Suppliers & Others		(3,169,403,643)	(2,185,106,413)
<b>Cash Generated from operating Activities</b>		<b>892,016,540</b>	<b>1,311,905,621</b>
Income Tax paid		(108,071,853)	(59,586,433)
Financial Expenses		(349,683,452)	(303,885,132)
<b>Net Cash from Operating Activities</b>		<b>434,261,235</b>	<b>948,434,056</b>
<b>Cash Flow from Investing Activities:</b>			
Payment against PPE		(415,427,301)	(977,068,248)
Acquisition/(Investment) in Subsidiary		-	(48,712,500)
Intangible Assets Addition		-	(180,000)
Investment in Marketable Securities		(8,656,017)	8,611,648
Investment in Associate		(185,000,000)	(19,000,000)
Dividend Received		413,341	76,400
Current Account with Related Parties		(1,480,916,201)	(326,358,741)
<b>Net Cash Provided by / (Used in) Investing Activities</b>		<b>(2,089,586,178)</b>	<b>(1,362,631,441)</b>
<b>Cash Flow from Financing Activities:</b>			
Term Loan Received/(Repayment)		(70,952,852)	(230,885,013)
Short Term Liabilities		1,793,841,202	789,572,563
Payment of Lease Liability		(2,303,065)	(2,397,372)
Payment of Cash Dividend to Shareholders		-	(86,980,780)
Dividend Paid to Minority Interest		(48,620,250)	(48,620,250)
Received From Shareholder		2,500,000	-
Issue of Share Capital		-	22,548,000
<b>Net Cash Used in Financing Activities</b>		<b>1,674,465,035</b>	<b>443,237,148</b>
<b>Net Cash Inflow/(Outflow) for the period</b>		<b>19,140,092</b>	<b>29,039,763</b>
Opening Cash & Cash Equivalents		134,067,192	105,027,429
<b>Closing Cash &amp; Cash Equivalents</b>		<b>153,207,284</b>	<b>134,067,192</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>		<b>1.97</b>	<b>4.74</b>
The above balance consists of the following:			
Cash in Hand		6,738,733	7,674,222
Cash at Bank		136,429,781	107,698,183
Cash Available on BO A/C at period end		182,770	8,838,787
Fixed Deposit Receipts		9,856,000	9,856,000
		<b>153,207,284</b>	<b>134,067,192</b>


The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 24, 2019 and signed for and on behalf of the board.

  
Company Secretary

  
Chief Financial Officer


  
Director

  
Managing Director

  
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants

## CONSOLIDATED SCHEDULE FOR PROPERTY, PLANT &amp; EQUIPMENT

As on June 30, 2019

## Schedule-A

Particulars	Land & Land Development	Furniture & fixture	Office & Electrical Equipment	Office Decoration	Motor Vehicles	Motor Vehicles (Leasehold Asset)	Building & Civil Construction	Factory Building	Maintenance Equipment	Plant & Machineries	Total
<b>Cost</b>											
Balance at 01 July 2017	379,090,133	9,617,289	30,222,603	11,235,040	24,819,403	13,743,492	570,541,166	9,562,000	15,094,147	5,874,669,070	6,938,594,343
Added on Acquisition											-
Addition during the period	291,304,327	244,464	1,681,200	285,150	5,133,000	-	186,000	-	-	182,121,861	480,956,002
Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>670,394,460</b>	<b>9,861,753</b>	<b>31,903,803</b>	<b>11,520,190</b>	<b>29,952,403</b>	<b>13,743,492</b>	<b>570,727,166</b>	<b>9,562,000</b>	<b>15,094,147</b>	<b>6,056,790,931</b>	<b>7,419,550,345</b>
Balance at 01 July 2018	670,394,460	9,861,753	31,903,803	11,520,190	29,952,403	13,743,492	570,727,166	9,562,000	15,094,147	6,056,790,931	7,419,550,345
Added on Acquisition											-
Addition during the period	-	684,515	5,986,287	168,057	1,350,000	16,871,850	-	34,418,676	-	23,002,134	82,481,519
Adjustment											-
<b>Balance at 30 June 2019</b>	<b>670,394,460</b>	<b>10,546,268</b>	<b>37,890,090</b>	<b>11,688,247</b>	<b>31,302,403</b>	<b>30,615,342</b>	<b>570,727,166</b>	<b>43,980,676</b>	<b>15,094,147</b>	<b>6,079,793,065</b>	<b>7,502,031,864</b>
<b>Accumulated Depreciation</b>											
Balance at 01 July 2017	-	3,324,887	15,259,391	9,678,470	14,224,725	9,399,447	126,258,056	1,380,694	12,014,977	785,935,585	977,476,232
Added on Acquisition											-
Charged during the period	-	974,584	4,786,594	1,321,102	3,732,629	2,165,197	38,063,365	1,912,400	1,051,144	191,300,897	245,307,912
Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>4,299,471</b>	<b>20,045,985</b>	<b>10,999,572</b>	<b>17,957,354</b>	<b>11,564,644</b>	<b>164,321,421</b>	<b>3,293,094</b>	<b>13,066,121</b>	<b>977,236,482</b>	<b>1,222,784,144</b>
Balance at 01 July 2018	-	4,299,471	20,045,985	10,999,572	17,957,354	11,564,644	164,321,421	3,293,094	13,066,121	977,236,482	1,222,784,144
Added on Acquisition	-										-
Charged during the period	-	1,036,021	5,548,438	322,022	4,593,890	2,693,024	38,067,500	3,059,689	1,051,144	197,337,620	253,709,348
Adjustment	-										-
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>5,335,492</b>	<b>25,594,423</b>	<b>11,321,594</b>	<b>22,551,244</b>	<b>14,257,668</b>	<b>202,388,921</b>	<b>6,352,783</b>	<b>14,117,265</b>	<b>1,174,574,102</b>	<b>1,476,493,492</b>
<b>Written Down Value</b>											
<b>As on 30 June 2018</b>	<b>670,394,460</b>	<b>5,562,282</b>	<b>11,857,818</b>	<b>520,618</b>	<b>11,995,049</b>	<b>2,178,848</b>	<b>406,405,745</b>	<b>6,268,906</b>	<b>2,028,026</b>	<b>5,079,554,449</b>	<b>6,196,766,201</b>
<b>As on 30 June 2019</b>	<b>670,394,460</b>	<b>5,210,776</b>	<b>12,295,667</b>	<b>366,653</b>	<b>8,751,159</b>	<b>16,357,674</b>	<b>368,338,245</b>	<b>37,627,893</b>	<b>976,882</b>	<b>4,905,218,963</b>	<b>6,025,538,372</b>

Allocation of Depreciation:	For the year ended June 30, 2019	For the year ended June 30, 2018
Cost of Sales	201,448,453	192,352,041
General & Administrative Expenses	52,260,895	52,955,871
<b>Total</b>	<b>253,709,348</b>	<b>245,307,912</b>

(Depreciation expenses on Factory Building, Plant &amp; Machinery and Maintenance Equipment considered as direct expenses)

(Other than depreciation expenses on Factory Building, Plant &amp; Machinery and Maintenance Equipment considered as indirect expenses)

\*\* Details of depreciation rate is stated in note 3.02.d

## CONSOLIDATED SCHEDULE OF INTANGIBLE ASSETS

As on June 30, 2019

## Schedule-A1

Particulars	IT Software-Tally Acc. Software	Share Manage- ment Software	Website Develop- ment	Payroll Software	Logo	Total
<b>Rate of Amortization</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	
<b>Cost</b>						
Balance at 01 July 2017	140,000	200,000	217,500	560,000	-	1,117,500
Added on Acquisition						-
Addition during the period				130,000	50,000	180,000
Adjustment	-	-	-	-		-
<b>Balance at 30 June 2018</b>	<b>140,000</b>	<b>200,000</b>	<b>217,500</b>	<b>690,000</b>	<b>50,000</b>	<b>1,297,500</b>
Balance at 01 July 2018	140,000	200,000	217,500	690,000	50,000	1,297,500
Added on Acquisition						-
Addition during the period						-
Adjustment						-
<b>Balance at 30 June 2019</b>	<b>140,000</b>	<b>200,000</b>	<b>217,500</b>	<b>690,000</b>	<b>50,000</b>	<b>1,297,500</b>
<b>Accumulated Amortization</b>						
Balance at 01 July 2017	140,000	200,000	107,500	58,000	-	505,500
Added on Acquisition						-
Charged during the period			43,500	119,833	2,500	165,833
Adjustment	-	-	-			-
<b>Balance at 30 June 2018</b>	<b>140,000</b>	<b>200,000</b>	<b>151,000</b>	<b>177,833</b>	<b>2,500</b>	<b>671,333</b>
Balance at 01 July 2018	140,000	200,000	151,000	177,833	2,500	671,333
Added on Acquisition						-
Charged during the period	-	-	43,500	138,000	1,667	183,167
Adjustment						-
<b>Balance at 30 June 2019</b>	<b>140,000</b>	<b>200,000</b>	<b>194,500</b>	<b>315,833</b>	<b>4,167</b>	<b>854,500</b>
<b>Written Down Value</b>						
<b>As on 30 June 2018</b>	<b>-</b>	<b>-</b>	<b>66,500</b>	<b>512,167</b>	<b>47,500</b>	<b>626,167</b>
<b>As on 30 June 2019</b>	<b>-</b>	<b>-</b>	<b>23,000</b>	<b>374,167</b>	<b>45,833</b>	<b>443,000</b>



## STATEMENT OF FINANCIAL POSITION

As on June 30, 2019

Particulars	Notes	As on June 30, 2019	As on June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>ASSETS</b>			
<b>A Non-Current Assets</b>			
Property, Plant & Equipment	4.00	1,767,310,610	1,843,919,828
Intangible Assets	5.00	68,833	114,000
Investment in Subsidiary	8.00	505,853,000	505,853,000
Investment in Associate	9.00	204,000,000	19,000,000
Pre-Operating Expenses	10.00	15,576,329	18,496,891
		<b>2,492,808,772</b>	<b>2,387,383,719</b>
<b>B Current Assets</b>			
Inventories	11.00	378,616,024	383,398,613
Investment in Marketable Securities-Held for Sale	12.00	5,310,311	1,800,800
Accounts Receivables	13.00	260,698,472	263,394,952
Other Receivables	14.00	1,032,385,824	221,569
Current Account with Related Parties	15.00	2,041,869,634	794,996,302
Advances, Deposits & Pre-payments	16.00	220,252,299	213,878,159
Cash & Cash Equivalents	17.00	2,911,829	66,438,072
		<b>3,942,044,393</b>	<b>1,724,128,467</b>
<b>C TOTAL ASSETS (A+B)</b>		<b>6,434,853,165</b>	<b>4,111,512,186</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>D Total Equity</b>			
Share Capital	18.00	2,200,613,660	2,000,557,880
Share Premium	19.00	970,000,000	970,000,000
Fair Value Reserve	20.00	(1,027,399)	(143,488)
Retained Earnings	21.00	548,742,039	363,461,910
		<b>3,718,328,301</b>	<b>3,333,876,302</b>
<b>E Non-Current Liabilities</b>			
Term Loan-Non Current Maturity	23.00	636,702,629	25,699,532
Finance Lease Liability-Non Current Maturity	24.00	1,191,228	1,774,396
Provision for Gratuity	25.00	23,034,600	18,276,803
		<b>660,928,457</b>	<b>45,750,731</b>
<b>F Current Liabilities</b>			
Term Loan-Current Maturity	23.00	183,179,216	99,781,938
Finance Lease Liability-Current Maturity	24.00	583,168	528,676
Short Term Liabilities	26.00	1,590,100,162	421,297,533
Liabilities for Expenses	28.00	4,260,020	3,655,410
Provision for Tax	29.00	166,462,310	144,900,354
Payable for WPPF	30.00	25,195,599	19,734,790
Accounts Payable	31.00	78,971,723	40,493,175
Other Payables	32.00	6,844,209	1,493,277
		<b>2,055,596,407</b>	<b>731,885,153</b>
<b>G TOTAL EQUITY &amp; LIABILITIES (D+E+F)</b>		<b>6,434,853,165</b>	<b>4,111,512,186</b>
<b>Net Assets Value Per Share (NAVPS)</b>		<b>16.90</b>	<b>16.66</b>

The accounting policies and other notes form an integral part of these financial statements.

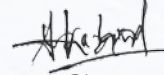
The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 24, 2019 and signed for and on behalf of the board.


  
Company Secretary

  
Managing Director

  
Chief Financial Officer

  
Chairman

  
Director

  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


For the year ended June 30, 2019

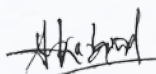
Particulars	Notes	Year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>Revenue</b>	33.00	823,795,903	699,915,120
Cost of Revenue	34.00	(340,936,205)	(261,912,190)
<b>Gross Profit</b>		<b>482,859,698</b>	<b>438,002,930</b>
General & Administrative Expenses	35.00	(98,101,803)	(100,357,708)
<b>Operating Profit</b>		<b>384,757,895</b>	<b>337,645,222</b>
Other Income	36.00	263,084,395	144,351,450
Financial Expenses	37.00	(118,734,713)	(67,566,090)
<b>Profit before WPPF</b>		<b>529,107,577</b>	<b>414,430,582</b>
Contribution to WPPF		(25,195,599)	(19,734,790)
<b>Profit before Tax</b>		<b>503,911,978</b>	<b>394,695,792</b>
Income Tax Expenses	38.00	(112,676,099)	(75,643,434)
<b>Net Profit after Tax</b>		<b>391,235,879</b>	<b>319,052,358</b>
Other Comprehensive Income/(loss) from Investment in Marketable Securities	12.00	(883,910)	(105,489)
<b>Total comprehensive income for the period</b>		<b>390,351,969</b>	<b>318,946,869</b>
<b>Earnings per Share:</b>			
Basic Earnings per Share (par value Tk. 10 each)	39.00	<b>1.78</b>	<b>1.45</b>


The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 24, 2019 and signed for and on behalf of the board.

  
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 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants

## STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2019

Amount in Taka

Particulars	Share Capital	Share Premium	Fair Value Reserve	Retained Earnings	Total
Balance as on 01-07-2017	1,739,615,550	970,000,000	(37,999)	392,332,662	3,101,910,213
Net Profit/(Loss) during the period			-	319,052,358	319,052,358
Increase/(Decrease) in Fair Value	-	-	(105,489)	-	(105,489)
Issue of Bonus Share @ 15%(2016-2017)	260,942,330	-	-	(260,942,330)	-
Payment of Cash Dividend @ 05% (2016-2017)	-	-	-	(86,980,780)	(86,980,780)
<b>Balance as on 30-06-2018</b>	<b>2,000,557,880</b>	<b>970,000,000</b>	<b>(143,488)</b>	<b>363,461,910</b>	<b>3,333,876,302</b>

Particulars	Share Capital	Share Premium	Fair Value Reserve	Retained Earnings	Total
Balance as on 01-07-2018	2,000,557,880	970,000,000	(143,488)	363,461,910	3,333,876,302
Net Profit/ (Loss) during the period	-	-	-	391,235,879	391,235,879
Prior years' adjustment on Foreign Currency Transaction	-	-	-	(5,899,970)	(5,899,970)
Increase/ (Decrease) in Fair Value	-	-	(883,910)	-	(883,910)
Issue of Bonus Share @ 10% (2017-2018)	200,055,780			(200,055,780)	-
<b>Balance as on 30-06-2019</b>	<b>2,200,613,660</b>	<b>970,000,000</b>	<b>(1,027,398)</b>	<b>548,742,039</b>	<b>3,718,328,301</b>


The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 24, 2019 and signed for and on behalf of the board.

  
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Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants



## STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

Particulars	Notes	Year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>Cash Flow from Operating Activities:</b>			
Cash Receipts from Customers & Others		826,590,122	670,085,789
Cash Paid to Suppliers & Others		(322,133,228)	(354,869,274)
<b>Cash Generated from operating Activities</b>		<b>504,456,894</b>	<b>315,216,515</b>
Income Tax paid		(101,967,081)	(56,944,775)
Financial Expenses		(103,359,929)	(66,930,066)
<b>Net Cash from Operating Activities</b>		<b>299,129,884</b>	<b>191,341,674</b>
<b>Cash Flow from Investing Activities:</b>			
Payment against PPE		(512,794)	(2,054,590)
Intangible Assets Addition		-	(50,000)
Investment in Subsidiaries		-	(23,750,000)
Investment in Marketable Securities		(4,501,708)	4,440,688
Investment in Associate		(185,000,000)	(19,000,000)
Current Account with Related Parties		(2,065,668,446)	43,043,440
Dividend Received		50,968,363	50,644,600
<b>Net Cash Provided by / (Used in) Investing Activities</b>		<b>(2,204,714,585)</b>	<b>53,274,138</b>
<b>Cash Flow from Financing Activities:</b>			
Short term liabilities		1,568,802,629	(44,794,965)
Received /(Payment) of Term Loan		273,784,505	(91,856,264)
Payment of Lease Liability		(528,676)	(479,276)
Dividend Paid		-	(86,980,780)
<b>Net Cash Used in Financing Activities</b>		<b>1,842,058,458</b>	<b>(224,111,285)</b>
<b>Net Cash Inflow/(Outflow) for the period</b>		<b>(63,526,243)</b>	<b>20,504,527</b>
Opening Cash & Cash Equivalents		66,438,072	45,933,545
<b>Closing Cash &amp; Cash Equivalents</b>		<b>2,911,829</b>	<b>66,438,072</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>		<b>1.36</b>	<b>0.96</b>
The above balance consists of the following:			
Cash in Hand		639,142	3,399,212
Cash at Bank		2,212,931	58,477,396
Cash Available on BO A/C at period end		59,756	4,561,464
		<b>2,911,829</b>	<b>66,438,072</b>


The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 24, 2019 and signed for and on behalf of the board.

  
Company Secretary

  
Chief Financial Officer


  
Director

  
Managing Director

  
Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants

## SCHEDULE FOR PROPERTY, PLANT &amp; EQUIPMENT

As on June 30, 2019

## Schedule-B

Particulars	Land & Land Develop-ment	Furniture & fixture	Office & Electrical Equipment	Office Dec-oration	Motor Vehicles	Motor Vehicles (Leasehold Asset)	Building & Civil Con-struction	Mainte-nance Equipment	Plant & Machineries	Total
<b>Depreciation Rate</b>	0%	10%	20%	20%	20%	20%	6.67%	20%	3%	
<b>Cost</b>										
Balance at 01 July 2017	127,863,753	3,591,463	10,235,053	6,666,375	20,396,800	2,971,156	128,470,715	9,838,428	2,144,365,442	2,454,399,185
Addition during the period	-	-	524,590	-	-	-	-	-	-	524,590
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>127,863,753</b>	<b>3,591,463</b>	<b>10,759,643</b>	<b>6,666,375</b>	<b>20,396,800</b>	<b>2,971,156</b>	<b>128,470,715</b>	<b>9,838,428</b>	<b>2,144,365,442</b>	<b>2,454,923,775</b>
Balance at 01 July 2018	127,863,753	3,591,463	10,759,643	6,666,375	20,396,800	2,971,156	128,470,715	9,838,428	2,144,365,442	2,454,923,775
Addition during the period	-	77,822	434,972	-	-	-	-	-	-	512,794
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>127,863,753</b>	<b>3,669,285</b>	<b>11,194,615</b>	<b>6,666,375</b>	<b>20,396,800</b>	<b>2,971,156</b>	<b>128,470,715</b>	<b>9,838,428</b>	<b>2,144,365,442</b>	<b>2,455,436,569</b>
<b>Accumulated Depreciation</b>										
Balance at 01 July 2017	-	2,260,844	9,285,848	6,263,759	10,685,718	198,077	46,073,043	9,838,428	448,900,294	533,506,011
Charged during the period	-	359,144	650,529	402,616	2,591,458	594,231	8,568,995	-	64,330,963	77,497,936
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>2,619,988</b>	<b>9,936,377</b>	<b>6,666,375</b>	<b>13,277,176</b>	<b>792,308</b>	<b>54,642,038</b>	<b>9,838,428</b>	<b>513,231,257</b>	<b>611,003,947</b>
Balance at 01 July 2018	-	2,619,988	9,936,377	6,666,375	13,277,176	792,308	54,642,038	9,838,428	513,231,257	611,003,947
Charged during the period	-	361,968	695,586	-	2,570,269	594,231	8,568,995	-	64,330,963	77,122,012
Adjustment	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>2,981,956</b>	<b>10,631,963</b>	<b>6,666,375</b>	<b>15,847,445</b>	<b>1,386,539</b>	<b>63,211,033</b>	<b>9,838,428</b>	<b>577,562,220</b>	<b>688,125,959</b>
<b>Written Down Value</b>										
<b>As on 30 June 2018</b>	<b>127,863,753</b>	<b>971,475</b>	<b>823,266</b>	<b>-</b>	<b>7,119,624</b>	<b>2,178,848</b>	<b>73,828,677</b>	<b>-</b>	<b>1,631,134,185</b>	<b>1,843,919,828</b>
<b>As on 30 June 2019</b>	<b>127,863,753</b>	<b>687,329</b>	<b>562,652</b>	<b>-</b>	<b>4,549,355</b>	<b>1,584,617</b>	<b>65,259,682</b>	<b>-</b>	<b>1,566,803,222</b>	<b>1,767,310,610</b>

Allocation of Depreciation:	For the year ended June 30, 2019	For the year ended June 30, 2018	
Cost of Sales	64,330,963	64,330,963	(Depreciation expenses on Plant & Machinery and Maintenance Equipment considered as direct expense)
General & Administrative Expenses	12,791,049	13,166,973	(Other than depreciation expenses on Plant & Machinery and Maintenance Equipment considered as indirect expense)
<b>Total</b>	<b>77,122,012</b>	<b>77,497,936</b>	

## SCHEDULE OF INTANGIBLE ASSETS

As on June 30, 2019

## Schedule-B1

Particulars	IT Software-Tally Acc. Software	Share Management Software	Website Development	Logo	Total
<b>Rate of Amortization</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	
<b>Cost</b>					
Balance at 01 July 2017	140,000	200,000	217,500	-	557,500
Addition during the period	-	-	-	50,000	50,000
Adjustment	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>140,000</b>	<b>200,000</b>	<b>217,500</b>	<b>50,000</b>	<b>607,500</b>
Balance at 01 July 2018	140,000	200,000	217,500	50,000	557,500
Addition during the period	-	-	-	-	-
Adjustment	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>140,000</b>	<b>200,000</b>	<b>217,500</b>	<b>50,000</b>	<b>557,500</b>
<b>Accumulated Amortization</b>					
Balance at 01 July 2017	140,000	200,000	107,500	-	447,500
Charged during the period	-	-	43,500	2,500	46,000
Adjustment	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>140,000</b>	<b>200,000</b>	<b>151,000</b>	<b>2,500</b>	<b>493,500</b>
Balance at 01 July 2018	140,000	200,000	151,000	2,500	493,500
Charged during the period	-	-	43,500	1,667	45,167
Adjustment	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>140,000</b>	<b>200,000</b>	<b>194,500</b>	<b>4,167</b>	<b>538,667</b>
<b>Written Down Value</b>					
<b>As on 30 June 2018</b>	<b>-</b>	<b>-</b>	<b>66,500</b>	<b>47,500</b>	<b>114,000</b>
<b>As on 30 June 2019</b>	<b>-</b>	<b>-</b>	<b>23,000</b>	<b>45,833</b>	<b>68,833</b>



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

**1.00 Reporting Entity:****1.01 Background of the Company:**

Baraka Power Limited previously known as Barakatullah Electro Dynamics Ltd. (hereinafter referred to as the Company) was incorporated in Bangladesh on June 26, 2007 as a Private Limited Company. On September 25, 2008 the Company was converted as Public Limited Company under the Companies Act, 1994.

