



*Lighting Bangladesh
We Promise...*

ANNUAL REPORT
2016-2017



Baraka Power Limited

NATION'S DREAM, our PROMISE...



We are dreaming of a Bangladesh; when every corners of the nation is brighten 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.

Achieved Best Credit rating in Power Sector

Baraka Power Limited has been awarded AA2 (Double A Two) Credit Rating by the reputed rating agency, Credit Rating Agency of Bangladesh (CRAB) Ltd. This is one of the highest rating for a power plant of the country so far achieved. AA2 indicate very strong capacity, sound credit profile, comfortable cash flow, stable profitability and satisfactory solvency of the company.

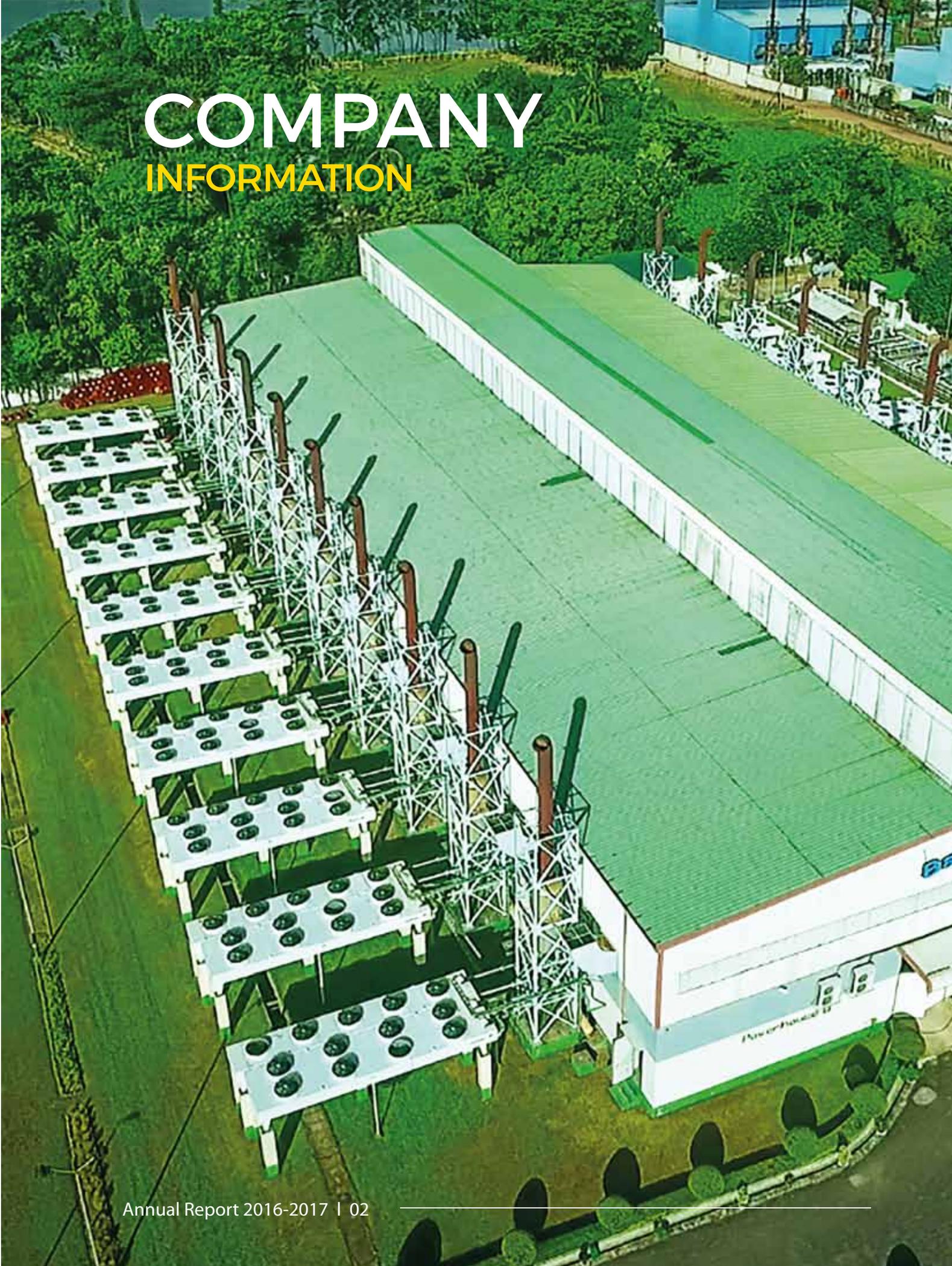
Hat trick Award Achiever as Best Corporate from ICMAB

In recognition of the best culture of corporate governance, Baraka Power Limited has been bestowed with the ICMAB Best Corporate Award consecutively for three times (During the year 2012, 2013 and 2014) by the Institute of Cost and Management Accountants of Bangladesh (ICMAB). The ICMAB introduced the award in 2007 