The Company is listed with both Dhaka Stock Exchange Limited (DSE) & Chittagong Stock Exchange Limited (CSE) on May 16, 2011 and trading of the share of the company has been started from May 19, 2011.

The registered office of the Company is situated at 102 Azadi, Mirboxtola, Sylhet-3100.

**1.02 Nature of Business:**

The principal activity of this Company is to set up power plants for generation and supply of electricity. The plant capacity is 51 MW located at Fenchugonj, Sylhet, has successfully commissioned on 10 October, 2009 and started its commercial operation from 24 October, 2009 and supplying to the National Grid uninterruptedly.

**1.03 Environmental Commitment:**

The Company ethos places a special emphasis on environmental and ecological issues. Its efforts to preserve and regenerate the environment and expression in the slew of projects and programs it has undertaken in and around its facilities and operations. A Focus area, in this context, is the climate change crisis. The Company beliefs on sustainability have led to a company policy that emphasizes environment preservation. Baraka Power Limited work on projects that include experiencing green cover, reducing effluents and emission, maintaining local ecological and improving long term coronate sustainability.

**2.00 Basis of Preparation and Presentation of the Financial Statements:****2.01 Statement of Compliance:**

The financial statements have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the Companies Act, 1994 and other laws and regulations applicable in International.

The following Accounting Standards were applied for the preparation of the financial statements for the period under review:

IAS - 1	Presentation of Financial Statements
IAS - 2	Inventories
IAS - 7	Statement of Cash Flows
IAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS - 10	Events after the reporting period
IAS - 12	Income Taxes
IAS - 16	Property, Plant & Equipment
IAS - 19	Employee Benefits
IAS - 21	The Effects of change in foreign exchange rates
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 28	Investments in Associates and Joint Ventures
IAS - 33	Earnings Per Share
IAS - 34	Interim Financial Reporting
IAS - 37	Provisions, Contingent Liabilities and Contingent Assets.
IAS - 38	Intangible Assets
IFRS - 3	Business Combination
IFRS - 7	Financial Instruments : Disclosures
IFRS - 9	Financial Instruments
IFRS - 10	Consolidated Financial Statements
IFRS - 12	Disclosures of Interests in Other Entities
IFRS - 13	Fair Value Measurement
IFRS - 15	Revenue from Contracts with Customers
IFRS - 16	Leases

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

**2.02 Other regulatory compliances**

In addition to the aforesaid, the Company is also required to comply with the following in addition to the Companies Act, 1994 and other applicable laws and regulations:

Income Tax Ordinance, 1984  
 Income Tax Rules, 1984  
 Value Added Tax Act, 1991  
 Value Added Tax Rules, 1991  
 Bangladesh Labor Act, 2006 (Amended in 2013)  
 Securities & Exchange Ordinance, 1969  
 Securities & Exchange Rules, 1987

**2.03 Date of authorization**

The Board of Directors authorized the financial statements for issue on October 24, 2019.

**2.04 Reporting Period**

The financial period of the Company covers nine months from July 01, 2018 to June 30, 2019.

**2.05 Accrual Basis of Accounting**

These financial statements have been prepared under the accrual basis of accounting.

**2.06 Basis of Measurement:**

All the elements of financial statements have been measured on "Historical Cost" IAS is which is one of the most commonly adopted IAS is as provided in "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards (IAS).

**2.07 Responsibility for Preparation and Presentation of Financial Statements:**

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per the provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standard (IAS).

**2.08 Use of Estimates and Judgment:**

The preparation of financial statements in conformity with IASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Note 04: Property, Plant & Equipment (considering useful life of assets);

Note 05: Intangible Assets (considering useful life of assets);

Note 10: Pre-operating Expenses (considering period of amortization of assets);

Note 11: Inventories;

Note 13: Accounts Receivable;

Note 25: Provision for Gratuity;

Note 28: Liabilities for expenses;

Note 29: Provision for Tax.

**2.09 Functional and Presentational Currency and Level of Precision:**

The financial statements are prepared in Bangladeshi Taka (Taka/Tk./BDT) which is the Company's both functional currency and presentation currency. All financial information presented in Taka and have been rounded off to the nearest Taka.

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

**3.00 Significant Accounting Policies:**

The accounting policies set out below have been applied consistently through out the period presented in these financial statements.

**3.01 Basis of Consolidation**

The company has been complied IFRS 10 & IAS 28 in times of preparing consolidated financial statement and accounted for investment in associates. Baraka Patenga Power Limited has held shares 51 % as well as management control over as per IAS 28 Para 13 or held share more than 50%, the companies are treated as subsidiary companies. Baraka Power Limited has held shares more than 20% or equivalent to 50% along with significant influence, the companies are treated as associate companies and consolidation has been done under "Equity Method". Controls exist when Baraka Power Limited has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The accounting policies of subsidiaries have been changed when necessary tie align them with the policies adopted by Baraka Power Limited.

**Subsidiaries**

Name of Subsidiary	Date of Acquisition	Controlling interest			Non-controlling interest	Business Nature
		Direct Control	Control through subsidiary	Total effective control		
Baraka Patenga Power Limited	June 7, 2011	51.00%	0.00%	51.00%	49%	Power Generation
Baraka Fashions Limited	May 1, 2017	51.00%	0.00%	51.00%	49%	Ready Made Garments
Karnaphuli Power Limited	October 26, 2017	25.00%	26.01%	51.01%	49%	Power Generation

**Associates**

Name of Associates	Date of Investment	Percentage of Investment	Business Nature
Baraka Shikalbaha Power Limited	March 12, 2018	20%	Power Generation

**3.02 Property, Plant and Equipment:****a. Recognition and Measurement:**

In compliance with IAS-16 (Property, Plant & Equipment) items of property, plant and equipment (PPE), excluding land, are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

**b. Capitalization of Borrowing Cost:**

Finance costs that are directly attributable to the construction of plants are included in the cost of those plants in compliance with BAS-23: Borrowing Cost, allowed alternative treatment. Capitalization of borrowing costs cease from the date of the report submitted by commercial test witness committee which, in accordance with Power Purchase Agreement, confirms the availability of plants for use.

**c. Subsequent Costs**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day to day maintaining cost on PPE are recognized in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

**d. Depreciation:**

No depreciation is charged on land and land development.

Depreciation is recognized in the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the estimated useful lives of each item of property, plant & equipment.

Each item of PPE are depreciated from the day in which the assets ready for use or capitalized. In case of disposals, no depreciation is charged in the month of disposal.



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

Depreciation of Power Plant has been charged considering 30 years of useful life and residual value as 10% of original cost, on straight line basis on the ground that management intends to continue with operation after completion of 15 years as stated in the Power Purchase Agreement (PPA).

The rate of depreciation on PPE of the Company and its subsidiary as on June 30, 2019:

Name of the Assets	Baraka Power Limited	Subsidiary Company		
		Baraka Patenga Power Limited	Baraka Fashions Limited	Karnaphuli Power Limited
Land & Land development	0.00%	0.00%	0.00%	0.00%
Furniture & Fixtures	10.00%	10.00%	10.00%	10.00%
Office & Electrical Equipment	20.00%	20.00%	20.00%	20.00%
Office Decoration	20.00%	20.00%	-	20.00%
Motor Vehicles	20.00%	20.00%	-	20.00%
Maintenance Equipment	20.00%	20.00%	-	-
Building & Civil Construction	6.67%	6.67%	20.00%	-
Plant & Machineries	3.00%	3.00%	20.00%	-

**e. Retirements and Disposals:**

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain and loss from disposal of asset under other income in the Statement of Profit or Loss and Other Comprehensive Income.

**f. Impairment:**

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

In the current period of reporting, the assessment of indicators of impairment reveals that impairment testing is not required for the company.

**g. Leased Assets:**

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Each lease payment is allocated to the principal amount and to the finance charges in a such a way to achieve a constant rate on the finance balance outstanding.

**Recognition and Measurement**

Finance leases have been recognized as assets and liabilities in the statement of financial position at amounts equal at the inception of lease to the lower of fair value of leased property and present value of minimum lease payments. The interest implicit in the lease has been spread equally over the lease term.

**Depreciation**

Finance leases give rise to depreciation expense for a depreciable asset as well as a finance expense for each accounting year. The depreciation policy for depreciable assets is consistent with that for depreciable assets which are owned.

**3.03 Intangible assets:**

Intangible assets includes IT software which is used to maintain Company's accounts. It also includes Share Management Software and Website.

**a. Recognition and Measurement:**

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. It is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and cost of the assets can be measured reliably as required by IAS 38: Intangible assets. The cost of the Intangible assets comprises its purchase price and any costs directly attributable to the assets.

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

**b. Subsequent Costs:**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the Statement of Profit or Loss and Other Comprehensive Income when incurred.

**c. Amortization:**

Amortization is recognized in the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the estimated useful lives of the assets, from the month that they are available for use.

The estimated lives of the IT software (Tally.ERP 9), Share Management Software & Website Development are recognized 5 (five) years from the month of its recognition as per management decision.

**3.04 Financial Instruments:**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit or Loss and Other Comprehensive Income.

**3.05 Advances, deposits & prepayments:**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

**3.06 Cash and Cash Equivalents:**

For the purpose of Statement of Financial Position and Statement of Cash Flows, Cash in hand and Bank balances represent cash and cash equivalents considering the IAS-1 "Presentation of Financial Statements" and IAS-7 "Statement of Cash Flows", which provide that Cash and Cash equivalents are readily convertible to known amounts of Cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

**3.07 Statement of Cash Flows:**

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

**3.08 Accounts Receivables:**

Accounts receivables consists of unpaid bills receivables from Bangladesh Power Development Board (BPDB) and unbilled revenue recognized at the Statement of Financial Position date.

**3.09 Inventories:**

Inventories consisting of lube oil, alternator grease, coolnet water, spare parts etc. These are for use in the operation and maintenance of power plant. Cost of inventories include expenditure incurred in acquiring the inventories and other costs incurred in bringing them to use. Inventories are valued at cost or net realized valued which ever is lower.

**3.10 Provisions:**

A provision is recognized on the Statement of Financial Position date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**3.11 Employee Benefits:**

The group maintains both defined benefit plan and defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

**a. Defined benefit plan (gratuity)**

The Company, for its present eligible permanent employees, operates a gratuity scheme. Applied for recognition to the National Board of Revenue (NBR) for this gratuity scheme. The entitlement is equal to one month last basic salary per employee per year. Although no actuarial valuation was done to quantify actuarial liabilities as per IAS 19:

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

Employment Benefits, such valuation is not likely to yield a result significantly different from the current provision.

**b. Defined contribution plan (provident fund)**

The group contributes to a registered provident fund scheme (defined contribution plan) for employees of the group eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the group also makes equal contribution. The fund is recognized by the National Board of revenue.

**c. Workers' profit participation fund**

Allocation for workers' profit participation funds has been made @ 5% of profit before charging such expenses as per provisions of the Bangladesh Labor Act -2006 (Amended in 2013).

**d. Employees' Life Insurance**

The company has introduced employees' life insurance policy for its permanent employees with insurance coverage effect from July 01, 2015. The amount of premium is calculated based on employees latest basic salary. Premium is charged as expenses in Statement of Profit or Loss and Other Comprehensive Income.

**e. Employees' Car Loan**

The Company provides car facility in the form of car loan to its senior management, which the concern employee will pay back in monthly installment.

**f. Leave Encashment**

The Company has leave encashment policy for its permanent employee who served at least one year and can avail at the time of leaving the company.

**3.12 Income Tax:**

Income tax expenses comprises current tax and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

**a. Current Tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable in Bangladesh. As per section 52N of Income Tax Ordinance, 1984, tax at sources shall be deducted from revenue income of the company which will be treated as final discharge of tax liability. Also current tax is payable in the year for interest on financial & other income.

**b. Deferred Tax**

In compliance with IAS-12: Income tax, there are no temporary difference is accrued as yet between the carrying amount of assets and liabilities for financial reporting purpose and amounts used for taxation purpose. As no deferred tax is accrued.

**3.13 Revenue Recognition:**

Revenue is initially recognized in the Statement of Profit or Loss and Other Comprehensive Income upon supply of electricity based on net energy output on a monthly basis. Net energy output is determined by the Joint meter reading and verification committee consisting of Baraka Power Limited personnel's and BPDB representatives. After initial recognition, adjustment is made on actual bill paid by the BPDB.

**3.14 Financial Income and Expenses:**

Financial income comprise interest income received from bank on FDR and STD A/C.

Financial expenses comprises interest expenses on term loan. All borrowing costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income using effective interest method except to the extent that they are capitalized during construction period of the plants in compliance with IAS-23: Borrowing Cost.

**3.15 Earnings per Share:**

The Company presents basic and diluted (when applicable) earnings per share (EPS) data for its ordinary shares.

**a. Basic Earnings per Share**

Basic earnings per share is calculated by dividing the profit and loss attributable to the ordinary shareholders of the Company by the weighted average number ordinary share outstanding during the period.

**b. Weighted average number of ordinary shares outstanding during the year**

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the number of days in the year.



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

**c. Diluted Earnings per Share**

As there were no potential ordinary shares issued by the company, so no dilution is taken into effect.

**3.16 Foreign Currency Translation:**

Foreign currency transactions are translated into Bangladeshi taka at the rates ruling on the transaction date. All monetary assets and liabilities at the balance sheet date are translated using rates prevailing on that day. Gain/Loss arising from translation of foreign currency is recognize as Income/Expenses in the Statement of Profit or Loss and Other Comprehensive Income.

**3.17 Contingencies:**

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

**3.18 Impairment:**

At each reporting date indications of impairment are reviewed. We assessed Financial & Non-financial assets whether there is objective evidence that in impaired. As on June 30, 2019 the assessment of indicators of impairment reveals that impairment testing is not required for the company.

**3.19 Related party disclosure:**

As per International Accounting Standard (IAS -24) the parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length IAS is with its related parties.

**3.20 Segment Reporting:**

No segmental reporting is applicable for the company as required by IAS-14: "Segment Reporting" as the company operates in a single industry segment and within a single geographical territory.

**3.21 Off Setting:**

In compliance to IAS-1 and IAS-32, offsetting is done for a particular vendor or customer when the following conditions are met:

- \* Each of the two parties owes the other determinable amounts;
- \* The entity has the right to set off against the amount owed by other party;
- \* The entity intends to offset;
- \* The right of setoff is legally enforceable.

**3.22 Components of the Financial Statements:**

According to the Bangladesh Accounting Standards (IAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components

- \* Statement of Financial Position as at 30 June, 2019;
- \* Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2019;
- \* Statement of Changes in Equity for the year ended 30 June, 2019;
- \* Statement of Cash Flows for the year ended 30 June, 2019; and
- \* Accounting Policies and Explanatory Notes.

**3.23 Events after Reporting Period:**

Events after reporting period that provide additional information about the Company's position at the Statement of Financial Position date are reflected in the financial statements. Events after reporting period that are not adjusting event are disclosed as off Statement of Financial Position items.

**3.24 Going concern:**

The company has adequate resources to continue the operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. Assessed by the management, there are no material uncertainties relating to events or conditions which may cause significant doubt upon the company's ability to continue as a going concern.

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)
<b>4.00 Property, Plant &amp; Equipment: Tk. 1,767,310,610</b>		
<b>Cost</b>		
Opening Balance	2,454,923,775	2,454,399,185
Add: Addition during the period	512,794	524,590
	<u>2,455,436,569</u>	<u>2,454,923,775</u>
Less: Adjustment during the period	-	-
<b>Closing Balance of Cost</b>	<b><u>2,455,436,569</u></b>	<b><u>2,454,923,775</u></b>
<b>Accumulated Depreciation</b>		
Opening Balance	611,003,947	533,506,011
Add: Charged during the period	77,122,012	77,497,936
	<u>688,125,959</u>	<u>611,003,947</u>
Less: Adjustment during the period	-	-
<b>Closing Balance of Depreciation</b>	<b><u>688,125,959</u></b>	<b><u>611,003,947</u></b>
<b>Written Down Value</b>	<b><u>1,767,310,610</u></b>	<b><u>1,843,919,828</u></b>
Details of Property, Plant & Equipment is stated in Schedule-B		
Hypothecation of all fixed assets on first ranking pari passu basis creating present and future charge with the RJSC against the Term loan that sanctioned by the IDCOL & Trust Bank Limited.		
<b>4.A Consolidated Property, Plant &amp; Equipment: Tk. 6,025,538,372</b>		
Baraka Power Limited	1,767,310,610	1,843,919,828
Baraka Patenga Power Ltd.	3,750,285,980	3,876,894,116
Karnaphuli Power Limited	300,687,773	282,517,805
Baraka Fashions Limited	225,334,996	211,515,439
	<u>6,043,619,359</u>	<u>6,214,847,188</u>
Less: Inter company adjustment	18,080,987	18,080,987
<b>Total</b>	<b><u>6,025,538,372</u></b>	<b><u>6,196,766,201</u></b>
Details of Consolidated Property, Plant & Equipment is stated in Schedule-A		
<b>5.00 Intangible Assets: Tk. 68,833</b>		
<b>Cost</b>		
Opening Balance	607,500	557,500
Addition during the period	-	50,000
Adjustment during the period	-	-
<b>Closing Balance of Cost</b>	<b><u>607,500</u></b>	<b><u>607,500</u></b>
<b>Accumulated Depreciation</b>		
Opening Balance	493,500	447,500
Charged during the period	45,167	46,000
Adjustment during the period	-	-
<b>Closing Balance of Depreciation</b>	<b><u>538,667</u></b>	<b><u>493,500</u></b>
<b>Written Down Value</b>	<b><u>68,833</u></b>	<b><u>114,000</u></b>
Details of Intangible Assets is stated in Schedule-B1		
<b>5.A Consolidated Intangible Assets: Tk. 443,000</b>		
Baraka Power Limited	68,833	114,000
Baraka Patenga Power Ltd.	-	-
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	374,167	512,167
<b>Total</b>	<b><u>443,000</u></b>	<b><u>626,167</u></b>
Details of Consolidated Intangible Assets is stated in Schedule-A1		

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)
<b>6.00 Consolidated Capital Work in Progress: Tk. 6,325,741,009</b>		
Baraka Power Limited	-	-
Baraka Patenga Power Ltd.	-	-
Karnaphuli Power Limited	6,435,486,771	1,994,427
Baraka Fashions Limited	-	21,481,631
	<u>6,435,486,771</u>	<u>23,476,058</u>
Less: Inter Company Adjustment	109,745,762	-
<b>Total</b>	<b><u>6,325,741,009</u></b>	<b><u>23,476,058</u></b>
<b>7.00 Consolidated Goodwill on Acquisition: Tk. 31,969,000</b>		
Baraka Patenga Power Limited	1,768,182	1,768,182
Goodwill Acquisition of Subsidiary (Baraka Fashions Ltd.)	28,379,313	28,379,313
Goodwill Acquisition of Subsidiary (Karnaphuli Power Ltd.) [Note: 7.01]	1,821,505	1,821,505
<b>Total</b>	<b><u>31,969,000</u></b>	<b><u>31,969,000</u></b>
<b>07.01 Goodwill on Acquisition of Subsidiary: Tk. 1,821,505</b>		
Cost of Acquisition	262,500	262,500
Less: Share of Net Assets Acquired (Note: 07.01.01)	1,559,005	1,559,005
<b>Goodwill on Acquisition of Subsidiary</b>	<b><u>1,821,505</u></b>	<b><u>1,821,505</u></b>
<b>07.01.01 Share of Net Assets Acquired</b>		
Share Capital	1,050,000	1,050,000
Retained Earnings Brought Forward	(4,452,025)	(4,452,025)
Pre-acquisition Profit/(loss)	(2,833,995)	(2,833,995)
<b>Net Assets</b>	<b><u>(6,236,020)</u></b>	<b><u>(6,236,020)</u></b>
<b>Holding Company Portion (51%)</b>	<b><u>(1,559,005)</u></b>	<b><u>(1,559,005)</u></b>
<b>8.00 Investment in Subsidiary: Tk. 505,853,000</b>		
Investment as share capital in Baraka Patenga Power Ltd. (51%)	481,950,000	481,950,000
Investment as share capital in Baraka Fashions Ltd. (51%)	153,000	153,000
Investment as share capital in Karnaphuli Power Ltd. (51%)	23,750,000	23,750,000
<b>Total</b>	<b><u>505,853,000</u></b>	<b><u>505,853,000</u></b>
<p>Baraka Patenga Power Limited (BPPL) is a Public Company limited by shares has been awarded by the Bangladesh Power Development Board (BPDB) to implement 50 MW HFO based IPP power plant on BOO (Build Own Operate) basis for a term of 15 years located at Patenga, Chittagong. Baraka Power Limited (BPL) invested Tk. 481,950,000 (i.e. 48,195,000 ordinary shares @ Tk. 10 each) as holding of 51% equity holding of BPPL initially at cost. Subsequent declaration of 5% stock dividend of Baraka Patenga Power Limited for the income year 2015-2016, Baraka Power Limited's shareholding has increased to 50,604,750 nos. of ordinary shares.</p> <p>Baraka Power Limited has been purchased 51% equity (15,300 ordinary shares @ Tk. 10 each) of Baraka Fashions Limited (changed from Bela Fashions Limited), a 100% export oriented woven ready-made garments factory with production capacity of 10 line located at Tongi.</p> <p>Baraka Power Limited acquired 25% equity holding of Karnaphuli Power Limited with effect from October 26, 2017 and Baraka Patenga Power Limited, subsidiary of Baraka Power Limited holds 51% of Karnaphuli Power Limited. The cross holding of Baraka Power Limited is 51.01% and have controlling power in the board of Karnaphuli Power Limited. The Company has incorporated as Private Company limited by shares on November 17, 2014 with the prime objective to implement power plants for generating &amp; supplying electricity.</p>		
<b>08.A Consolidated Investment in Subsidiary: Tk. 48,712,500</b>		
Baraka Power Limited	505,853,000	505,853,000
Baraka Patenga Power Ltd.	96,900,000	96,900,000
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	-	-
	<u>602,753,000</u>	<u>602,753,000</u>
Less: Inter company adjustment	554,040,500	554,040,500
<b>Total</b>	<b><u>48,712,500</u></b>	<b><u>48,712,500</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)
<b>9.00 Investment in Associates: Tk. 204,000,000</b>		
Baraka Shikalbaha Power Limited	204,000,000	19,000,000
<b>Total</b>	<b>204,000,000</b>	<b>19,000,000</b>
Baraka Power Limited acquired 20% equity holding of Baraka Shikalbaha Power Limited (BSPL) with effect from March 12, 2018. BSPL has incorporated as Private Company limited by shares on December 13, 2017 and 105MW power plant of BSPL achieved its Commercial Operation on 24 May 2019.		
<b>09.A Consolidated Investment in Associates: Tk. 217,810,163</b>		
Baraka Power Limited	204,000,000	19,000,000
Baraka Patenga Power Ltd.	-	-
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	-	-
	<b>204,000,000</b>	<b>19,000,000</b>
Less: Inter Company Adjustment	-	-
Share of Post Acquisition Accumulated Gain / (Loss)	13,810,163	(1,333,724)
<b>Total</b>	<b>217,810,163</b>	<b>17,666,276</b>
<b>10.00 Pre-operating Expenses: Tk. 15,576,329</b>		
Original cost		
Beginning Balance	43,808,428	43,808,428
Add: Addition during the period	-	-
<b>Ending Balance (A)</b>	<b>43,808,428</b>	<b>43,808,428</b>
Amortization expenses		
Beginning Balance	25,311,537	22,390,975
Add: Charged during the period	2,920,562	2,920,562
<b>Ending Balance (B)</b>	<b>28,232,099</b>	<b>25,311,537</b>
<b>Total (A-B)</b>	<b>15,576,329</b>	<b>18,496,891</b>
Amortization expenses charged to the pre-operating expenses throughout 15 years of contractual life of the project on a straight line basis as per management decision in compliance with Para-M & N, Part -I, Schedule-XI of Companies Act, 1994.		
<b>10.A Consolidated Pre-operating Expenses: Tk. 15,576,329</b>		
Baraka Power Limited	15,576,329	18,496,891
Baraka Patenga Power Ltd.	-	-
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	-	-
<b>Total</b>	<b>15,576,329</b>	<b>18,496,891</b>
<b>11.00 Inventories: Tk. 378,616,024</b>		
Opening Balance	383,398,613	337,683,573
Add: Purchase during the period	43,190,726	84,315,583
	<b>426,589,339</b>	<b>421,999,156</b>
Less: Consumption during the period	47,973,315	38,600,543
<b>Closing Balance (Note-11.01)</b>	<b>378,616,024</b>	<b>383,398,613</b>
Inventory Stock has been checked and verifies by the management at the close of the period. Net realizable value of above inventory items are higher than its acquisition cost. Hence, all these items of inventories were valued at cost.		
<b>11.01 Closing Balance of Inventories: Tk. 378,616,024</b>		
Spare Parts	353,258,650	357,131,647
Lube Oil	25,345,021	26,256,694
Other Lubricants	12,353	10,272
<b>Total</b>	<b>378,616,024</b>	<b>383,398,613</b>

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018			
		Amount (Tk)	Amount (Tk)			
11.A	<b>Consolidated Inventories: Tk. 990,236,189</b>					
	Baraka Power Limited	378,616,024	383,398,613			
	Baraka Patenga Power Ltd.	576,533,984	592,551,644			
	Karnaphuli Power Limited	-	-			
	Baraka Fashions Limited	35,086,181	54,103,487			
	<b>Closing Balance</b>	<b>990,236,189</b>	<b>1,030,053,744</b>			
12.00	<b>Investment in Markatable Securities-Held for Sale: Tk. 5,310,310</b>					
	<b>Cost</b>					
	Opening Balanc	1,800,800	6,727,067			
	Addition during the period	-	120,000			
	Withdrawal during the period	-	-			
	Cash Available on BO A/C at period end	4,501,708	(4,560,688)			
	<b>Closing Balance (A)</b>	<b>6,302,508</b>	<b>2,286,379</b>			
	<b>Gain/(loss)</b>					
	Realized Gain/(loss)	(102,654)	(371,579)			
	Realized BO Charges	(5,633)	(8,511)			
	Change in Fair Value of Markatable Securities	(883,910)	(105,489)			
	<b>Closing Balance (B)</b>	<b>(992,197)</b>	<b>(485,579)</b>			
	<b>Fair Value of Markatable Securities (A-B)</b>	<b>5,310,311</b>	<b>1,800,800</b>			
	Details of Current Investment-					
	<b>Investment Sector</b>	<b>No. of Shares</b>	<b>Market Price</b>	<b>Cost Price</b>	<b>Market value as on 30-06-2019</b>	<b>Change in Fair Value as on 30-06-2019</b>
	ACTIVEFINE	21,700	27.40	767,984	594,580	(173,404)
	PTL	50,000	59.20	3,578,853	2,960,000	(618,853)
	BANGAS	4,450	302.80	1,517,265	1,347,460	(169,805)
	ITC	9,300	43.90	473,606	408,270	(65,336)
	<b>Total</b>			<b>6,337,708</b>	<b>5,310,310</b>	<b>(1,027,398)</b>
12.A	<b>Consolidated Investment in Markatable Securities-Held for Sale: Tk. 10,436,647</b>					
	Baraka Power Limited	5,310,310	1,800,800			
	Baraka Patenga Power Ltd.	5,126,337	1,800,800			
	Karnaphuli Power Limited	-	-			
	Baraka Fashions Limited	-	-			
	<b>Total</b>	<b>10,436,647</b>	<b>3,601,600</b>			
13.00	<b>Accounts Receivables: Tk. 260,698,472</b>					
	Bangladesh Power Development Board (BPDB)	260,698,472	263,394,952			
	<b>Total</b>	<b>260,698,472</b>	<b>263,394,952</b>			
	<b>Aging Schedule of Accounts Receivables</b>					
	Duration					
	Invoiced 0-30 days	97,895,265	71,660,956			
	Invoiced 31-60 days	53,347,887	82,305,811			
	Invoiced 61-90 days	-	-			
	Invoiced 91-180 days	109,455,320	3,000,000			
	Invoiced 181-365 days	-	-			
	Invoiced over 365 days	-	106,428,185			
	<b>Total</b>	<b>260,698,472</b>	<b>263,394,952</b>			

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)
<b>Discloser as per Para F of Schedule XI, Para-1 of the Companies Act, 1994</b>		
Debts exceeding 06 months	-	106,428,185
Other debts less provision	260,698,472	156,966,767
	<b>260,698,472</b>	<b>263,394,952</b>
Debts considered good and secured	260,698,472	263,394,952
Debts considered good without debtors personal security	-	-
Debts considered doubtful or bad	-	-
Debts due from companies same management	-	-
Maximum debt due by director or officers at any time	-	-
	<b>260,698,472</b>	<b>263,394,952</b>
<b>13.A Consolidated Accounts Receivables: Tk. 1,112,077,207</b>		
Baraka Power Limited	260,698,472	263,394,952
Baraka Patenga Power Ltd.	827,258,947	812,495,547
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	24,119,788	32,521,442
<b>Total</b>	<b>1,112,077,207</b>	<b>1,108,411,941</b>
<b>14.00 Other Receivables: Tk. 1,032,385,824</b>		
P & H Associates	197,693	221,569
EPC Receivable	1,032,188,131	-
<b>Total</b>	<b>1,032,385,824</b>	<b>221,569</b>
<b>14.A Consolidated Other Receivables: Tk. 752,746,756</b>		
Baraka Power Limited	1,032,385,824	221,569
Baraka Patenga Power Ltd.	5,360,932	34,000
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	-	-
	<b>1,037,746,756</b>	<b>255,569</b>
Inter Company Adjustment	285,000,000	-
<b>Total</b>	<b>752,746,756</b>	<b>255,569</b>
<b>15.00 Current Account with Related Parties: Tk. 2,041,869,634</b>		
Baraka Patenga Power Limited	-	101,046,872
Karnaphuli Power Limited	398,294,404	-
Baraka Fashions Limited	340,733,155	255,370,127
Baraka Shikalbaha Power Limited	772,208,840	-
Royal Homes Limited	191,612,497	151,691,623
Baraka Apparels Limited	288,371,025	242,739,844
Queens Healthcare	2,773,414	-
Royal Educare Limited	47,876,299	44,147,836
<b>Total Receivable</b>	<b>2,041,869,634</b>	<b>794,996,302</b>
<b>15.A Consolidated Current Account with Related Parties: Tk. 1,302,842,075</b>		
Baraka Power Limited	2,041,869,634	794,996,302
Baraka Patenga Power Ltd.	-	413,653,116
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	-	-
	<b>2,041,869,634</b>	<b>1,208,649,418</b>
Less: Inter company Adjustment	739,027,559	468,246,224
<b>Total</b>	<b>1,302,842,075</b>	<b>740,403,194</b>



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)
<b>16.00 Advances, Deposits &amp; Pre-payments: Tk. 220,252,299</b>		
<b>Advances:</b>		
Advance Income Tax	119,263,909	108,410,971
Advance against Inventory & PPE ( Note : 16.01)	18,680,007	21,377,558
Advance against Employees' Car Loan	229,328	573,320
Advance to Employee	250,000	252,500
<b>Sub Total</b>	<b>138,423,244</b>	<b>130,614,349</b>
<b>Deposits:</b>		
Deposit for Bank Guarantee	79,651,466	79,651,466
<b>Sub Total</b>	<b>79,651,466</b>	<b>79,651,466</b>
<b>Prepayments:</b>		
Prepayment for Office Rent	641,512	1,405,840
Prepayment for Financial Expenses	220,236	879,120
Prepayment against Insurance Premium	1,315,841	1,327,384
<b>Sub Total</b>	<b>2,177,589</b>	<b>3,612,344</b>
<b>Grand Total</b>	<b>220,252,299</b>	<b>213,878,159</b>
<b>16.01 Advance against Inventory &amp; PPE :Tk. 18,680,007</b>		
Inventory Software	130,000	130,000
Commercial Space*	14,400,000	14,400,000
RAJUK Plot	1,500,000	1,500,000
Advance against Vehicle (Leasehold)	61,007	61,007
Land and Land Developments	2,550,000	2,550,000
Spare Parts	39,000	2,736,551
<b>Total</b>	<b>18,680,007</b>	<b>21,377,558</b>
* Baraka Power Limited purchased 3,200 sft. @ 4,500/= (total value of Tk. 1,44,00,000) commercial space at 5th floor of Royal Mark, Sylhet from Royal Homes Limited, which is a related party under common management. The commercial space is under construction.		
<b>16.A Consolidated Advances, Deposits &amp; Pre-payments: Tk. 532,592,981</b>		
Baraka Power Limited	220,252,299	213,878,159
Baraka Patenga Power Ltd.	49,453,015	42,564,374
Karnaphuli Power Limited	258,697,864	601,705,054
Baraka Fashions Limited	4,189,803	3,810,946
	<b>532,592,981</b>	<b>861,958,533</b>
Less: Inter Company Adjustment	-	42,643,609
<b>Total</b>	<b>532,592,981</b>	<b>819,314,924</b>
<b>17.00 Cash &amp; Cash Equivalents: Tk. 2,911,829</b>		
Cash in Hand	639,142	3,399,212
<b>Sub Total</b>	<b>639,142</b>	<b>3,399,212</b>
<b>Cash at Bank</b>		
Trust Bank Ltd., SND A/C, Sylhet Cor. Br.	800,162	57,328,536
EXIM Bank Ltd., Fenchugonj Br.	22,352	22,721
BRAC Bank Ltd., Gulshan Br.	209,381	210,106
Shahjalal Islami Bank Ltd., Dhaka Main Br.	168,396	169,696
One Bank Ltd., Kakrail Br.	61,857	63,007
Bank Asia Ltd, Sylhet Uposhahar Branch	7,526	10,444
Eastern Bank Limited	943,257	672,886
<b>Sub Total</b>	<b>2,212,931</b>	<b>58,477,396</b>
Cash Available on BO A/C at period end	59,756	4,561,464
<b>Grand Total</b>	<b>2,911,829</b>	<b>66,438,072</b>
The bank balances have been confirmed and reconciled with respective bank statements.		
Cash in hand has been verified by the management at the close of the period.		

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<b>17.A</b>	<b>Consolidated Cash &amp; Cash Equivalents: Tk.153,207,284</b>		
	Baraka Power Limited	2,911,829	66,438,072
	Baraka Patenga Power Ltd.	112,522,122	17,698,507
	Karnaphuli Power Limited	5,715,030	2,404,968
	Baraka Fashions Limited	32,058,303	47,525,645
	<b>Total</b>	<b>153,207,284</b>	<b>134,067,192</b>
<b>18.00</b>	<b>Share Capital: Tk. 2,200,613,660</b>		
	<b>Authorized:</b>		
	"300,000,000 Ordinary Shares of Tk. 10 each and 100,000,000 Preference Shares of Tk. 10 each"	<b>4,000,000,000</b>	<b>4,000,000,000</b>
	<b>Issued, Subscribed and Paid-up:</b>		
	220,061,366 Ordinary Shares of Tk. 10 each (200,055,788 Ordinary Shares of Tk. 10 each in year end June 30, 2018)	<b>2,200,613,660</b>	<b>2,000,557,880</b>
<b>18.A</b>	<b>Consolidated Share Capital: Tk. 2,200,613,660</b>		
	<b>Authorized:</b>		
	300,000,000 Ordinary Shares of Tk. 10 each and 100,000,000 Preference Shares of Tk. 10 each"	<b>4,000,000,000</b>	<b>4,000,000,000</b>
	<b>Issued, Subscribed and Paid-up:</b>		
	220,061,366 Ordinary Shares of Tk. 10 each (200,055,788 Ordinary Shares of Tk. 10 each in year end June 30, 2018)	<b>2,200,613,660</b>	<b>2,000,557,880</b>

Shareholding Position is as follows:

Sl. No.	Name of shareholders	Percentage of Shareholdings		Amount in Taka	
		30-06-2019	30-06-2018	30-06-2019	30-06-2018
01	FAISAL AHMED CHOWDHURY	2.08%	2.08%	45,739,460	41,581,330
02	MD. AHSANUL KABIR	2.49%	2.49%	54,887,370	49,897,610
03	GULAM RABBANI CHOWDHURY	2.08%	2.08%	45,739,460	41,581,330
04	NANU KAZI MOHAMMED MIAH	2.00%	2.00%	44,020,260	40,018,430
05	ROBIN CHOUDHURY	7.35%	7.35%	161,827,700	147,116,100
06	ABDUL BARI	2.00%	2.00%	44,057,370	40,052,160
07	DR. MD ZAKIR HOSSAIN	0.00%	0.00%	63,250	57,500
08	OTHER SHAREHOLDERS	81.99%	81.99%	1,804,278,790	1,640,253,420
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>2,200,613,660</b>	<b>2,000,557,880</b>

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)

**Details of the Shareholding is given below:**

The distribution schedule showing the number of Shareholders and their shareholding in percentage has been disclosed below:

Range of holdings in number of Shares	No. of Shareholders		Holding%	
	30-06-2019	30-06-2018	30-06-2019	30-06-2018
Less than 500 shares	9,538	17,553	0.82%	2.54%
500 to 5,000 shares	10,495	5,515	5.25%	5.34%
5,001 to 10,000 shares	1,027	1,181	3.38%	4.25%
10,001 to 20,000 shares	614	716	3.98%	5.03%
20,001 to 30,000 shares	245	257	2.77%	3.17%
30,001 to 40,000 shares	109	125	1.73%	2.21%
40,001 to 50,000 shares	73	93	1.50%	2.11%
50,001 to 100,000 shares	163	162	5.43%	5.52%
100,001 to 1,000,000 shares	183	188	24.06%	29.11%
1,000,001 to 10,000,000 shares	46	36	51.08%	40.72%
<b>Total</b>	<b>22,493</b>	<b>25,826</b>	<b>100.00%</b>	<b>100.00%</b>

**19.00 Share Premium: Tk. 970,000,000**

Share premium	1,000,000,000	1,000,000,000
Less: Tax deducted at source (TDS)	30,000,000	30,000,000
<b>Total</b>	<b>970,000,000</b>	<b>970,000,000</b>

The Company has been issued 20,000,000 ordinary shares of Tk. 60 each (including premium of Tk. 50) through Initial Public Offering (IPO) and according TDS @ 3% on Share Premium has been deducted as per section 53L of Income Tax Ordinance, 1984. Income Tax expenses has been adjusted against the Value of Share Premium in compliance with section 57 of the Companies Act, 1994.

**19.A Consolidated Share Premium: Tk. 970,000,000**

Baraka Power Limited	970,000,000	970,000,000
Baraka Patenga Power Ltd.	-	-
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	-	-
<b>Total</b>	<b>970,000,000</b>	<b>970,000,000</b>

**20.00 Fair value Gain/Loss Reserve: Tk. -1,027,399**

Opening Balance	(143,488)	(37,999)
Add: Addition	(883,911)	(105,489)
	(1,027,399)	(143,488)
Less : Adjustment	-	-
	<b>(1,027,399)</b>	<b>(143,488)</b>

**20.A Consolidated Fair value Gain/Loss Reserve: Tk.-1,580,685**

Baraka Power Limited	(1,027,399)	(143,488)
Baraka Patenga Power Limited	(1,084,875)	(144,450)
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	-	-
	(2,112,274)	(287,938)
Less : Non-Controlling Interest	(531,589)	(70,781)
	<b>(1,580,685)</b>	<b>(217,158)</b>



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<b>21.00</b>	<b>Retained Earnings: Tk. 548,742,039</b>		
	Opening Balance	363,461,910	392,332,662
	Add: Net profit during the period	391,235,879	319,052,358
	Prior years' adjustment	(5,899,970)	-
		<b>748,797,819</b>	<b>711,385,020</b>
	Less: Payment of cash dividend	-	86,980,780
	Less: Issue of stock dividend	200,055,780	260,942,330
	<b>Total</b>	<b>548,742,039</b>	<b>363,461,910</b>
<b>21.A</b>	<b>Consolidated Retained Earnings: Tk. 885,376,323</b>		
	Opening Balance	789,802,008	790,296,274
	Add: Profit/(Loss) during the period	375,397,741	349,745,355
		<b>1,165,199,749</b>	<b>1,140,041,629</b>
	Less: Prior years' adjustment	79,767,646	2,316,511
	Less: Payment of cash dividend	-	86,980,780
	Less: Issue of stock dividend	200,055,780	260,942,330
	<b>Total</b>	<b>885,376,323</b>	<b>789,802,008</b>
<b>22.00</b>	<b>Non Controlling Interest: Tk. 836,974,616</b>		
	Opening balance	877,191,969	802,120,236
	Addition during the period	41,132,874	123,691,983
		<b>918,324,843</b>	<b>925,812,219</b>
	Less: Prior Year Adjustment	32,729,977	-
	Less: Cash Dividend @ 10% (2017-18)	48,620,250	48,620,250
	<b>Total</b>	<b>836,974,616</b>	<b>877,191,969</b>
<b>23.00</b>	<b>Term Loan : Tk. 819,881,845</b>		
	<b>Non-Current Maturity: Tk.636,702,629</b>		
	Infrastructure Development Company Ltd. (IDCOL)	-	25,699,532
	Trust Bank Ltd.	-	-
	Bangladesh Infrastructure Finance Fund Limited	308,211,051	-
	Industrial & Infrastructure Development Finance Co. Ltd	170,298,215	-
	Bangladesh Finance and Investment Co. Ltd.	158,193,363	-
	<b>Sub Total</b>	<b>636,702,629</b>	<b>25,699,532</b>
	<b>Current Maturity: Tk. 183,179,216</b>		
	Infrastructure Development Company Ltd. (IDCOL)	41,499,419	51,400,000
	Trust Bank Ltd.	3,893,435	47,894,852
	Bangladesh Infrastructure Finance Fund Limited	54,426,620	-
	Industrial & Infrastructure Development Finance Co. Ltd	29,701,785	-
	Bangladesh Finance and Investment Co. Ltd.	38,454,971	-
	Interest Payable	15,202,986	487,086
	<b>Sub Total</b>	<b>183,179,216</b>	<b>99,781,938</b>
	<b>Grand-Total</b>	<b>819,881,845</b>	<b>125,481,470</b>

On July 17, 2013, Trust Bank Limited has approved term loan facility of BDT 350.00 million at interest rate of 15.5% p.a. for tenor of 06 years and payable quarterly to pay off existing Syndicated Term Loan Facility with different lenders and accordingly the company has already pay off Syndicated Term Loan facility on August 19, 2013. Now, the interest rate is reduced at 11.50% p.a and will be expired on 30-09-2019.

Infrastructure Development Company Limited (IDCOL) has approved a Term Loan facility of USD 04 million on August 29, 2013 at interest rate of 6 months LIBOR + 5% for tenor of 06 years and payable quarterly an amount of USD 1,66,667 plus interest as regard to partially pay off term loan of TBL. The facility will be expired on 15-12-2019.

Bangladesh Infrastructure Finance Fund Limited (BIFFL) has approved a Term Loan facility of BDT 40 crore on October 10, 2018 at interest rate 10.50% for tenor of 06 years and payable quarterly an amount of Tk. 2,27,08,291 as regard to convert the existing short term loan of BIFFL. The facility will be expired on 02-10-2024.

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<p>Bangladesh Finance and Investment Co. Ltd (BD Finance) has approved a Term Loan facility of BDT 20 crore on April 04, 2019 at interest rate 16.50% for tenor of 04 years and payable monthly an amount of Tk. 57,19,410.</p> <p>IIDFC has approved a Term Loan facility of BDT 20 crore on April 29, 2019 at an interest rate of 14% for tenor of 05 years and payable monthly an amount of Tk. 46,53,650. The facility will expire on June 19, 2024.</p> <p>The security package for the term loan is as follows:</p> <ul style="list-style-type: none"> <li>-Mortgage of project land;</li> <li>-Hypothecation of all fixed and floating assets including but not limited to machinery, book debts, furniture, fixture and equipment on first ranking pari passu basis creating present and future charge with the RJSC;</li> <li>-Establishment of Escrow Account and Debt Service Account with appropriate cash flow;</li> <li>-Directors' Personal Guarantee;</li> <li>-Co-payee of benefits under all insurance policies insuring the relevant moveable and immoveable assets of the company.</li> </ul>			
<b>23.A</b>	<b>Consolidated Term Loan (Non-Current): Tk. 2,801,387,071</b>		
	Baraka Power Limited	636,702,629	25,699,532
	Baraka Patenga Power Ltd.	1,956,395,398	2,206,065,975
	Karnaphuli Power Limited	-	-
	Baraka Fashions Limited	208,289,044	205,224,588
	<b>Total</b>	<b><u>2,801,387,071</u></b>	<b><u>2,436,990,095</u></b>
<b>23.B</b>	<b>Consolidated Term Loan (Current): Tk. 616,865,369</b>		
	Baraka Power Limited	183,179,216	99,781,938
	Baraka Patenga Power Ltd.	412,992,335	393,304,198
	Karnaphuli Power Limited	-	-
	Baraka Fashions Limited	20,693,818	9,584,328
	<b>Total</b>	<b><u>616,865,369</u></b>	<b><u>502,670,464</u></b>
<b>24.00</b>	<b>Finance Lease Liability: Tk. 1,774,396</b>		
	<b>Non-Current Maturity</b>		
	IPDC Finance Limited	1,191,228	1,774,396
	<b>Sub-Total</b>	<b><u>1,191,228</u></b>	<b><u>1,774,396</u></b>
	<b>Current Maturity</b>		
	IPDC Finance Limited	583,168	528,676
	<b>Sub-Total</b>	<b><u>583,168</u></b>	<b><u>528,676</u></b>
	<b>Grand-Total</b>	<b><u>1,774,396</u></b>	<b><u>2,303,072</u></b>
Interest Rate		9.85% p.a.	
Tenor & Limit		Limit of Tk. 1.00 crore for 05 years tenor	
Repayment Amount		Tk. 61,007 only per month;	
Purpose		To purchase two units of Motor Vehicle;	
Security		- Corporate Guarantee of Baraka Patenga Power Limited	
		- Personal Guarantee of all director except independent director.	

Obligation under Finance Lease has been recognized as liability in the Statement of Financial Position, from the date of inception of the lease agreement, at amount equal at the inception of lease to the lower of fair value of leased assets and present value of minimum lease payment.

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)

The Principal amount of lease obligation payable after the date of statement of financial position is as follows :

Particulars	30-06-2019		30-06-2018	
	Future Minimum Lease Payment	Interest	Present Value of minimum lease payment	Present Value of minimum lease payment
Not Later than one year	732,084	148,916	583,168	528,676
Later than one year but not later than five years	1,342,154	150,926	1,191,228	1,774,396
Later than five years	-	-	-	-
<b>Total obligation under finance lease</b>	<b>2,074,238</b>	<b>299,842</b>	<b>1,774,396</b>	<b>2,303,072</b>

**24.A Consolidated Finance Lease Liability (Non-Current): Tk. 13,340,771**

Baraka Power Limited	1,191,228	1,774,396
Baraka Patenga Power Ltd.	-	-
Karnaphuli Power Limited	12,149,543	-
Baraka Fashions Limited	-	-
<b>Total</b>	<b>13,340,771</b>	<b>1,774,396</b>

**24.B Consolidated Finance Lease Liability (Current): Tk. 3,327,833**

Baraka Power Limited	583,168	528,676
Baraka Patenga Power Ltd.	-	-
Karnaphuli Power Limited	2,744,665	-
Baraka Fashions Limited	-	-
<b>Total</b>	<b>3,327,833</b>	<b>528,676</b>

**25.00 Provision for Gratuity: Tk. 23,034,600**

Opening Balance	18,276,803	10,704,767
Add: Provision made during the period	10,493,365	7,664,236
	28,770,168	18,369,003
Less: Payable to Subsidiary Company*	5,350,932	-
Less: Payment made during the period	384,636	92,200
<b>Closing Balance</b>	<b>23,034,600</b>	<b>18,276,803</b>

\* Company was providing O & M Services to its subsidiary Company namely Baraka Patenga Power Limited (BPPL) which ended on April 30, 2019. Accordingly gratuity obligation has transferred.

**25.A Consolidated Provision for Gratuity: Tk. 28,889,428**

Baraka Power Limited	23,034,600	18,276,803
Baraka Patenga Power Ltd.	5,854,828	-
Karnaphuli Power Limited	-	-
Baraka Fashions Limited	-	-
<b>Total</b>	<b>28,889,428</b>	<b>18,276,803</b>

**26.00 Short Term Liabilities: Tk. 1,590,100,162**

Working Capital Liability	1,590,100,162	421,297,533
<b>Total</b>	<b>1,590,100,162</b>	<b>421,297,533</b>

**26.A Consolidated Short term Liabilities: Tk. 3,941,585,182**

Baraka Power Limited	1,590,100,162	421,297,533
Baraka Patenga Power Ltd.	503,986,769	456,474,042
Karnaphuli Power Limited	1,835,946,518	696,765,448
Baraka Fashions Limited	11,551,733	1,602,796
	3,941,585,182	1,576,139,819
Less: Inter Company Adjustment	-	-
<b>Total</b>	<b>3,941,585,182</b>	<b>1,576,139,819</b>



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<b>27.00</b>	<b>Consolidated Deferred Liabilities: Tk. 4,155,458,300</b>		
	Baraka Power Limited	-	-
	Baraka Patenga Power Ltd.	-	-
	Karnaphuli Power Limited	4,155,458,300	-
	Baraka Fashions Limited	-	-
	<b>Total</b>	<b>4,155,458,300</b>	<b>-</b>
<b>28.00</b>	<b>Liabilities for Expenses: Tk. 4,260,020</b>		
	Audit Fees	230,000	460,000
	Utility Expenses	89,212	177,435
	Salary & Allowances	3,407,808	3,017,975
	Directors Remuneration	533,000	-
	<b>Total</b>	<b>4,260,020</b>	<b>3,655,410</b>
<b>28.A</b>	<b>Consolidated Liabilities for Expenses: Tk. 26,895,891</b>		
	Baraka Power Limited	4,260,020	3,655,410
	Baraka Patenga Power Ltd.	3,527,938	1,478,645
	Karnaphuli Power Limited	2,852,739	1,976,303
	Baraka Fashions Limited	16,255,194	9,417,107
	<b>Total</b>	<b>26,895,891</b>	<b>16,527,465</b>
<b>29.00</b>	<b>Provision for Income Tax: Tk. 166,462,310</b>		
	Opening balance	144,900,354	75,864,474
	Addition during the period	112,676,099	75,643,434
		257,576,453	151,507,908
	Less: Adjustment during the period	91,114,143	6,607,554
	<b>Closing balance</b>	<b>166,462,310</b>	<b>144,900,354</b>
<b>29.A</b>	<b>Consolidated Provision for Income Tax: Tk. 76,537,234</b>		
	Baraka Power Limited	166,462,310	144,900,354
	Baraka Patenga Power Ltd.	10,017,986	11,963,865
	Karnaphuli Power Limited	8,566	8,566
	Baraka Fashions Limited	3,676,729	3,354,721
		180,165,591	160,227,506
	Less: Inter company adjustment	(103,628,357)	(57,582,818)
	<b>Total</b>	<b>76,537,234</b>	<b>102,644,688</b>
<b>30.00</b>	<b>Payable for WPPF: Tk. 25,195,599</b>		
	Opening Balance	19,734,790	20,877,550
	Add: Addition made during the period	25,195,599	19,734,790
		<b>44,930,389</b>	<b>40,612,340</b>
	Less: Payment made during the period		
	Participation Fund	15,787,832	16,702,040
	Welfare Fund	3,946,958	4,175,510
	<b>Closing Balance</b>	<b>25,195,599</b>	<b>19,734,790</b>
	The balance represents contribution to Workers' Profit Participation Fund formed by the Company in accordance with the Chapter-15 of The Bangladesh Labor Act, 2006 (Amended in 2013) for the period ended June 30, 2019.		
<b>30.A</b>	<b>Consolidated Payable for WPPF: Tk.38,978,311</b>		
	Baraka Power Limited	25,195,599	19,734,790
	Baraka Patenga Power Ltd.	13,782,712	-
	Karnaphuli Power Limited	-	-
	Baraka Fashions Limited	-	-
	<b>Total</b>	<b>38,978,311</b>	<b>19,734,790</b>

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<b>31.00</b>	<b>Accounts Payable: Tk. 78,971,723</b>		
	Jalalabad Gas T & D Co. Limited	60,710,775	39,881,765
	Active Energy Limited	-	596,818
	Acetex Corporation BD	-	1,800
	Ranks Petroleum	5,123,000	-
	GE Jenbacher & Co.	12,951,273	-
	Clarke Energy	173,439	-
	Fars Hotel & Resorts	-	12,144
	Saif Power Tec Ltd.	-	648
	Mr. Tutul (RJSC Expenses)	13,236	-
	<b>Total</b>	<b>78,971,723</b>	<b>40,493,175</b>
	<b>Aging of Accounts Payable</b>		
	0-30 days	43,568,655	39,881,765
	30-180 days	35,403,068	611,410
	over 180 days	-	-
	<b>Total</b>	<b>78,971,723</b>	<b>40,493,175</b>
<b>31.A</b>	<b>Consolidated Accounts Payables: Tk. 912,125,773</b>		
	Baraka Power Limited	78,971,723	40,493,175
	Baraka Patenga Power Ltd.	517,849,076	752,232,390
	Karnaphuli Power Limited	561,611,365	-
	Baraka Fashions Limited	38,693,609	66,897,712
		1,197,125,773	859,623,277
	Inter Company Adjustment	285,000,000	-
	<b>Total</b>	<b>912,125,773</b>	<b>859,623,277</b>
<b>32.00</b>	<b>Other Payables: Tk. 6,844,209</b>		
	Other payable for IPO proceeds	48,000	48,000
	Other payable for Dividend Suspense A/C	1,445,277	1,445,277
	Other payable for Gratuity Expenses to BPPL	5,350,932	-
	<b>Total</b>	<b>6,844,209</b>	<b>1,493,277</b>
	Other payable for IPO proceeds consists of subscription money of 04 applicants of IPO proceeds.		
<b>32.A</b>	<b>Consolidated other Payables: Tk. 13,154,435</b>		
	Baraka Power Limited	6,844,209	1,493,277
	Baraka Patenga Power Ltd.	-	-
	Karnaphuli Power Limited	-	-
	Baraka Fashions Limited	6,310,226	82,807
		13,154,435	1,576,084
	Less Inter Company Adjustment	-	-
	<b>Total</b>	<b>13,154,435</b>	<b>1,576,084</b>
<b>33.00</b>	<b>Revenue: Tk. 823,795,903</b>		
	Capacity Proceeds	391,595,194	383,039,462
	Variable Operational & Maintenance Proceeds*	128,577,275	92,969,950
	Energy Proceeds*	303,623,434	223,905,708
	<b>Total</b>	<b>823,795,903</b>	<b>699,915,120</b>
	*Energy and VOMP proceeds varies over the period due to relevant generation demand from Bangladesh Power Development Board whereas other components of capacity proceeds remain consistent.		
<b>33.A</b>	<b>Consolidated Revenue: Tk. 4,060,472,271</b>		
	Baraka Power Limited	823,795,903	699,915,120
	Baraka Patenga Power Ltd.	2,886,421,600	2,594,491,208
	Karnaphuli Power Limited	-	-
	Baraka Fashions Limited	350,254,768	285,906,064
	<b>Total</b>	<b>4,060,472,271</b>	<b>3,580,312,392</b>

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<b>34.00</b>	<b>Cost of Revenue : Tk. 340,936,205</b>		
	Gas Consumption	223,175,869	153,167,122
	Lubricants and Chemical Consumption	16,383,900	12,716,386
	Spare Parts Consumption	31,589,415	25,884,157
	Depreciation on Plant & Machinery	64,330,963	64,330,963
	Repair & Maintenances on Plant & Machinery	1,231,515	1,320,699
	Insurance Premium	4,224,543	4,492,863
	<b>Total</b>	<b>340,936,205</b>	<b>261,912,190</b>
<b>34.A</b>	<b>Consolidated Cost of Revenue: Tk. 2,977,850,552</b>		
	Baraka Power Limited	340,936,205	261,912,190
	Baraka Patenga Power Ltd.	2,232,950,504	1,961,062,473
	Karnaphuli Power Limited	13,039,929	1,458,852
	Baraka Fashions Limited	391,274,409	257,223,408
		<b>2,978,201,047</b>	<b>2,481,656,923</b>
	Less: Inter Company Adjustment	350,495	50,476
	<b>Total</b>	<b>2,977,850,552</b>	<b>2,481,606,447</b>
<b>35.00</b>	<b>General &amp; Administrative Expenses: Tk. 98,101,803</b>		
	Salary & Allowances	39,967,897	38,782,319
	Gratuity Expense	10,493,365	7,664,236
	Director's Remuneration	8,347,800	11,401,500
	Communication Expenses	1,561,737	1,245,150
	Travelling & Conveyance	1,587,803	1,291,953
	Utility Expenses	808,614	731,078
	Office Rent, Rates & Taxes	1,154,614	1,029,713
	AGM & EGM Expenses	3,526,871	4,447,842
	Vehicle Running Expenses	3,323,577	3,528,359
	General Repair & Maintenances	1,142,897	1,014,826
	Entertainment & Others	1,439,177	1,477,156
	Business Development Expenses	336,157	310,500
	Legal Fees and Professional Consultancy	316,250	28,750
	Staff Fooding & Lodging	392,361	524,522
	Advertisement & Publicity	293,025	707,972
	Audit Fee (Note 35.01)	230,000	230,000
	Photocopy & Stationeries	716,583	541,223
	Uniform	282,981	400,724
	Newspaper, Books & Periodicals	35,977	40,960
	Printing and Others	55,916	808,520
	Annual Fees	3,603,117	4,389,614
	Insurance Premium	246,793	3,791
	Education & Training	24,375	11,115
	Gardening & Beautification Expenses	71,143	78,992
	Gift & Greetings	90,640	188,388
	Rest House Keeping Expenses	1,018,066	1,075,116
	Meeting Attendance Fee	540,500	442,750
	Annual Religious & Cultural Expenses	736,789	1,818,632
	Medical Expenses	-	8,472
	Amortization Expenses	2,965,729	2,966,562
	Depreciation Expenses	12,791,049	13,166,973
	<b>Total</b>	<b>98,101,803</b>	<b>100,357,708</b>
<b>35.01</b>	<i>Audit fee includes fee of Statutory Auditors;</i>		



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<b>35.A</b>	<b>Consolidated General &amp; Administrative Expenses: Tk. 223,369,096</b>		
	Baraka Power Limited	98,101,803	100,357,708
	Baraka Patenga Power Ltd.	59,931,720	58,629,969
	Karnaphuli Power Limited	32,182,001	7,909,317
	Baraka Fashions Limited	33,153,572	95,041,764
	<b>Total</b>	<b>223,369,096</b>	<b>261,938,758</b>
<b>36.00</b>	<b>Other Income: Tk. 263,084,395</b>		
	Capital Gain/(Loss) on Marketable Securities	(102,654)	(371,579)
	Dividend Income on Marketable Securities	363,613	39,850
	Dividend Income on Investment in Subsidiary	50,604,750	50,604,750
	BO A/C Charges	(5,633)	(8,511)
	Foreign Exchange Gain /(Loss)	(1,266,437)	(3,925,007)
	Gain/(loss) on Providing O & M Service	350,495	50,476
	Interest Income earned on Loan from Related Party	100,524,726	97,898,646
	EPC Income from KPL	67,102,153	-
	EPC Income from BSPL	45,415,644	-
	Bank Interest	97,739	62,825
	<b>Total</b>	<b>263,084,395</b>	<b>144,351,450</b>
<b>36.A</b>	<b>Consolidated Other Income: Tk. 38,199,569</b>		
	Baraka Power Limited	263,084,395	144,351,450
	Baraka Patenga Power Ltd.	(28,409,137)	22,694,612
	Karnaphuli Power Limited	(791,100)	19,962
	Baraka Fashions Limited	(1,381,482)	(797,608)
		232,502,676	166,268,416
	Less: Inter company adjustment	194,303,108	148,153,792
	<b>Total</b>	<b>38,199,569</b>	<b>18,114,624</b>
<b>37.00</b>	<b>Financial Expenses: Tk. 118,734,713</b>		
	Term Finance Expenses	44,601,324	15,424,827
	Lease Finance Expenses	203,408	252,808
	Other Financial Expenses	71,636,274	49,809,224
	Bank Charge & Commission	515,612	157,664
	Bank Guarantee Expenses	1,778,095	1,921,567
	<b>Total</b>	<b>118,734,713</b>	<b>67,566,090</b>
<b>37.A</b>	<b>Consolidated Financial Expenses: Tk. 388,822,087</b>		
	Baraka Power Limited	118,734,713	67,566,090
	Baraka Patenga Power Ltd.	275,693,285	254,270,819
	Karnaphuli Power Limited	3,008,344	3,150,069
	Baraka Fashions Limited	67,631,455	50,513,097
		465,067,797	375,500,075
	Less: Inter company adjustment	76,245,710	54,854,957
	<b>Total</b>	<b>388,822,087</b>	<b>320,645,118</b>
<b>38.00</b>	<b>Income Tax Expenses: Tk. 112,676,099</b>		
	Income tax expenses on Revenue	49,427,754	41,994,907
	Income tax expenses on Dividend Income	10,193,673	10,128,920
	Income tax expenses on Financial & Other Income	53,054,672	23,519,607
	<b>Total</b>	<b>112,676,099</b>	<b>75,643,434</b>

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<b>38.A</b>	<b>Consolidated Income Tax Expenses: Tk. 70,304,258</b>		
	Baraka Power Limited	112,676,099	75,643,434
	Baraka Patenga Power Ltd.	1,883,006	8,134,980
	Karnaphuli Power Limited	-	6,987
	Baraka Fashions Limited	1,790,692	1,886,037
		116,349,797	85,671,438
	Less: Inter Company Adjustment	46,045,539	23,847,308
	<b>Total</b>	<b>70,304,258</b>	<b>61,824,130</b>
<b>39.00</b>	<b>Earnings Per Share (EPS) : Tk. 1.78</b>		
	Profit Attributable to Ordinary Shareholders	391,235,879	319,052,358
	Weighted Average Number of Ordinary Shares Outstanding during the period (Note 39.01)	220,061,366	220,061,366
	<b>Basic Earnings Per Share (EPS)</b>	<b>1.78</b>	<b>1.45</b>
	Reason for Changes: EPS has increased during the year over previous year due to income generated from other sources apart from the Company's normal course of business.		
<b>39.A</b>	<b>Consolidated Earnings Per Share (EPS): Tk. 1.71</b>		
	Profit Attributable to Ordinary Shareholders	375,397,741	349,745,355
	Weighted Average Number of Ordinary Shares Outstanding during the period (Note 39.01)	220,061,366	220,061,366
	<b>Total</b>	<b>1.71</b>	<b>1.59</b>
<b>39.01</b>	<b>Weighted Average Number of Ordinary Shares Outstanding:</b>		
	The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighted factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year (considering 360 days in a year).		
	<b>Date of Allotment</b>	<b>Ordinary Share</b>	<b>Weighted No. of days</b>
	01-07-2018	200,055,788	
	Bonus @ 10% for the year 2017-18 on 13-12-2018	20,005,578	360
	<b>As on 30 June 2019</b>	<b>220,061,366</b>	
			<b>220,061,366</b>
<b>39.02</b>	<b>Dilution of Earnings Per Share:</b>		
	No diluted earnings per share is required to be calculated for the period presented as there was no potential ordinary shares has been issued by the Company, as such no scope for dilution during the period.		
<b>40.00</b>	<b>Net Assets Value (NAV) Per Share: Tk. 16.90</b>		
	Share Capital	2,200,613,660	2,000,557,880
	Share Premium	970,000,000	970,000,000
	Fair Value Reserve	(1,027,399)	(143,488)
	Retained Earnings	548,742,039	363,461,910
	<b>Total Shareholders' Equity (A)</b>	<b>3,718,328,301</b>	<b>3,333,876,302</b>
	Total Number of Ordinary Shares (B)	220,061,366	200,055,788
	<b>Net Assets Value (NAV) Per Share (C=A/B)</b>	<b>16.90</b>	<b>16.66</b>
	Reason for Changes: NAV has increased during the year over earlier year due to better income generated from other sources though share capital increased for last year's stock dividend.		
<b>40.A</b>	<b>Consolidated Net Assets Value (NAV) Per Share: Tk. 18.42</b>		
	Share Capital	2,200,613,660	2,000,557,880
	Share Premium	970,000,000	970,000,000
	Fair Value Reserve	(1,580,684)	(217,157)
	Retained Earnings	885,376,323	789,802,008
	<b>Total Shareholders' Equity (A)</b>	<b>4,054,409,299</b>	<b>3,760,142,731</b>
	Total Number of Ordinary Shares (B)	220,061,366	200,055,788
	<b>Consolidated Net Assets Value (NAV) Per Share (C=A/B)</b>	<b>18.42</b>	<b>18.80</b>

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

		As on June 30, 2019	As on June 30, 2018
		Amount (Tk)	Amount (Tk)
<b>41.00</b>	<b>Cash Flows from Operating Activities (Indirect Method)</b>		
	Net Profit After Tax	391,235,879	319,052,358
	Deprecation as Non Cash Expenses	77,122,012	77,497,936
	Amortization as Non Cash Expense	2,965,729	2,966,562
	Non Cash Other Income	(213,393,017)	(97,949,122)
	Other Income generated from Investing Activity	(50,860,076)	(50,264,510)
	(Increase)/Decrease of Accounts Receivable	2,696,480	(29,892,156)
	(Increase)/Decrease of Other Receivable**	23,876	229,711
	(Increase)/Decrease of Inventories	4,782,589	(45,715,040)
	(Increase)/Decrease of Advance, Deposits and Prepayment for Operational Activities *	(6,374,140)	(44,441,149)
	Increase/(Decrease) of Accrued Interest	14,715,900	(242,488)
	Increase/(Decrease) of Accounts Payable	38,478,548	(18,698,116)
	Increase/(Decrease) of Liabilities for Expenses	604,610	3,334,679
	Increase/(Decrease) of Provision for Income Tax	21,561,956	69,035,880
	Increase/(Decrease) of Payable for WPPF	5,460,809	(1,142,760)
	Increase/(Decrease) of Other Payable	5,350,932	(2,147)
	Increase/(Decrease) of Provision for Gratuity	4,757,797	7,572,036
	<b>Net Cash Flows From Operation Activities</b>	<b>299,129,884</b>	<b>191,341,674</b>
	(Increase)/Decrease of Advance Deposit and Prepayment	(6,374,140)	(45,971,149)
	(Increase)/Decrease for PPE	-	(1,530,000)
	<b>* (Increase)/Decrease of Advance Deposit and Prepayment for Operational Activities</b>	<b>(6,374,140)</b>	<b>(44,441,149)</b>
	(Increase)/Decrease of Other Receivable	(1,032,164,255)	(24,409,612)
	(Increase)/Decrease of Other Receivable for Related Parties	(1,032,188,131)	(24,639,323)
	<b>** (Increase)/Decrease of Other Receivable for Operational Activities</b>	<b>23,876</b>	<b>229,711</b>
<b>41.A</b>	<b>Consolidated Cash Flows from Operating Activities (Indirect Method)</b>		
	Net Profit After Tax	414,491,423	514,501,903
	Deprecation as Non Cash Expenses	253,709,348	245,307,912
	Amortization as Non Cash Expense	3,103,729	3,086,395
	Non Cash Financial Expenses	26,806,587	14,808,915
	Loss/(Gain) from Associate Company	(15,143,887)	1,333,724
	Other Income from Investing Activities	(416,707)	875,735
	Non Cash Other Income	(36,313,810)	(54,219,883)
	(Increase)/Decrease of Accounts Receivable	(3,665,266)	(78,350,288)
	(Increase)/Decrease of Other Receivable*	(5,303,056)	421,080
	(Increase)/Decrease of Inventories	39,817,555	(76,025,394)
	(Increase)/Decrease of Advance Deposit and Prepayment for Operational Activities **	(57,603,481)	(87,414,696)
	Increase/(Decrease) of Provision for Gratuity	10,612,625	7,572,036
	Increase/(Decrease) of Accrued Interest	11,673,164	781,414
	Increase/(Decrease) of Accounts Payable***	(224,108,869)	393,007,688
	Increase/(Decrease) of Liabilities for Expenses for Operational Activities ****	11,887,462	10,131,929
	Increase/(Decrease) of Provision for Income Tax	(26,107,454)	59,036,461
	Increase/(Decrease) of Payable for WPPF	19,243,521	(1,142,760)
	Increase/(Decrease) of Other Payable	11,578,351	(735,936)
	Prior Year Adjustment for Provision for Income Tax	-	(4,542,179)
	<b>Net Cash Flows From Operation Activities</b>	<b>434,261,235</b>	<b>948,434,056</b>
	(Increase)/Decrease of Other Receivable	(752,491,187)	(24,218,243)
	(Increase)/Decrease of Other Receivable for Related Parties	(747,188,131)	(24,639,323)
	<b>* (Increase)/Decrease of Other Receivable for Operational Activities</b>	<b>(5,303,056)</b>	<b>421,080</b>
	(Increase)/Decrease of Advance Deposit and Prepayment	286,721,943	(570,192,924)
	(Increase)/Decrease for PPE	344,325,424	(482,778,228)
	<b>** (Increase)/Decrease of Advance Deposit and Prepayment for Operational Activities</b>	<b>(57,603,481)</b>	<b>(87,414,696)</b>



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)
(Increase)/Decrease of Accounts Payable	52,502,496	393,007,688
(Increase)/Decrease for PPE	276,611,365	-
<b>*** (Increase)/Decrease of Accounts Payable for Operational Activities</b>	<b>(224,108,869)</b>	<b>393,007,688</b>
(Increase)/Decrease of Liabilities for Expenses	10,368,426	11,650,965
(Increase)/Decrease for PPE	(1,519,036)	1,519,036
<b>**** (Increase)/Decrease of Liabilities for Expenses for Operational Activities</b>	<b>11,887,462</b>	<b>10,131,929</b>
<b>42.00 Net Operating Cash Flows Per Share (NOCFPS): Tk. 1.36</b>		
Cash Generated from Operating Activities (A)	299,129,884	191,341,674
Total Number of Ordinary Shares(B)	220,061,366	200,055,788
<b>Net Operating Cash Flows Per Share (NOCFPS) (C=A/B)</b>	<b>1.36</b>	<b>0.96</b>
<i>Reason for Changes: NOCFPS has increased during the year over earlier year by normal course of business.</i>		
<b>42.A Consolidated Net Operating Cash Flows Per Share (NOCFPS): Tk. 1.97</b>		
Cash Generated from Operating Activities (A)	434,261,235	948,434,056
Total Number of Ordinary Shares (B)	220,061,366	200,055,788
<b>Consolidated Net Operating Cash Flows Per Share (NOCFPS)(C=A/B)</b>	<b>1.97</b>	<b>4.74</b>

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)

**43.00 Contingent Liability:TK. 292,429,241**

Consolidated and separate contingent liability existed for the Company is Tk. 462,908,341 and Tk. 292,429,241 respectively as at June 30, 2018 in relation to issue of bank guarantee in favor of Bangladesh Power Development Board, JGT&DCL, Commissioner of Customs, Customs House (Import)-Dhaka, Chittagong & Benapole.

The company has been filed few petition involving an amount of Tk. 10,11,76,307 (writ # 868/2009, 2100/2009, 2788/2009, 3272/2009, 3807/2009, 5641/2009) against BPDB, NBR, Custom and other parties for taking the exemption facility of import duty, VAT, Supplementary duty etc.

Nature of Contingent Liability	BG No.	Expiry date	June 30, 2019	June 30, 2018
			Amount (Tk)	Amount (Tk)
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	77/2011, UCBL	Open ended	591,537	591,537
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	78/2011, UCBL	Open ended	682,346	682,346
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	79/2011, UCBL	Open ended	159,980	159,980
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	80/2011, UCBL	Open ended	48,688	48,688
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	84/2011, UCBL	Open ended	12,844	12,844
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	85/2011, UCBL	Open ended	866,530	866,530
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	86/2011, UCBL	Open ended	750,053	750,053
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	87/2011, UCBL	Open ended	100,459	100,459
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	88/2011, UCBL	Open ended	280,801	280,801
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	35/09, TBL	Open ended	55,356	55,356
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	36/09, TBL	Open ended	108,712	108,712
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Dhaka	39/09, TBL	Open ended	65,839	65,839
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	30/2011, UCBL	Open ended	120,615	120,615
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	31/2011, UCBL	Open ended	6,757	6,757
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	32/2011, UCBL	Open ended	6,526,384	6,526,384
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	33/2011, UCBL	Open ended	2,176,655	2,176,655
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	34/2011, UCBL	Open ended	617,796	617,796
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	35/2011, UCBL	Open ended	926,706	926,706
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	36/2011, UCBL	Open ended	118,496	118,496
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	37/2011, UCBL	Open ended	3,215,448	3,215,448
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	38/2011, UCBL	Open ended	112,935	112,935
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	39/2011, UCBL	Open ended	88,616	88,616
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	40/2011, UCBL	Open ended	21,927,458	21,927,458
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	06/2013, TBL	Open ended	5,775,934	5,775,934
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	07/2013, TBL	Open ended	664,022	664,022
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	08/2013, TBL	Open ended	1,992,065	1,992,065
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	03/2013, TBL	Open ended	9,184,865	9,184,865
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	12/2013, TBL	Open ended	6,526,384	6,526,384
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	13/2013, TBL	Open ended	4,350,923	4,350,923
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	11/2013, TBL	Open ended	6,530,548	6,530,548
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	09/2013, TBL	Open ended	6,317,980	6,317,980
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	10/2013, TBL	Open ended	207,146	207,146
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	05/2013, TBL	Open ended	421,806	421,806
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Ctg.	04/2013, TBL	Open ended	8,257,227	8,257,227
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Benapole	64/2011, UCBL	Open ended	1,530,870	1,530,870
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Benapole	65/2011, UCBL	Open ended	1,368,777	1,368,777
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Benapole	66/2011, UCBL	Open ended	900,512	900,512
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Benapole	67/2011, UCBL	Open ended	1,801,023	1,801,023
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Benapole	68/2011, UCBL	Open ended	33,196	33,196
Bank Guarantee-Commissioner of Customs, Customs House (Import) - Benapole	69/2011, UCBL	Open ended	5,752,018	5,752,018
Bank Guarantee-Jalalabad Gas Transmission & Distribution Co. Ltd. - Sylhet	15/2013, TBL	30-11-2019	60,886,080	60,886,080
Bank Guarantee-Jalalabad Gas Transmission & Distribution Co. Ltd. - Sylhet	01/2018, TBL	30-11-2019	12,830,400	12,830,400
Corporate Guarantee to BRAC Bank Ltd. as Term Loan Security		21-03-2021	117,536,454	117,536,454
<b>Total</b>			<b>292,429,241</b>	<b>292,429,241</b>

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)
<b>43.A Consolidated Contingent Liability: Tk.462,908,341</b>		
Baraka Power Limited	292,429,241	292,429,241
Baraka Patenga Power Ltd.	170,479,100	175,287,100
<b>Total</b>	<b>462,908,341</b>	<b>467,716,341</b>

**44.00 Commitment of Capital Expenditure: Tk. Nil**

Name of the company	L/C Number	Currency	Value as at 30-06-2019		Value as at 30-06-2018	
			in FCY	in BDT	in FCY	in BDT
			-	-	-	-
<b>Total</b>			-	-	-	-

\* There were no commitment of capital expenditure at year ended on June 30, 2019.

**45.00 Remittance of Foreign Currency: Tk. 1,118,086**

Name of beneficiary	FTT or L/C Number	Currency	Value as at 30-06-2019		Value as at 30-06-2018	
			in FCY	in BDT	in FCY	in BDT
GE Jenbacher GMBH and Co. Ltd.	236516020003	EURO	-	-	121,475.98	12,049,121
GE Jenbacher GMBH and Co. Ltd.	236517020001	EURO	-	-	233,590.50	23,732,261
Ningbo Demy	236517010004	USD	-	-	13,200.00	1,081,740
Jakson International	236517020005	USD	-	-	80,500.00	6,785,437
Turbo International	236517010009	EURO	-	-	14,034.00	1,393,058
ABB Ltd	236517010008	USD	-	-	12,500.00	1,023,125
Clarke Energy	236517010013	EURO	-	-	8,416.50	824,722
Clarke Energy	236517010012	EURO	-	-	37,924.40	3,857,116
Ningbo Demy	236517150007	USD	-	-	4,046.42	335,394
Ningbo Demy	236518150001	USD	-	-	2,250.00	191,688
ABB Ltd	236519990002	USD	12,445.00	1,050,980	-	-
Clarke Energy	236519FTT0004	Euro	661.76	67,106	-	-
<b>Total</b>			<b>13,107</b>	<b>1,118,086</b>	<b>527,938</b>	<b>51,273,662</b>

**46.00 Value of Imports Calculated on CIF Basis: Tk. 1,118,086**

Spare Parts

**Total**

1,118,086

**1,118,086**

51,273,662

**51,273,662****47.00 Related Party Transactions:****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.

**Transaction with key management personnel: Tk. 21,921,650**

Employee Benefits

**Total**

21,921,650

**21,921,650**

22,476,000

**22,476,000**

Key management personnel includes Chairman & Head of Planning & Business Development, Vice Chairman & Head of Administration, Managing Director, Director-Finance, Company Secretary and GM-O&M.



## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)
Disclosure of the compensation package of key management personnel of the Company as per the paragraph 17 of IAS 24: "Related Party Disclosures" is given below-		
<b>Compensation package of key management personnel-</b>		
Short-term employee benefit	21,921,650	22,476,000
Post employee benefit	-	-
Other long-term benefit	-	-
Termination benefit	-	-
Share-based payment	-	-
<b>Total</b>	<b>21,921,650</b>	<b>22,476,000</b>

**B. Other Related Party Transactions:**

Name of the Related Party	Nature of Relationship	Nature of Transaction	Transactions during the period			
			Opening Balance	Addition	Adjustment	Closing Balance
Baraka Patenga Power Ltd	Subsidiary Company	Short term loan	101,046,872	2,886,505,736	2,987,552,608	-
Baraka Fashions Ltd	Subsidiary Company	Short term loan	255,370,127	138,992,448	53,629,420	340,733,155
Karnaphuli Power Ltd	Subsidiary Company	Short term loan	-	411,114,332	12,819,928	398,294,404
		EPC Work	-	570,071,752	285,071,752	285,000,000
Baraka Shikalbaha Power Limited	Associate Company	Short term loan	-	969,153,263	196,944,423	772,208,840
		EPC Work	-	1,347,188,131	600,000,000	747,188,131
Royal Homes Limited	Common Management	Advance for Commercial Space	151,691,623	39,920,874	-	191,612,497
Royal Educare Limited	Common Management	Short term loan	44,147,836	6,928,463	3,200,000	47,876,299
Queens Healthcare Limited	Common Management	Short term loan	-	2,773,414	-	2,773,414
Baraka Apparels Limited	Common Management	Short term loan	242,739,844	45,631,181	-	288,371,025

**48.00 Capacity & Generation:**

Plant Particulars	Licensed Capacity (MwH)	Installed Capacity (MwH)	Plant factor (% on Licensed Capacity) considering the unit of energy sold		Energy Generation (MwH)	Energy Sold (MwH)
			Average	Maximum		
Fenchugonj, Sylhet - Gas Fired 51MW	446,760	483,026	74.84%	96.12%	306,962	295,735
Patenga, Chittagong - HFO Fired 50MW	438,000	489,421	59.41%	80.42%	260,130	250,415

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

	As on June 30, 2019	As on June 30, 2018
	Amount (Tk)	Amount (Tk)

**49.00 Disclosure as per Requirement of Schedule XI, Part II of Companies Act, 1994:****a. Disclosure as per Requirement of Schedule XI, Part II Para 4:**

Payment to Directors during the year ended June 30, 2019

Name	Designation	Period	30-06-2019	30-06-2018
Mr. Fahim Ahmed Chowdhury	Managing Director	July'18 to June '19	3,172,800	-
Mr. Gulam Rabbani Chowdhury	Chairman	July'18 to June '19	1,251,000	4,438,500
Mr. Md. Ahsanul Kabir	Vice-Chairman & Head of Administration	July'18 to June '19	2,673,000	2,524,500
Mr. Faisal Ahmed Chowdhury	Director	July'18 to June '19	1,251,000	4,438,500
<b>Total</b>			<b>8,347,800</b>	<b>11,401,500</b>

Payment made to Directors are in following way:

Basic Pay	4,493,700	5,976,000
Household Allowances	2,246,850	2,988,000
Medical Allowances	524,265	697,200
Conveyance	224,685	298,800
Festival Bonus	858,300	996,000
	<b>8,347,800</b>	<b>10,956,000</b>

In Addition to the above, directors who attend the board meeting, have drawn board meeting attendance fee @ Tk.10,000 per director per meeting. The total board meeting attendance fee during the year is Tk. 540,500.

**b. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3:**

Payment to Employees' during the year ended on June 30, 2019:

Salary Range (Monthly)	Officer & Staff		Worker	Total Employee	
	Head Office	Factory		30-06-2019	30-06-2018
Below Tk. 3,000/-	-	-	-	-	-
Above Tk. 3,000/-	12	88	-	-	-
<b>Total</b>	<b>12</b>	<b>88</b>	-	-	-

\* "Operational & Maintenance Agreement" with Baraka Patenga Power Limited has been ended in April 30, 2019.

**50.00 Internal Control:**

The following steps have been taken for implementation of an effective internal control procedure of the company:

- A strong internal control and compliance division has been formed with a view to establish a well designated system of internal control;
- Regular review of internal audit reports with a view to implement the suggestion of internal auditors in respect of internal control technique;
- To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at head office.

**51.00 Risk Management:**

The company continuously evaluates all risk that affect the company affairs including following Financial Risk.

- Credit Risk;
- Liquidity Risk;
- Market Risk

In this respect, both Audit Committee and Internal Audit Department assist the Board by submitting periodic report.

## NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2019

**Credit Risk:**

Credit Risk is the risk of financial loss of the company if a client fails to meet its contractual obligation to the company. The sole client of the company is Bangladesh Power Development Board. All claims of the company are settled on regular basis as per terms of Agreement. We consider that receivable of the company is good and the risk of bad debts is minimum.

**Liquidity Risk:**

Liquidity Risk is the risk that the company will not be able to meet its financial obligations as they fall due. In meeting liquidity requirements, the company adopts a strict policy of managing its assets keeping liquidity as a vital focus and therefore monitors liquidity on a daily basis.

**Market Risk:**

Market Risk is the risk that changes in market prices which will affect the company's income or the value of its holding of financial instruments. The Company considers two types of risk when evaluating market risk ; Interest Rate Risk and Exchange Rate Risk. These two market risks are discussed separately below :

**Interest Rate Risk:**

Interest rate risk arises when changes in interest rates have an impact to the future cash flows of financial instrument's fair values. To mitigate the interest rate risk Finance department always monitor the Bank Interest Rate and choose/ shift best alternative rate for borrowings and lending.

**Exchange Rate Risk:**

The Company is exposed to currency risk as it imports machinery and equipment against payment of international currencies (USD and EURO). Unfavorable volatility or currency fluctuations may increase import cost and thus affect profitability of the company. However, the management of the company is fully aware of the risks associated with currency fluctuations. Major imported machinery and equipment purchases from abroad has been settled. Currently spare parts are being procured from suppliers from various countries. At the time of price negotiation with suppliers exchange rate is considered sharply. Therefore, management believes that currency risk is not going to hamper business of the Company.

**52.00****General Disclosures:****52.01**

Comparative figures have been rearranged wherever considered necessary to conform to the current year's presentation.

**52.02**

Figures are rounded off to the nearest Taka.

**53.00****Events after reporting period:**

- a. Karnaphuli Power Limited, a subsidiary of Baraka Power Limited has achieved Commercial Operation Letter from Bangladesh Power Development Board (BPDB) (Memo No 27.11.0000.101.14.021.19-4609 ) on 12th September 2019 with effective from 20th August 2019. The dependable capacity of the Karnaphuli Power Plant is determined as 110 Megawatt.
- b. The board of directors at its meeting held on October 24, 2019 has proposed cash dividend @ 10% (i.e. Tk. 1.00 per share of Tk. 10 each) for the year ended on June 30, 2019. Dividend is subject to approve by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.



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## **BARAKA PATENGA POWER LIMITED**

- DIRECTORS' REPORT

- AUDITORS' REPORT

- FINANCIAL STATEMENTS

*As at and for the year ended 30 June 2019*

*Bismillahir Rahmanir Rahim*

Dear Shareholders,  
Assalamu Alikum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 9<sup>th</sup> 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, 2019, 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/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:

Electricity is the main ingredients for socio-economic development of a country. Recognizing the necessity of the electricity, GoB has declared vision to provide electricity to all by 2021. Due to relentless efforts of the government till to date about 94% population have access to electricity. Per capita generation has increased from 220KW/h in 2009 to 510 KW/h in 2019. Considering the country's future energy security and low-carbon emission strategy, programs have been undertaken to promote use of renewable energy. Government has formulated pro-investment policy to encourage private sector investment in Renewable Energy sector as the country is experiencing rapidly rising energy consumption over the past two decades. This trend will intensify further in the coming years as economic growth and development efforts accelerate. Energy supply thus has to be increased rapidly in order to sustain the country's growth momentum. The increase of power generation capacity over the last few years stands witness to the incredible growth of the sector.

The Board is pleased to inform you that the existing plant of Baraka Patenga Power Limited is showing excellent performance and generated 260,130 MWh of electricity and supplied 250,415 MWh to the national grid during the year 2018-2019 earning revenue of Tk. 2,886,421,600 during the year ended June 30, 2019.

You will be glad to know that during the year 2018-2019, construction of two of our subsidiary power plants namely Baraka Shikalbaha Power Limited and Karnaphuli Power Limited has been completed. The Baraka Shikalbaha Power Limited's 105MW power plant started commercial operation on 24 May 2019 and Karnaphuli Power Limited's 110MW power plant started commercial operation on 20 August 2019. You should be proud that your company, Baraka Patenga Power Limited is the holder of 51% ownership stake of these two new power plants.

Since operation of Baraka Shikalbaha Power started shortly before the annual financial closure and the other power plant Karnaphuli Power Limited has started operation after the annual financial closure of Baraka Patenga Power Limited, the financial benefits of the new power projects have not become noticeable in the annual financial statements of Baraka Patenga Power Limited. However, we strongly hope and believe that after inclusion of the operational performances of the new power projects, the financial indicators of the company will show better results in the coming years.

You are aware that, after completion of road show, the company has already applied to the Bangladesh Securities and Exchange Commission on April 2018. Ironically due to some changes in the Public Issue Rules, like other book building method applicants, we are yet to get approval of BSEC for floating IPO shares. However, recently all changes to the Public Issue Rules have been done by BSEC and the amendments to the rules have been gazetted. Accordingly, we have submitted the updated papers to BSEC and are very much hopeful that the company will get the approval for floating IPO shares very soon.

(ii) Segment wise or Product wise performance:

Plant Particulars	Licensed Capacity (MwH)	Installed Capacity (MwH)	Plant factor (% on Licensed Capacity) considering the unit of energy sold		Energy Generation (MwH)	Energy Sold (MwH)
			Average	Maximum		
Baraka Patenga Power Limited, Chattogram- HFO Fired 50MW	438,000	489,421	59.41%	80.42%	260,130	250,415

(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, 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 treasury department to manage its cash and liquidity issues. The department works to optimize working capital, confirmation and reconciliation of receipts and timely disbursement of payments. The treasury department 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 two subsidiaries namely Karnaphuli Power Limited and Baraka Shikabaha Power 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.

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 supplier 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 maintains 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. Furthermore, after the proposed IPO, the financial cost of the Company will be reduced which would have positive impact on the profitability of the Company.*

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. Therefore, the demand and supply gap for the industry is increasing day by day. 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 way to 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.

**Management Perception:**

*Political risk affects the economy of a country. It's beyond the control 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 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 worldwide. 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, 2019	June 30, 2018	Deviation	
			Amount	Percentage
Revenue	2,886,421,600	2,594,491,208	291,930,392	11.25%
Cost of Sales	2,232,950,504	1,961,062,473	271,888,031	13.86%
Gross Profit	653,471,096	633,428,735	20,042,361	3.16%
Net Profit After Tax	273,771,236	335,087,579	(61,316,343)	(18.30)%
Gross Profit Margin (%)	22.64%	24.41%	(1.77)%	
Net Profit Margin (%)	9.48%	12.92%	(3.43)%	

Consolidated Basis (Amount in taka)				
Particulars	June 30, 2019	June 30, 2018	Deviation	
			Amount	Percentage
Revenue	3,429,200,361	2,594,491,208	834,709,153	32.17%
Cost of Sales	2,651,802,100	1,962,657,053	689,145,047	35.11%
Gross Profit	777,398,261	631,834,155	145,564,106	23.04%
Net Profit After Tax	287,507,515	270,968,747	16,538,768	6.10%
Gross Profit Margin (%)	22.67%	24.35%	(1.68)%	
Net Profit Margin (%)	8.38%	10.44%	(2.06)%	

The above tables show that in both solo basis and consolidated basis, gross profit margin has decreased and also the net profit margin has decreased in the year 2018-2019 as compared to 2017-2018.

**(v) In the year 2018-2019 Foreign Exchange Loss was Tk. 33,905,350 compared to Foreign Exchange Loss of Tk. 31,170,323 in 2017-2018. Meanwhile, Tk. 4,903,935 was earned as interest income from related parties in the year 2018-2019.**

**(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:**

	30-06-19 (Taka)	30-06-18 (Taka)
Employee Benefits	6,455,089	8,646,000
<b>Total</b>	<b>6,455,089</b>	<b>8,646,000</b>

Key management personnel include Chairman & Head of Planning & Business Development (till September 2018), Managing Director, Head of Administration, Chief Financial officer, Company Secretary and Head of Internal Audit.

B. Other Related Party Transactions

Name of the Related Party	Nature of Relationship	Nature of Transaction	Transactions during the year			
			Opening Balance	Addition	Adjustment	Closing Balance
			Taka	Taka	Taka	Taka
Baraka Power Limited	Holding Company	Short term loan	(101,046,872)	2,886,505,736	2,987,552,608	-
Karnaphuli Power Limited	Subsidiary Company	Short term loan	111,829,225	345,406,255	457,235,480	-
Baraka Shikalbaha Power Limited	Subsidiary Company	Short term loan	301,823,891	605,488,896	907,312,787	-

(vii) Utilization of IPO Proceeds:

The company has not raised fund through IPO or Rights Issue.

(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 June 30, 2019:

Name	Designation	Period	30-06-2019	30-06-2018
Mr. Faisal Ahmed Chowdhury	Ex. Chairman and Head of Planning & Business Development	July '18 to September '18	630,000	1,980,000
Mr. Gulam Rabbani Chowdhury	Ex. Managing Director	July '18 to September '18	630,000	1,980,000
Mr. Monzur Kadir Shafi	Managing Director	July '18 to June '19*	4,158,000	3,828,000
Mr. Fahim Ahmed Chowdhury	Director & Ex. Head of Admin.	July '18 to September '18	288,000	858,000
<b>Total</b>			<b>5,706,000</b>	<b>8,646,000</b>

\* Mr. Monzur Kadir Shafi appointed to the Board as Managing Director from 06 October 2018.

In addition to the above, directors who attend the board meeting, have drawn board meeting attendance @ Tk. 10,000 per director per meeting. The total board meeting attendance fee during the year is Tk. 586,500.

(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 financial results & profit appropriation;
- (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 10% cash dividend for the year ended June 30, 2019 subject to approval by the shareholders at the 9th 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, 2019, total of 08 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
14 November 2019	Mr. Mohammad Ashab Uddin resigned as Independent Director	Voluntarily resigned from the Board. As per condition no. 1(2)(d) of the Corporate Governance Code of Bangladesh Securities and Exchange Commission the vacant position will be filled up within 90 days of vacancy.

After completion of the last AGM, due to personal reasons Mr. Mohammad Ashab Uddin resigned from the post of Independent Director of the Board of Directors of the Company. Hence, to comply with the Corporate Governance Requirement of Bangladesh Securities and Exchange Commission the vacant position will be filled up within 90 days of vacancy.

Moreover, as per Article number 129, 130, 131 and 132 of the Article of Association of the company following Directors shall retire in the 9th Annual General Meeting by rotation and being eligible, offer them for re-election:

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

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

- (xxv) Management's Discussion and Analysis signed by MD has been reported in the "Message from the Managing Director" section of the Annual Report.
- (xxvi) Declaration by the MD and the CFO to the Board regarding Financial Statements for the year ended on 30th June 2019 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 2018-2019, financial performance of your company shows a stable result.

The Directors take pleasure in reporting the financial results of the company for the year ended June 30, 2019 and recommended apportion of retained earnings as mentioned below:



<b>Profit available for appropriation:</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Profit after tax	273,771,236	335,087,579
Add: Undistributed profit brought forward from previous year	939,920,567	708,600,167
Prior year adjustment	(106,597,653)	(4,542,179)
<b>Total amount Available for Appropriation</b>	<b>1,107,094,150</b>	<b>1,039,145,567</b>
<b>Appropriation:</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Annual dividend for the year 2016-2017 (@ 10% cash in excess of 10% interim cash dividend))		(99,225,000)
Final dividend for the year 2017-2018 (@ 10% cash)	(99,225,000)	-
<b>Closing Retained Earnings at year end (before proposed dividend)</b>	<b>1,007,869,150</b>	<b>939,920,567</b>
Proposed dividend for the year 2018-2019 (@ 10% cash)	(99,225,000)	(99,225,000)
<b>Retained Earnings after Proposed Dividend</b>	<b>908,644,150</b>	<b>-</b>

**Auditors:**

M/S Kazi Zahir Khan & Co., Chartered Accountants have carried out the audit for the year 2018-2019 and will retire in the 9<sup>th</sup> AGM. Being eligible, M/S Kazi Zahir Khan & Co., Chartered Accountants have expressed their intention to be reappointed as statutory auditor of the company for the year 2019-2020. Accordingly, the Board has recommended to appoint M/S Kazi Zahir Khan & Co., Chartered Accountants as the statutory auditor of the Company for the year 2019-2020 subject to approval by the shareholders in the 9<sup>th</sup> Annual General Meeting.

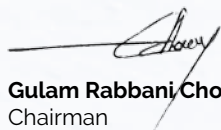
**Acknowledgement:**

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), various Government Authorities, Individuals and Agencies.

We look forward to even better days ahead.

On behalf of the Board of Directors,



**Gulam Rabbani Chowdhury**  
Chairman

## FINANCIAL SUMMARY

### Annexure-A

#### Key operating and financial data of last five years

Particulars	June 30,2019 Consolidated	June 30,2018 Consolidated	June 30,2017 Consolidated	June 30,2016	June 30, 2015
<b>FINANCIAL POSITION</b>					
Non-Current Assets	17,408,510,109	4,495,956,324	3,852,561,087	3,988,660,019	4,112,671,414
Current Assets	2,595,523,138	2,074,507,504	1,476,977,927	1,233,741,488	1,433,178,094
<b>TOTAL ASSETS</b>	<b>20,004,033,247</b>	<b>6,570,463,828</b>	<b>5,329,539,014</b>	<b>5,222,401,507</b>	<b>5,545,849,508</b>
Share Capital	992,250,000	992,250,000	992,250,000	945,000,000	945,000,000
Retained Earnings	956,984,246	875,299,384	708,097,816	536,618,278	344,628,900
Non-Controlling Interest	289,605,355	81,407,753	(1,666,992)	-	-
Non-Current Liabilities	1,974,399,769	2,206,065,975	2,565,875,317	2,897,367,473	2,931,859,367
Current Liabilities	15,791,878,752	2,415,585,166	1,065,024,164	843,415,756	1,324,361,241
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>20,004,033,247</b>	<b>6,570,463,828</b>	<b>5,329,539,014</b>	<b>5,222,401,507</b>	<b>5,545,849,508</b>
<b>OPERATING RESULTS</b>					
Revenue	3,429,200,361	2,594,491,208	2,648,485,011	2,119,185,034	3,021,633,767
Gross Profit	777,398,261	633,428,735	644,619,560	631,677,969	591,803,377
Operating Profit	648,522,993	558,863,896	584,673,292	562,123,721	509,182,957
Income Tax Expenses	(2,119,659)	(8,146,606)	(9,121)	(2,093,704)	(2,005,949)
Non Controlling Interest	13,197,602	(9,510,755)	(482,650)	-	-
<b>Net Profit after tax</b>	<b>300,705,117</b>	<b>261,457,992</b>	<b>317,471,888</b>	<b>286,489,378</b>	<b>294,009,787</b>
<b>FINANCIAL RATIOS</b>					
Gross Profit Margin (%)	22.67%	24.41%	24.34%	29.81%	19.59%
Net Profit Margin (%)	8.77%	10.08%	11.99%	13.52%	9.73%
Return on Capital Employed (%)	15.40%	13.45%	13.71%	12.84%	12.06%
Debt Equity Ratio	52 : 48	57 : 43	63 : 37	71:29	71:29
<b>OTHER INFORMATION</b>					
Face value per share	10	10	10	10	10
Proposed Dividend	10% cash	10% cash	20% cash	5% stock and 10% cash	-
Earnings Per share (EPS)	2.90	2.73	3.20	3.03	3.11
Net Assets value (NAV) per Share	19.63	18.82	17.14	15.68	13.65
Net Operating Cash Flows Per Share (NOCFPS)	0.43	7.87	5.48	7.20	3.26

## BOARD MEETING AND ATTENDANCE

During the year ended June 30, 2019

### Annexure-B

Sl.	Name of Directors	Number of meetings held whilst Board Members	Meeting attendance	Remarks
1	Faisal Ahmed Chowdhury	8	8	
2	Gulam Rabbani Chowdhury	8	8	
3	Fahim Ahmed Chowdhury	8	8	
4	Monzur Kadir Shafi	3	3	Resigned as Director wef 06 October 2018 and appointed as Managing Director
5	Md. Shirajul Islam	8	7	
6	Afzal Rashid Chowdhury	8	7	
7	Engr. Jalal Uddin Ahmed Chowdhury	1	0	Resigned on 10 July 2018
8	Helal Ahmed Chowdhury	8	6	
9	Mohammad Ashab Uddin	5	4	Newly appointed as Independent Director wef 06 October 2018 and resigned on 14 November 2019

## PATTERN OF SHAREHOLDING

As on June 30, 2019

### Annexure-C

Sl.	Name of Shareholders	Status	No. of Shares Held	Percentage (%) of Share Holding
<b>a)</b>	<b>Parents/Subsidiary/Associate Companies</b>			
	Baraka Power Limited	Parent Company	50,604,750	51.00%
<b>b)</b>	<b>Directors, Chief Executive Office, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouse and minor Children</b>			
	Mr. Gulam Rabbani Chowdhury	Chairman	2,976,750	3.00%
	Mr. Faisal Ahmed Chowdhury	Director	2,976,750	3.00%
	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	Independent Director (Nominated by Baraka Power Limited)	-	-
	Mohammad Ashab Uddin*	Independent Director	-	-
	Mr. Monzur Kadir Shafi	Managing Director	1,575,000	1.59%
	Ms. Momtaz Chowdhury	Spouse of Mr. Gulam Rabbani Chowdhury	2,919,000	2.94%
	Ms. Rushina Ahmed Chowdhury	Spouse of Mr. Faisal Ahmed Chowdhury	1,984,500	2.00%
	Ms. Abeda Khanom Chowdhury	Spouse of Mr. Fahim Ahmed Chowdhury	1,821,750	1.84%
	Ms. Shubina Ahmed Chowdhury	Spouse of Mr. Monzur Kadir Shafi	787,500	0.79%
	Ms. Sultana Jesmin Chino	Spouse of Mr. Mohammed Monirul Islam (Chief Financial Officer)	399,000	0.40%
	Ms. Anamika Roy	Spouse of Mr. Monoj Das Gupta (Head of Internal Audit & Compliance)	52,500	0.05%
<b>c)</b>	<b>Executives **</b>		-	-
<b>d)</b>	<b>Shareholders holding 10% or More Voting interest</b>			
	Baraka Power Limited	Parent Company	50,604,750	51.00%

\* On 14/11/2019 Mohammad Ashab Uddin resigned from the post of Independent Director.

\*\* 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

### Declaration by the MD and the CFO to the Board regarding Financial Statements

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

Baraka Patenga Power Limited

Declaration by MD and CFO

Date: 24 October 2019  
The Board of Directors  
Baraka Patenga Power Limited  
Kahirun Bhaban (6th floor)  
Mirboxtola, Sylhet - 3100

**Subject: Declaration on Financial Statements for the year ended on 30 June 2019**

Dear Sirs,

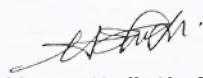
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Baraka Patenga Power Limited for the year ended on 30 June 2019 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 30 June 2019 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  
24 October 2019

  
**Mohammed Monirul Islam**  
Chief Financial Officer  
24 October 2019

## CORPORATE GOVERNANCE COMPLIANCE REPORT

### Baraka Patenga Power Limited

Annexure-E

Status of Compliance with the Corporate Governance Code (CGC)

For the year ended 30th June 2019

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)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1</b>	<b>Board of Directors.-</b>			
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 BPPL Board is comprised of 07 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);	✓		01 out of 07 directors are appointed as Independent Director. On 14/11/2019 one of the Independent Directors resigned and the vacant position will be filled up within 90 days as per condition no. 1(2)(d).
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);	✓		-
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		-

# CORPORATE GOVERNANCE COMPLIANCE REPORT (BPPL) - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	✓		On 14/11/2019 one of the Independent Directors resigned and the vacant position will be filled up within 90 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 (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory 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;	-	-	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;	✓		-
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;	✓		-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	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;	-	-	N/A
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.	-	-	N/A
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;	✓		-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 event arose
<b>1(5)</b>	<b>The Directors' Report to the Shareholders</b>			
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;	✓		-
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		-
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;	✓		-
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;	✓		-



# CORPORATE GOVERNANCE COMPLIANCE REPORT (BPPL) - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	The Company has declared 10% cash dividend
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;	✓		-
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;	✓		-
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 <b>Annexure-A</b> ; 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 <b>Annexure-B</b> and <b>Annexure-C</b> .	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	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.	✓		-
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
<b>1(7)(a)</b>	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		-
<b>1(7)(b)</b>	The code of conduct as determined by the NRC shall be posted on the website of the company	✓		-
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company:-</b>			
<b>2(a)</b>	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;	✓		-
<b>2(b)</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;	✓		-
<b>2(c)</b>	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		-
<b>2(d)</b>	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		-
<b>2(e)</b>	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		-
<b>3.</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-</b>			
<b>3(1)(a)</b>	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);	✓		-
<b>3(1)(b)</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;	✓		-
<b>3(1)(c)</b>	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;	✓		-
<b>3(1)(d)</b>	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		-
<b>3(1)(e)</b>	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).	✓		-
<b>3(2)</b>	<b>Requirement to attend Board of Director's Meetings</b>			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		-
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
<b>3(3)(a)</b>	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.			

CORPORATE GOVERNANCE COMPLIANCE REPORT (BPPL) - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		-
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 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.	✓		-
<b>4.</b>	<b>Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:</b>			
4(i)	Audit Committee;	✓		-
4(ii)	Nomination and Remuneration Committee	✓		-
<b>5.</b>	<b>Audit Committee.-</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
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 of Directors 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)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		-
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;	✓		-
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)(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.	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		-
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)	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.	✓		-
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;	✓		-
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:	-	-	N/A
5(6)	<b>Reporting of the Audit Committee</b>			
5(6)(a)	<b>Reporting to the Board of Directors</b>			
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 of Directors 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' control system;	-	-	No such Incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incidence arose



CORPORATE GOVERNANCE COMPLIANCE REPORT (BPPL) - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
<b>6.</b>	<b>Nomination and remuneration Committee (NRC).-</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
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).	✓		-
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		On 14/11/2019 one of the Independent Directors resigned who was the Chairman of the NRC. As per condition 6(2)(e) of this code the vacant position of the NRC will be filled up within 180 days
6(2)(b)	All member of the Committee shall be non-executive directors;	✓		-
6(2)(c)	Members of the Committee shall be nominated and 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;	✓		On 14/11/2019 one of the Independent Directors resigned who was the Chairman of the NRC. As per condition 6(2)(e) of this code the vacant position of the NRC will be filled up within 180 days

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		-
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.	✓		-
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
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;	✓		-
<b>6(4)</b>	<b>Meeting of the NRC</b>			
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;	✓		-
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.	✓		-
<b>6(5)</b>	<b>Role of the NRC</b>			
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;	✓		-

# CORPORATE GOVERNANCE COMPLIANCE REPORT (BPPL) - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	✓		-
<b>7.</b>	<b>External or Statutory Auditors</b>			
7(1)	The issuer 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 statement;	✓		-
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.	✓		-
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	-	-	N/A
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 2019
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.	✓		-

## *H. RAHMAN & ASSOCIATES*

### **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, 2019. 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**

*H. Rahman*  
Md. Hafizur Rahman  
Cost & Management Accountants

Place: Dhaka  
Dated: 28<sup>th</sup> November 2019

Address: 6/A/1, Shegun Bagicha, Ground Floor, Dhaka-1000.  
Phone Number: 01711-447576.



## INDEPENDENT AUDITORS' REPORT

To the shareholders of

BARAKA PATENGA POWER LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Baraka Patenga Power Limited and its subsidiaries (the Group) as well as the separate financial statements of Baraka Patenga Power Limited (the Company), which comprise the consolidated and separate statement of financial position as at 30 June, 2019, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June, 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, The Securities and Exchange Rules, 1987 and other applicable laws and regulations.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgement, were most significance in the audit of the financial statements for the year ended 30 June, 2019. The matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion in these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<b>01. Revenue Recognition and Provision for Customer Receivables-See Note No. 11 &amp; 11A to the Consolidated and Separate Financial Statements</b>	
<p>Revenue recognition and provision for customer receivables are key areas of judgement, particularly in relation to:</p> <ul style="list-style-type: none"> <li>- energy revenue is made based on the survey of the meter reading. The customer (or government authority) verify the electrical energy output through inspection of meter and/or review of relevant reports generated from the meter. Upon agreement by both parties, the electrical energy delivered for the month is evidenced by the approvals of the professional engineers representing the Group and the customer. The meter is certified by independent professional engineers on a regular basis;</li> <li>- capacity payments are recognized according to the terms set out for the Power Purchase Agreement (PPA) which is mainly the availability factor;</li> <li>- identifying conflicting issues relating to billing and assessing whether there is little prospect cash will be received for revenue that has been billed; and</li> <li>- assessing the recoverability of receivables who do not or are unable to pay their bills.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>- assessing whether revenue recognition policies are applied through comparison with relevant accounting standards and industry practice, including the policy of not recognizing revenue where it is not probable that cash will be received;</li> <li>- testing the Group's controls over revenue recognition and provision for customer receivables including reconciliations between sales and cash receipts systems and the general ledger;</li> <li>- assessing the assumptions used to calculate the metered accrued income by ensuring that inputs used to the calculation have been derived appropriately;</li> <li>- assessing the customer receivables provisioning policy based on historical cash collections, credits, re-bills and write-off information; and</li> <li>- assessing the Group's disclosing of its revenue recognition and customer receivables provisioning policies, including the estimation and uncertainty involved in recording revenue and the receivables provisioning;</li> <li>- discussed with the management regarding the treatment for revenue recognition and customer receivables provisioning policy of the Group.</li> </ul>

### Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and, accordingly, we do not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if, we conclude that there is a material misstatement therein; we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRSs as explained in note 2 and for such internal control as management determines in necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 and the BSEC guidelines require the management to ensure effective internal audit, internal controls and risk management functions of the Company.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosure, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

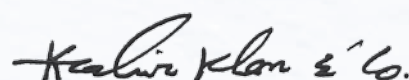
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

In according with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 we also report the following:

- i. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books;
- iii. the consolidated and separate statement of financial position and consolidated and separate statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- iv. the expenditure incurred was for the purposes of the Group and the Company's business.

Dated: Dhaka  
24 October, 2019



**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**

**Signed by:**  
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B  
Partner



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As on June 30, 2019

Particulars	Notes	As on June 30, 2019	As on June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	04.A	10,967,290,471	4,406,137,408
Capital Work-in-Progress	05.00	6,439,451,456	88,050,734
Goodwill on Acquisition of Subsidiary	06.00	1,768,182	1,768,182
<b>Total Non-Current Assets</b>		<b>17,408,510,109</b>	<b>4,495,956,324</b>
<b>Current Assets</b>			
Inventories	08.A	728,348,113	592,551,644
Investment in Marketable Securities-Held for Sale	09.A	5,126,337	1,800,800
Advances, Deposits & Pre-payments	10.A	359,638,687	637,916,927
Accounts Receivables	11.A	1,370,037,708	812,495,547
Other Receivables	13.A	5,360,932	34,000
Cash & Cash Equivalents	14.A	127,011,361	29,708,586
<b>Total Current Assets</b>		<b>2,595,523,138</b>	<b>2,074,507,504</b>
<b>TOTAL ASSETS</b>		<b>20,004,033,247</b>	<b>6,570,463,828</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital	15.A	992,250,000	992,250,000
Fair Value Reserve		(1,084,875)	(144,450)
Retained Earnings		956,984,246	875,299,384
		<b>1,948,149,371</b>	<b>1,867,404,934</b>
Non Controlling Interest	16.00	289,605,355	81,407,753
<b>Total Equity</b>		<b>2,237,754,726</b>	<b>1,948,812,687</b>
<b>Non-Current Liabilities</b>			
Term Loan-Non Current Maturity	17.A	1,956,395,398	2,206,065,975
Finance Lease Liability-Non Current Maturity	18.A	12,149,543	-
Provision for Gratuity	19.A	5,854,828	-
<b>Total Non-Current Liabilities</b>		<b>1,974,399,769</b>	<b>2,206,065,975</b>
<b>Current Liabilities</b>			
Term Loan-Current Maturity	17.B	412,992,335	393,304,198
Finance Lease Liability-Current Maturity	18.B	2,744,665	-
Short Term Liabilities	20.A	3,470,632,727	1,153,239,490
Deferred Liabilities	21.00	8,302,214,719	-
Provision for Income Tax	22.A	10,267,844	11,977,070
Provision for WPPF	23.A	13,782,712	-
Liabilities for Expenses	24.A	9,243,100	3,785,146
Current Account with Related Parties	25.A	1,170,503,244	101,046,872
Accounts Payables	26.A	2,399,497,406	752,232,390
<b>Total Current Liabilities</b>		<b>15,791,878,752</b>	<b>2,415,585,166</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>20,004,033,247</b>	<b>6,570,463,828</b>
<b>Net Assets Value Per Share (NAVPS)</b>	34.A	<b>19.63</b>	<b>18.82</b>

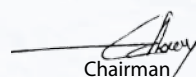
The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved by the Board of directors on October 24, 2019 and were signed on its behalf by:

  
 Company Secretary

  
 Managing Director

  
 Chief Financial Officer

  
 Chairman

  
 Director  
  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2019

Particulars	Notes	Year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
Revenue	27.A	3,429,200,361	2,594,491,208
Cost of Revenue	28.A	(2,651,802,100)	(1,962,657,053)
<b>Gross Profit</b>		<b>777,398,261</b>	<b>631,834,155</b>
General & Administrative Expenses	29.A	(128,875,268)	(72,970,259)
<b>Operating Profit</b>		<b>648,522,993</b>	<b>558,863,896</b>
Other Income/(Loss)	30.A	(28,524,085)	(31,492,054)
Financial Expenses	31.A	(303,391,420)	(257,767,244)
<b>Profit before WPPF</b>		<b>316,607,488</b>	<b>269,604,598</b>
Contribution to WPPF		(13,782,712)	-
<b>Profit before Tax</b>		<b>302,824,776</b>	<b>269,604,598</b>
Income Tax Expenses	32.A	(2,119,659)	(8,146,606)
<b>Profit after Tax</b>		<b>300,705,117</b>	<b>261,457,992</b>
Other Comprehensive Income/(loss) from Investment in Marketable Securities	9.00	(940,425)	(103,159)
<b>Total Comprehensive Income for the period</b>		<b>299,764,692</b>	<b>261,354,833</b>
<b>Profit Attributable To:</b>			
Owners of the Company		287,507,515	270,968,747
Non-controlling Interest	16.01.02	13,197,602	(9,510,755)
		<b>300,705,117</b>	<b>261,457,992</b>
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the Company		286,567,090	270,865,588
Non-controlling Interest		13,197,602	(9,510,755)
		<b>299,764,692</b>	<b>261,354,833</b>
<b>Earnings per Share:</b>			
Basic Earnings Per Share (par value of Tk. 10 each)	33.A	<b>2.90</b>	<b>2.73</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved by the Board of directors on October 24, 2019 and were signed on its behalf by:

  
 Company Secretary


  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019
  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2019

Amount in Taka

Particulars	Equity Attributable to Owners of the Company				Non Controlling Interest	Total Equity
	Share Capital	Fair Value Reserve	Retained Earnings	Total		
Balance as on 01-07-2018	992,250,000	(144,450)	875,299,384	1,867,404,934	81,407,753	1,948,812,687
Increase/(Decrease) in Fair Value	-	(940,425)	-	(940,425)	-	(940,425)
Net Profit/(Loss) during the period	-	-	287,507,515	287,507,515	13,197,602	300,705,117
Share Money Deposits	-	-	-	-	195,000,000	195,000,000
Prior years' adjustment on Foreign Currency Transaction	-	-	(106,597,653)	(106,597,653)	-	(106,597,653)
Payment of Final Cash Dividend @ 10% for the year 2017-2018	-	-	(99,225,000)	(99,225,000)	-	(99,225,000)
<b>Balance as on 30-06-2019</b>	<b>992,250,000</b>	<b>(1,084,875)</b>	<b>956,984,246</b>	<b>1,948,149,371</b>	<b>289,605,355</b>	<b>2,237,754,726</b>


Particulars	Equity Attributable to Owners of the Company				Non Controlling Interest	Total Equity
	Share Capital	Fair Value Reserve	Retained Earnings	Total		
Balance as on 01-07-2017	992,250,000	(41,291)	708,097,816	1,700,306,525	(1,666,992)	1,698,639,533
Increase/(Decrease) in Fair Value	-	(103,159)	-	(103,159)	-	(103,159)
Net Profit/(Loss) during the period	-	-	270,968,747	270,968,747	(9,510,755)	261,457,992
<b>Transactions with the Shareholders:</b>						
Final Cash Dividend @ 10% for the year 2016-2017	-	-	(99,225,000)	(99,225,000)	-	(99,225,000)
Issue of Share	-	-	-	-	92,585,500	92,585,500
Prior Year Adjustment for Tax on Income Year 2016-2017	-	-	(4,542,179)	(4,542,179)	-	(4,542,179)
<b>Balance as on 30-06-2018</b>	<b>992,250,000</b>	<b>(144,450)</b>	<b>875,299,384</b>	<b>1,867,404,934</b>	<b>81,407,753</b>	<b>1,948,812,687</b>

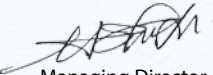
The accounting policies and other notes form an integral part of these financial statements.

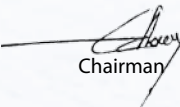
The financial statements were approved by the Board of directors on October 24, 2019 and were signed on its behalf by:

  
 Company Secretary


  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019
  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

Particulars	Notes	Year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>Cash Flow from Operating Activities:</b>			
Cash Receipts from Customer & Others		2,872,454,266	2,548,974,990
Cash Paid to Suppliers & Others		(2,540,831,811)	(1,533,020,957)
<b>Cash Generated from operating Activities</b>		<b>331,622,455</b>	<b>1,015,954,033</b>
Income Tax Paid		(4,321,263)	(34,652)
Financial Expenses		(284,988,452)	(235,487,332)
<b>Net Cash from Operating Activities</b>		<b>42,312,740</b>	<b>780,432,049</b>
<b>Cash Flow from Investing Activities:</b>			
Acquisition of PPE		(958,973,026)	(844,392,461)
Investment in Marketable Securities-Held for Sale		(4,154,309)	4,170,960
Dividend from Capital Market Investment		49,728	36,550
<b>Net Cash Provided by / (Used in) Investing Activities</b>		<b>(963,077,607)</b>	<b>(840,184,951)</b>
<b>Cash Flow from Financing Activities:</b>			
Term Loan Repayment		(333,537,357)	(339,028,750)
Dividend Paid		(99,225,000)	(99,225,000)
Short Term Loan		292,371,502	832,764,732
Lease Finance		(1,774,389)	(1,918,096)
Share Money Deposit		195,000,000	-
Current Account With Related Parties		965,232,886	(426,242,262)
Share Capital		-	92,585,500
<b>Net Cash Used in Financing Activities</b>		<b>1,018,067,642</b>	<b>58,936,124</b>
<b>Net Cash Inflow/(Outflow) for the period</b>		<b>97,302,775</b>	<b>(816,778)</b>
<b>Opening Cash &amp; Cash Equivalents</b>		<b>29,708,586</b>	<b>30,525,364</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>127,011,361</b>	<b>29,708,586</b>
<b>The above balance consists of the followings:</b>			
Cash in Hand		4,850,203	3,580,369
Cash at Bank		112,182,144	11,994,894
Cash available on BO A/C at period end		123,014	4,277,323
Fixed Deposit Receipt		9,856,000	9,856,000
<b>Total</b>		<b>127,011,361</b>	<b>29,708,586</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	36.A	<b>0.43</b>	<b>7.87</b>

The accounting policies and other notes form an integral part of these financial statements.


The financial statements were approved by the Board of directors on October 24, 2019 and were signed on its behalf by:

  
 Company Secretary


  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019
  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants



## STATEMENT OF FINANCIAL POSITION

As on June 30, 2019

Particulars	Notes	As on June 30, 2019	As on June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	04.00	3,750,285,980	3,876,894,116
Investment in Subsidiary	07.00	96,900,000	96,900,000
<b>Total Non-Current Assets</b>		<b>3,847,185,980</b>	<b>3,973,794,116</b>
<b>Current Assets</b>			
Inventories	8.00	576,533,984	592,551,644
Investment in Marketable Securities-Held for Sale	9.00	5,126,337	1,800,800
Advances, Deposits & Pre-payments	10.00	49,453,015	42,564,374
Accounts Receivables	11.00	827,258,947	812,495,547
Subsidiary Company Balance	12.00	-	413,653,116
Other Receivables	13.00	5,360,932	34,000
Cash & Cash Equivalents	14.00	112,522,122	17,698,507
<b>Total Current Assets</b>		<b>1,576,255,337</b>	<b>1,880,797,988</b>
<b>TOTAL ASSETS</b>		<b>5,423,441,317</b>	<b>5,854,592,104</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital	15.00	992,250,000	992,250,000
Fair Value Reserve	9.00	(1,084,875)	(144,450)
Retained Earnings		1,007,869,150	939,920,567
<b>Total Shareholders' Equity</b>		<b>1,999,034,275</b>	<b>1,932,026,117</b>
<b>Non-Current Liabilities</b>			
Term Loan-Non Current Maturity	17.00	1,956,395,398	2,206,065,975
Provision for Gratuity	19.00	5,854,828	-
<b>Total Non-Current Liabilities</b>		<b>1,962,250,226</b>	<b>2,206,065,975</b>
<b>Current Liabilities</b>			
Term Loan-Current Maturity	17.00	412,992,335	393,304,198
Short Term Liabilities	20.00	503,986,769	456,474,042
Provision for Income Tax	22.00	10,017,986	11,963,865
Provision for WPPF	23.00	13,782,712	-
Liabilities for Expenses	24.00	3,527,938	1,478,645
Current Account with Related Parties	25.00	-	101,046,872
Accounts Payables	26.00	517,849,076	752,232,390
<b>Total Current Liabilities</b>		<b>1,462,156,816</b>	<b>1,716,500,012</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>5,423,441,317</b>	<b>5,854,592,104</b>
<b>Net Assets Value Per Share (NAVPS)</b>	34.00	<b>20.15</b>	<b>19.47</b>

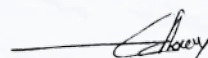
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Company Secretary

  
Managing Director


  
Chief Financial Officer

  
Chairman

  
Director

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019

  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2019

Particulars	Notes	Year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
Revenue	27.00	2,886,421,600	2,594,491,208
Cost of Revenue	28.00	(2,232,950,504)	(1,961,062,473)
<b>Gross Profit</b>		<b>653,471,096</b>	<b>633,428,735</b>
General & Administrative Expenses	29.00	(59,931,720)	(58,629,969)
<b>Operating Profit</b>		<b>593,539,376</b>	<b>574,798,766</b>
Other Income/(Loss)	30.00	(28,409,137)	22,694,612
Financial Expenses	31.00	(275,693,285)	(254,270,819)
<b>Profit before WPPF</b>		<b>289,436,954</b>	<b>343,222,559</b>
Contribution to WPPF		(13,782,712)	-
<b>Profit before Tax</b>		<b>275,654,242</b>	<b>343,222,559</b>
Income Tax Expenses	32.00	(1,883,006)	(8,134,980)
<b>Profit after Tax</b>		<b>273,771,236</b>	<b>335,087,579</b>
Other Comprehensive Income/(loss) from Investment in Marketable Securities	9.00	(940,425)	(103,159)
<b>Total Comprehensive Income for the period</b>		<b>272,830,811</b>	<b>334,984,420</b>
<b>Earnings per Share:</b>			
Basic Earnings Per Share (par value of Tk. 10 each)	33.00	<b>2.76</b>	<b>3.38</b>

The accounting policies and other notes form an integral part of these financial statements.

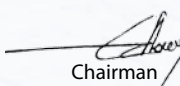
The financial statements were approved by the Board of directors on October 24, 2019 and were signed on its behalf by:

  
 Company Secretary


  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019
  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants

## STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2019

Amount in Taka

Particulars	Share Capital	Fair Value Reserve	Retained Earnings	Total
Balance as on 01-07-2018	992,250,000	(144,450)	939,920,567	1,932,026,117
Increase/(Decrease) in Fair Value	-	(940,425)	-	(940,425)
Net Profit/(Loss) during the period	-	-	273,771,236	273,771,236
Prior years' adjustment on Foreign Currency Transaction	-	-	(106,597,653)	(106,597,653)
<b>Transactions with the Shareholders:</b>				
Payment of Final Cash Dividend @ 10% for the year 2017-2018			(99,225,000)	(99,225,000)
<b>Balance as on 30-06-2019</b>	<b>992,250,000</b>	<b>(1,084,875)</b>	<b>1,007,869,150</b>	<b>1,999,034,275</b>

Particulars	Share Capital	Fair Value Reserve	Retained Earnings	Total
Balance as on 01-07-2017	992,250,000	(41,291)	708,600,167	1,700,808,876
Increase/(Decrease) in Fair Value	-	(103,159)	-	(103,159)
Net Profit/(Loss) during the period	-	-	335,087,579	335,087,579
<b>Transactions with the Shareholders:</b>				
Payment of Final Cash Dividend @ 10% for the year 2016-2017	-	-	(99,225,000)	(99,225,000)
Prior Year Adjustment for Tax on Income Year 2016-2017			(4,542,179)	(4,542,179)
<b>Balance as on 30-06-2018</b>	<b>992,250,000</b>	<b>(144,450)</b>	<b>939,920,567</b>	<b>1,932,026,117</b>

The accounting policies and other notes form an integral part of these financial statements.


The financial statements were approved by the Board of directors on October 24, 2019 and were signed on its behalf by:

  
 Company Secretary


  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019
  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

Particulars	Notes	Year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>Cash Flow from Operating Activities:</b>			
Cash Receipts from Customer & Others		2,872,089,097	2,548,941,773
Cash Paid to Suppliers & Others		(2,399,920,051)	(1,496,888,086)
<b>Cash Generated from operating Activities</b>		<b>472,169,046</b>	<b>1,052,053,687</b>
Income Tax Paid		(4,202,379)	(31,331)
Financial Expenses		(278,736,021)	(231,990,907)
<b>Net Cash from Operating Activities</b>		<b>189,230,646</b>	<b>820,031,449</b>
<b>Cash Flow from Investing Activities:</b>			
Acquisition of PPE		(22,562,999)	(174,815,667)
Investment in Marketable Securities-Held for Sale		(4,154,309)	4,170,960
Dividend from Capital Market Investment		49,728	36,550
Investment in Subsidiary Company		-	(96,364,500)
Current Account With Related Parties		317,510,179	(279,351,226)
<b>Net Cash Provided by / (Used in) Investing Activities</b>		<b>290,842,599</b>	<b>(546,323,883)</b>
<b>Cash Flow from Financing Activities:</b>			
Term Loan Repayment		(333,537,357)	(339,028,750)
Dividend Paid		(99,225,000)	(99,225,000)
Short term Loan		47,512,727	153,664,732
Lease Finance		-	(1,918,096)
<b>Net Cash Used in Financing Activities</b>		<b>(385,249,630)</b>	<b>(286,507,114)</b>
<b>Net Cash Inflow/(Outflow) for the period</b>		<b>94,823,615</b>	<b>(12,799,548)</b>
<b>Opening Cash &amp; Cash Equivalents</b>		<b>17,698,507</b>	<b>30,498,055</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>112,522,122</b>	<b>17,698,507</b>
<b>The above balance consists of the followings:</b>			
Cash in Hand		2,401,103	2,972,148
Cash at Bank		100,142,005	593,036
Cash available on BO A/C at period end		123,014	4,277,323
Fixed Deposit Receipt		9,856,000	9,856,000
<b>Total</b>		<b>112,522,122</b>	<b>17,698,507</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	36.00	<b>1.91</b>	<b>8.26</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved by the Board of directors on October 24, 2019 and were signed on its behalf by:

  
 Company Secretary


  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

Dated: Dhaka  
October 24, 2019
  
**KAZI ZAHIR KHAN & CO.**  
 Chartered Accountants



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## **BARAKA FASHIONS LIMITED**

- DIRECTORS' REPORT

- AUDITORS' REPORT

- FINANCIAL STATEMENTS

*As at and for the year ended 30 June 2019*

## DIRECTORS' REPORT

To the shareholders of  
**BARAKA FASHIONS LIMITED**  
For the year ended June 30, 2019

### Bismillahir Rahmanir Rahim

#### Distinguished Shareholders, Assalamualykum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 25<sup>th</sup> Annual General Meeting of Baraka Fashions Limited (former Bela Fashions Limited). We are pleased to present herewith the Directors' Report on operational activity of the company and the Financial Statements of the Company for the year ended June 30, 2019 thereon, for your valued consideration, approval, and adoption.

#### Industry Outlook

The garments industry in Bangladesh is becoming one of the largest in the world. Gradually it is attracting an increasing number of international buyers. The flourishing of garments industry in Bangladesh is mainly derived by its cost effectiveness. The readymade garments industry acts as a catalytic agent for the ongoing development of Bangladesh. The "Made in Bangladesh" tag has become a prestigious brand across the globe. This is one of the highest export earner and highest employment generating sector in Bangladesh. Besides some recent hardships, there are very good opportunities for investment and expansion in this sector.

#### State of the Company's Affairs

Financial Highlights Amounts in taka				
Particulars	2018-19	2017-18	2016-17	2015-16
Non-current Assets	225,709,163	233,509,237	208,015,019	192,041,903
Current Assets	95,454,075	137,961,520	137,622,404	2,325,820
<b>Total Assets</b>	<b>321,163,238</b>	<b>371,470,757</b>	<b>345,637,423</b>	<b>194,367,723</b>
Share Capital	300,000	300,000	300,000	300,000
Retained Earnings	(325,340,270)	(180,363,428)	(60,807,579)	(4,464,626)
<b>Total Equity</b>	<b>(325,040,270)</b>	<b>(180,063,428)</b>	<b>(60,507,579)</b>	<b>(4,164,626)</b>
Non-current Liabilities	208,289,044	205,224,588	-	148,474,150
Current Liabilities	437,914,464	346,309,597	406,145,002	50,058,199
<b>Total Equity &amp; Liabilities</b>	<b>321,163,238</b>	<b>371,470,757</b>	<b>345,637,423</b>	<b>194,367,723</b>
Sales	350,254,768	285,906,064	239,183,778	411,784
Gross Profit/(Loss)	(41,019,641)	28,682,656	(1,256,265)	80,720
Operating Profit/(Loss)	(74,173,213)	(66,359,107)	(22,791,150)	(1,096,295)
Other Income	(1,381,482)	(797,608)	(114,797)	-
Financial Expenses	(67,631,455)	(50,513,097)	(31,968,322)	(17,777)
Profit/(Loss) before Tax	(143,186,150)	(117,669,812)	(54,874,269)	(1,114,072)
<b>Profit/(Loss) after Tax</b>	<b>(144,976,842)</b>	<b>(119,555,849)</b>	<b>(56,342,953)</b>	<b>(1,116,543)</b>
Cash & Cash Equivalents	32,058,303	47,525,645	28,568,520	2,325,820

Like previous year the Company was able to increase its sales revenue in this reporting year. Sales revenue of the Company increased to Tk. 350,254,768/- in 2018-19 which was Tk. 285,906,064/- in 2017-18. To increase the operational performance of the Company in coming years different modernization and expansion plans have been undertaken. More qualified and efficient work force have been employed in different segments of the organization. Despite, the continuous net loss of the Company, management are very optimistic to revive to a profitable concern by next one to two years. Presently management is focusing on grabbing new buyers rather than earning handsome profit from its sales. Accordingly, the company has participated in different marketing campaigns in the passing year. As a result, the sales volume is increasing. Moreover, orders from new buyers are increasing day by day. Consequently, we believe that we would be able to make Baraka Fashions into a profitable concern very soon.

### **Dividend & Reserve**

During the year 2017-18 retained earnings position of the company was negative Tk. 180,363,428/- which is negative Tk. 325,340,270/- in the year 2018-19. In the year 2018-19 Net Profit After Tax of the Company is negative Tk. 144,976,842/-. Due to inadequacy of profit and reserve, the Board of Directors of the company has recommended no dividend for the year 2018-19.

### **Material Changes During the Year 2018-19**

During the year 2018-19, no major changes were made in the nature of the company's business or in the class of business in which the company has interest.

### **Reservation, Qualification or Adverse Remark in the Auditor's Report**

The statutory auditor M/S Malek Siddiqui Wali, Chartered Accountants has not issued any reservation, qualification or adverse remark in their report relating to year 2018-19.

### **Directors Responsibility to Shareholders**

In line with the applicable laws in Bangladesh, the Directors confirms, to the best of their knowledge that-

- i. 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;
- ii. Proper books of account of the company have been maintained;
- iii. 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;
- iv. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;
- v. The system of internal control is sound in design and has been effectively implemented and monitored;
- vi. There are no significant doubts upon the company's ability to continue as a going concern.

### **Acknowledgement**

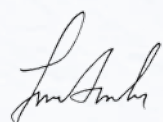
Finally, the Board of Directors would like to place on record its deep gratitude to the humble shareholders for their kind co-operation and support towards the business of the company.

The Board would like to express their gratitude for the assistance and co-operation received from the Regulatory Authorities, Banks & Financial Institutions, Insurance Companies, Service Providers and the Executives of the Company.

The Board of Directors would like to put on record its deep appreciation of the efforts made by the employees of the company. Their commitment and passion, both individually and through team work will always help the company to achieve the success that it is targeting.

We look forward to even better days ahead.

On behalf of the Board of Directors



**Faisal Ahmed Chowdhury**  
Chairman

## INDEPENDENT AUDITORS' REPORT

To the shareholders of  
**BARAKA FASHIONS LIMITED**

### Report on the Audit of the Financial Statements

#### Opinion:

We have audited the financial statements of **Baraka Fashions Limited**, which comprise the Statement of Financial Position as at June 30, 2019, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable law and regulations.

#### Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast



significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

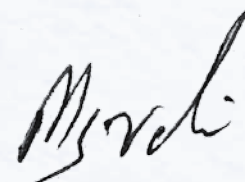
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other Legal and Regulatory Requirements:**

In accordance with the Companies Act 1994, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position and Statement of profit and loss and other comprehensive Income, of the Company dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditures incurred and payments made were for the purpose of the company's business.

Dated, Dhaka  
October 24, 2019



**Malek Siddiqui Wali**  
Chartered Accountants

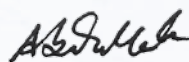
## STATEMENT OF FINANCIAL POSITION

As on June 30, 2019

Particulars	Notes	As on June 30, 2019	As on June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	4.00	225,334,996	211,515,439
Intangible Assets	5.00	374,167	512,167
Capital Work in Progress	6.00	-	21,481,631
<b>Total Non-Current Assets</b>		<b>225,709,163</b>	<b>233,509,237</b>
<b>Current Assets</b>			
Inventories	7.00	35,086,181	54,103,487
Advances, Deposits & Pre-payments	8.00	4,189,803	3,810,946
Accounts Receivables	9.00	24,119,788	32,521,442
Cash & Cash Equivalents	10.00	32,058,303	47,525,645
<b>Total Current Assets</b>		<b>95,454,075</b>	<b>137,961,520</b>
<b>TOTAL ASSETS</b>		<b>321,163,238</b>	<b>371,470,757</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital	11.00	300,000	300,000
Retained Earnings		(325,340,270)	(180,363,428)
<b>Total Shareholders' Equity</b>		<b>(325,040,270)</b>	<b>(180,063,428)</b>
<b>Non-Current Liabilities</b>			
Term Loan-Long Term Portion	12.00	208,289,044	205,224,588
<b>Total Non-Current Liabilities</b>		<b>208,289,044</b>	<b>205,224,588</b>
<b>Current Liabilities</b>			
Term Loan-Short Term Portion	12.00	20,693,818	9,584,327
Short Term Liabilities	13.00	11,551,733	1,602,796
Provision for Income Tax	14.00	3,676,729	3,354,721
Accounts Payable	15.00	38,693,609	66,897,712
Liabilities for Expenses	16.00	16,255,194	9,417,107
Others Payables	17.00	6,310,226	82,807
Current Account with Related Parties	18.00	340,733,155	255,370,127
<b>Total Current Liabilities</b>		<b>437,914,464</b>	<b>346,309,597</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>321,163,238</b>	<b>371,470,757</b>
<b>Net Assets Value Per Share (NAVPS)</b>		<b>(10,834.68)</b>	<b>(6,002.11)</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of October 23, 2019 and signed for and on behalf of the board.



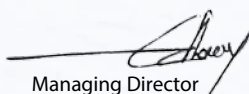
Company Secretary



Chief Financial Officer



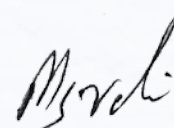
Director



Managing Director



Chairman


Malek Siddiqui Wali  
Chartered Accountants

Signed in terms of our separate report of date even annexed.

Dated: Sylhet  
October 24, 2019

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended June 30, 2019

Particulars	Notes	For the year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
Sales	19.00	350,254,768	285,906,064
Cost of Goods Sold	20.00	(391,274,409)	(257,223,408)
<b>Gross Profit/(Loss)</b>		<b>(41,019,641)</b>	<b>28,682,656</b>
Administrative & Selling Expenses	21.00	(33,153,572)	(95,041,763)
<b>Operating Profit/(Loss)</b>		<b>(74,173,213)</b>	<b>(66,359,107)</b>
Other Income	22.00	(1,381,482)	(797,608)
Financial Expenses	23.00	(67,631,455)	(50,513,097)
<b>Profit before Tax</b>		<b>(143,186,150)</b>	<b>(117,669,812)</b>
Income Tax Expenses	24.00	(1,790,692)	(1,886,037)
<b>Profit after Tax</b>		<b>(144,976,842)</b>	<b>(119,555,849)</b>
Other Comprehensive Income/(loss)		-	-
<b>Total Comprehensive Income for the year</b>		<b>(144,976,842)</b>	<b>(119,555,849)</b>
<b>Earnings per Share:</b>			
Basic Earnings Per Share	25.00	(4,833)	(3,985)
(Par value of Tk 10 each)			

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of October 23, 2019 and signed for and on behalf of the board.



Company Secretary



Chief Financial Officer



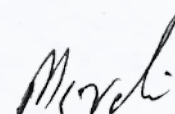
Director



Managing Director



Chairman



**Malek Siddiqui Wali**  
Chartered Accountants

Signed in terms of our separate report of date even annexed.

Dated: Sylhet  
October 24, 2019

## STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2019

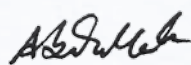
Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01-07-2017	300,000	(60,807,579)	(60,507,579)
Net Profit/(Loss) during the period	-	(119,555,849)	(119,555,849)
<b>Balance as on 30-06-2018</b>	<b>300,000</b>	<b>(180,363,428)</b>	<b>(180,063,428)</b>

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01-07-2018	300,000	(180,363,428)	(180,063,428)
Net Profit/(Loss) during the year	-	(144,976,842)	(144,976,842)
<b>Balance as on 30-06-2019</b>	<b>300,000</b>	<b>(325,340,270)</b>	<b>(325,040,270)</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of October 23, 2019 and signed for and on behalf of the board.



Company Secretary



Chief Financial Officer



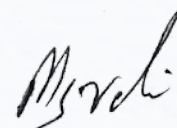
Director



Managing Director



Chairman


Malek Siddiqui Wali  
Chartered Accountants

Signed in terms of our separate report of date even annexed.

Dated: Sylhet  
October 24, 2019



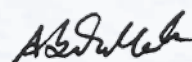
## STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

Particulars	For the year ended	
	June 30, 2019	June 30, 2018
	Amount (Tk.)	Amount (Tk.)
<b>Cash Flow from Operating Activities:</b>		
Cash Receipts from Customer & others	362,560,445	281,889,517
Cash Paid to Suppliers and Others	(401,945,447)	(309,895,891)
<b>Cash Generated from operating Activities</b>	<b>(39,385,002)</b>	<b>(28,006,374)</b>
Income Tax Paid	(1,790,692)	(1,886,037)
Financial Expenses	(1,831,853)	(1,814,090)
<b>Net Cash from Operating Activities</b>	<b>(43,007,547)</b>	<b>(31,706,501)</b>
<b>Cash Flow from Investing Activities:</b>		
Acquisition of PPE	(16,146,105)	(46,268,565)
<b>Net Cash Used in Investing Activities</b>	<b>(16,146,105)</b>	<b>(46,268,565)</b>
<b>Cash Flow from Financing Activities:</b>		
Term Loan	(11,200,000)	200,000,000
Short term loan	8,516,297	1,602,796
Current Account with Related Parties	46,370,013	(104,670,605)
<b>Net Cash Generated from Financing Activities</b>	<b>43,686,310</b>	<b>96,932,191</b>
<b>Net Cash Inflow/(Outflow) for the period</b>	<b>(15,467,342)</b>	<b>18,957,125</b>
<b>Opening Cash &amp; Cash Equivalents</b>	<b>47,525,645</b>	<b>28,568,520</b>
<b>Closing Cash &amp; Cash Equivalents</b>	<b>32,058,303</b>	<b>47,525,645</b>
<b>The above balance consists of the followings:</b>		
Cash in hand	1,666,258	702,552
Cash at bank	30,392,045	46,823,093
<b>Total</b>	<b>32,058,303</b>	<b>47,525,645</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of directors on the date of October 23, 2019 and signed for and on behalf of the board.



Company Secretary



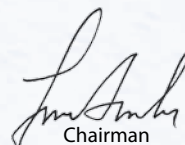
Chief Financial Officer



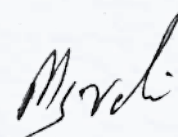
Director



Managing Director



Chairman


Malek Siddiqui Wali  
Chartered Accountants

Signed in terms of our separate report of date even annexed.

Dated: Sylhet  
October 24, 2019

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## **KARNAPHULI POWER LIMITED**

- DIRECTORS' REPORT

- AUDITORS' REPORT

- FINANCIAL STATEMENTS

*As at and for the year ended 30 June 2019*

## DIRECTORS' REPORT

To the shareholders of

### KARNAPHULI POWER LIMITED

For the year ended June 30, 2019

*Bismillahir Rahmanir Rahim*

#### **Distinguished Shareholders, Assalamualyikum,**

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 5<sup>th</sup> Annual General Meeting of Karnaphuli Power Limited (KPL). We are pleased to present herewith the Directors' Report on operational activity of the company and the Financial Statements of the Company for the year ended June 30, 2019 thereon, for your valued consideration, approval and adoption.

#### **State of the Company's Affairs**

In year 2018-19, the Company has completed many major activities. It is an honor for me to inform you that after completion of its construction and testing activities, Karnaphuli Power Limited has successfully started its Commercial Operation on 20 August 2019 having a dependable capacity of 110 MW. In this regard formal recognition letter from the Bangladesh Power Development Board has been received on 12 September 2019. It is a great success to be able to complete such an enormous and complicated project in such a short span of time. I truly thank you from the bottom of my heart for being with us and for putting your trust and valuable investments on us.

Although as per agreement the COD of the project was scheduled to start on or before 23 May 2019, KPL started operation on 20 August 2019. For this BPDB has claimed Liquidated Damages amounting to USD 1,199,000/- counting a delay of 109 days. However, lawful explanations with supporting have been communicated to BPDB mentioning the reasons of the delay; appealing BPDB to adjust the delay period with 413 days grace period allowable to the project. We are hopeful that the BPDB will consider our valid reasoning and wave the charged Liquidated Damages.

As you might know that, over the last couple of months till now the whole economy is facing an intense liquidity crisis, especially from the banking sector. In this situation, the major challenge is to successfully complete the debt and equity financing of the project. We hope that, with our tireless efforts and continuously increasing goodwill in the corporate and banking sector, we would be able to complete the financing plans under favorable terms and conditions.

After COD, till date the power plant is supplying electricity to the national grid uninterruptedly. We are hopeful that soon a good return could be earned from the project against your precious investments.

#### **Dividend & Reserve**

During the year 2018-19 retained earnings position of the company is negative Tk. 65,978,662/- which was negative Tk. 16,957,288/- in the year 2017-18. In the year 2018-19 Net Profit After Tax of the Company is negative Tk. 49,021,374/-. Due to inadequacy of profit and reserve, the Board of Directors of the company has recommended no dividend for the year 2018-19.

#### **Material Changes During the Year 2018-19**

During the year 2018-19, no major changes were made in the nature of the company's business or in the class of business in which the company has interest.

#### **Reservation, Qualification or Adverse Remark in the Auditor's Report**

The statutory auditor M/S Masih Muhith Heque & Co., Chartered Accountants has not issued any reservation, qualification or adverse remark in their report relating to year 2018-19.

#### **Directors Responsibility to Shareholders**

In line with the applicable laws in Bangladesh, the Directors confirms, to the best of their knowledge that-

- i. 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;
- ii. Proper books of account of the company have been maintained;
- iii. 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;

- iv. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;
- v. The system of internal control is sound in design and has been effectively implemented and monitored;
- vi. There are no significant doubts upon the company's ability to continue as a going concern.

### **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 would like to express their grateful appreciation for the assistance and co-operation received from the Regulatory Authorities, Banks & Financial Institutions, Insurance Companies, Service Providers and the Executives of the Company.

The Board of Directors would like to put on record its deep appreciation of the efforts made by the employees of the company. Their commitment and passion, both individually and through team work have help the company to achieve the success that it is today.

We look forward to even better days ahead.

On behalf of the Board of Directors



**Gulam Rabbani Chowdhury**  
Chairman



## INDEPENDENT AUDITORS' REPORT

To the shareholders of  
KARNAPHULI POWER LIMITED (KPL)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Karnaphuli Power Limited ("the Company")** which comprise the Statement of Financial Position as at June 30, 2019 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the Financial Position of the company as at June 30, 2019, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements that give a true & fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluated the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and The Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations, we also report the following:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- The Company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account books;
- The expenditures incurred and payments made were for the purpose of the company's business books.

Dated: Dhaka  
October 23, 2019

  
**Masih Muhith Haque & Co.**  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

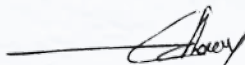
As at June 30, 2019

Particulars	Notes	As on June 30, 2019	As on June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	4.00	300,687,773	282,517,805
Capital work in progress	5.00	6,435,486,771	1,994,427
<b>Total Non-current assets</b>		<b>6,736,174,544</b>	<b>284,512,232</b>
Advance, deposit and prepayments	6.00	258,697,864	601,705,054
Cash & cash equivalents	7.00	5,715,030	2,404,968
<b>Total current assets</b>		<b>264,412,894</b>	<b>604,110,022</b>
<b>Total assets</b>		<b>7,000,587,438</b>	<b>888,622,254</b>
<b>Equity &amp; liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	8.00	95,000,000	95,000,000
Share money deposit	9.00	2,500,000	-
Retained earnings		(65,978,662)	(16,957,288)
<b>Total shareholders' equity</b>		<b>31,521,338</b>	<b>78,042,712</b>
<b>Non-current liabilities</b>			
Finance lease liability-non current maturity	10.00	12,149,543	-
		<b>12,149,543</b>	<b>-</b>
<b>Current liabilities</b>			
Finance lease liability-current maturity	10.00	2,744,665	-
Short term loan	11.00	1,835,946,518	696,765,448
Deferred liability	12.00	4,155,458,300	-
Current account with related parties	13.00	398,294,404	111,829,225
Provision for tax	14.00	8,566	8,566
Liabilities for expenses	15.00	2,852,739	1,976,303
Accounts payables	16.00	561,611,365	-
<b>Total current liabilities</b>		<b>6,956,916,557</b>	<b>810,579,542</b>
<b>Total equity &amp; liabilities</b>		<b>7,000,587,438</b>	<b>888,622,254</b>
<b>Net assets value per share (NAVPS)</b>	23.00	<b>3.32</b>	<b>8.22</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial Statements were approved and authorized by the board of directors on the date of October 23, 2019 and signed for and on behalf of the board.

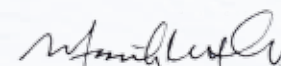
  
Company Secretary

  
Managing Director

  
Director

  
Chief Financial Officer

  
Director



**Masih Muhith Haque & Co.**  
Chartered Accountants

Dated: Dhaka  
October 23, 2019

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2019

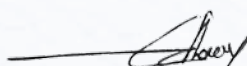
Particulars	Notes	For the year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>Revenue</b>		-	-
Cost of sales	17.00	(13,039,929)	(1,458,852)
<b>Gross profit</b>		<b>(13,039,929)</b>	<b>(1,458,852)</b>
General & administrative expenses	18.00	(32,182,001)	(7,909,317)
<b>Profit (Loss) from operation</b>		<b>(45,221,930)</b>	<b>(9,368,169)</b>
Other income	19.00	(791,100)	19,962
		<b>(46,013,030)</b>	<b>(9,348,207)</b>
Financial expenses	20.00	(3,008,344)	(3,150,069)
<b>Profit (Loss) before tax</b>		<b>(49,021,374)</b>	<b>(12,498,276)</b>
Income tax expenses	21.00	-	(6,987)
<b>Profit (Loss) after tax</b>		<b>(49,021,374)</b>	<b>(12,505,263)</b>
Other comprehensive income/(loss)		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>(49,021,374)</b>	<b>(12,505,263)</b>
<b>Earnings per share:</b>			
Basic earnings per share (Par value of Tk 10 each)	22.00	<b>(5.16)</b>	<b>(1.32)</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial Statements were approved and authorized by the board of directors on the date of October 23, 2019 and signed for and on behalf of the board.

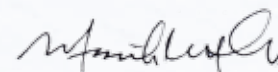
  
Company Secretary

  
Chief Financial Officer

  
Managing Director

  
Director

  
Director



**Masih Muhith Haque & Co.**  
Chartered Accountants

Dated: Dhaka  
October 23, 2019



## STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2019

Amount in Taka

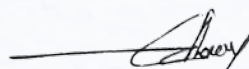
Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on 01-07-2017	1,050,000		(4,452,025)	(3,402,025)
Net profit/(loss) during the period	-		(12,505,263)	(12,505,263)
Issue of share	93,950,000		-	93,950,000
<b>Balance as on 30-06-2018</b>	<b>95,000,000</b>	<b>-</b>	<b>(16,957,288)</b>	<b>78,042,712</b>
Balance as on 01-07-2018	95,000,000	-	(16,957,288)	78,042,712
Share money deposit		2,500,000		2,500,000
Net profit/(loss) during the Period	-		(49,021,374)	(49,021,374)
<b>Balance as on 30-06-2019</b>	<b>95,000,000</b>	<b>2,500,000</b>	<b>(65,978,662)</b>	<b>31,521,338</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial Statements were approved and authorized by the board of directors on the date of October 23, 2019 and signed for and on behalf of the board.

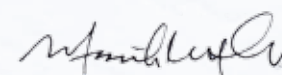
  
Company Secretary

  
Chief Financial Officer

  
Managing Director

  
Director

  
Director



**Masih Muhith Haque & Co.**  
Chartered Accountants

Dated: Dhaka  
October 23, 2019

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

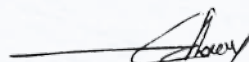
Particulars	Notes	For the year ended	
		June 30, 2019	June 30, 2018
		Amount (Tk.)	Amount (Tk.)
<b>Cash flow from operating activities:</b>			
Cash receipts from customer & others		180,519	19,962
Cash paid to suppliers and others		(41,396,588)	(20,558,693)
<b>Cash Generated from operating activities</b>		<b>(41,216,069)</b>	<b>(20,538,731)</b>
Income tax paid		(111,701)	(1,996)
Financial Expenses		(3,008,344)	(3,150,069)
<b>Net cash from operating activities</b>		<b>(44,336,114)</b>	<b>(23,690,796)</b>
<b>Cash Flow from investing activities:</b>			
Acquisition of ppe		(376,205,403)	(486,133,484)
<b>Net cash sed in investing activities</b>		<b>(376,205,403)</b>	<b>(486,133,484)</b>
<b>Cash flow from financing activities:</b>			
Finance lease		(1,774,389)	-
Short term loan (paid)/received		169,009,549	679,100,000
Current account with related parties		254,116,419	(260,848,061)
Received from shareholder		2,500,000	-
Issue of share capital		-	93,950,000
<b>Net cash generated from financing activities</b>		<b>423,851,579</b>	<b>512,201,939</b>
<b>Net cash inflow/(outflow) for the period</b>		<b>3,310,062</b>	<b>2,377,659</b>
<b>Opening cash &amp; cash equivalents</b>		<b>2,404,968</b>	<b>27,309</b>
<b>Closing cash &amp; cash equivalents</b>		<b>5,715,030</b>	<b>2,404,968</b>
<b>The above balance consists of the followings:</b>			
Cash in hand		2,032,230	600,310
Cash at bank		3,682,800	1,804,658
<b>Total</b>		<b>5,715,030</b>	<b>2,404,968</b>
<b>Net operating cash flows per share (NOCFPS)</b>	25.00	<b>(4.67)</b>	<b>(2.49)</b>

The accounting policies and other notes form an integral part of these financial statements.

The financial Statements were approved and authorized by the board of directors on the date of October 23, 2019 and signed for and on behalf of the board.

  
Company Secretary

  
Chief Financial Officer

  
Managing Director

  
Director

  
Director

  
**Masih Muhith Haque & Co.**  
Chartered Accountants

Dated: Dhaka  
October 23, 2019



## BARAKA POWER LIMITED

Registered Office: 102 Azadi, Mirboxtola, Sylhet-3100

Corporate Office: 6/A/1 (1st & 2nd floor), Segunbagicha, Dhaka-1000

### NOTICE OF THE 12<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the **12th Annual General Meeting** of the Shareholders of Baraka Power Limited will be held on the 29th day of December 2019 (Sunday) at Khan's Palace Convention Hall, 19-Doyel, Subidbazar, Sylhet-3100 at 12.15 P.M. to transact the following business:

#### Agenda:

1. To receive, consider and adopt the Directors' Report and the Audited Financial Statements for the year ended on June 30, 2019 together with the Auditors' Report thereon.
2. To declare dividend for the year ended on 30 June 2019 as recommended by the Board of Directors.
3. To elect and reelect Directors.
4. To appoint auditors for the year ending on June 30, 2020 and to fix their remuneration.
5. To appoint practicing Professional Accountant or Secretary for certifying on compliance of conditions of Corporate Governance Code for the year ending on June 30, 2020.

By order of the Board

Md. Saiful Islam Chowdhury  
Company Secretary

Dated: Dhaka  
December 12, 2019

#### Notes:

1. The Record Date of the Company was 18th day of November 2019 for closing of share transfer book. Members whose name appeared in the Members Register on that date will be eligible to attend and vote in the Annual General Meeting.
2. The Board of Directors have recommended dividend as follows:  
Cash Dividend @ 10%
3. Members entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and Vote on his/her behalf. The Proxy Form must be affixed with requisite revenue stamp and must be submitted to the Registered Office/Corporate Office of the Company not less than 48 hours before the time fixed for the Annual General Meeting.
4. Admission into the meeting venue will be allowed on production of the Attendance Slip attached with the Proxy.

#### Special Note:

**No benefit or gift in cash or kind shall be given to the shareholders for attending the 12th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.**

সম্মানিত শেয়ারহোল্ডারদের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/কুপন প্রদানের ব্যবস্থা থাকবে না।





## BARAKA POWER LIMITED

Registered Office: 102 Azadi, Mirboxtola, Sylhet-3100

Corporate Office: 6/A/1 (1st & 2nd floor), Segunbagicha, Dhaka-1000

# PROXY FORM

I/We ..... of ..... being a member of **Baraka Power Limited** hereby appoint Mr./Ms. .... of ..... as my proxy to attend and vote for me on my behalf at the 12th Annual General Meeting of the Company to be held on Sunday, the 29th day of December 2019 at Khan's Palace Convention Hall, 19-Doyel, Subidbazar, Sylhet-3100 at 12.15 P.M. and at any adjournment thereof.  
As witness my hand this ..... day of ..... 2019 signed by the said in presence of.....

.....  
(Signature of the Proxy)

Revenue  
Stamp

.....  
Signature of the Shareholder (s)

.....  
(Signature of the Witness)

BO ID NO.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Note:** A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office/Corporate Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature Verified

.....  
Authorized Signature



## BARAKA POWER LIMITED

Registered Office: 102 Azadi, Mirboxtola, Sylhet-3100

Corporate Office: 6/A/1 (1st & 2nd floor), Segunbagicha, Dhaka-1000

# SHAREHOLDER'S ATTENDANCE SLIP

I/We hereby record my attendance at the 12th Annual General Meeting being held on Sunday, the 29th day of December 2019 at Khan's Palace Convention Hall, 19-Doyel, Subidbazar, Sylhet-3100 at 12.15 P.M.

Name of Shareholder(s)																	
BO ID No.																	
holding of ..... ordinary shares of Baraka Power Limited.																	

.....  
Signature of the Shareholder/Proxy

### Note:

- Please note that the Annual General Meeting can only be attended by the honorable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honorable shareholder or proxy cannot be allowed into the meeting.
- Please present this slip at the reception desk.







[www.barakapower.com](http://www.barakapower.com)



Scan code with a QR code  
reader-enable mobile phone  
to find out more about the  
company

## **BARAKA POWER LIMITED**

### **DHAKA OFFICE**

6/A/1 (1st & 2nd Floor), Segunbagicha, Dhaka-1000, Bangladesh  
Tel: +88-02-9560339, 9562305, Fax: +88-02-9559015  
E-mail: [info@barakapower.com](mailto:info@barakapower.com)

### **SYLHET OFFICE**

Khairun Bhaban (6th Floor), Mirboxtola, Sylhet-3100, Bangladesh  
Phone: +88-08-21711815, Fax : +88-08-21712154  
E-mail: [info@barakapower.com](mailto:info@barakapower.com)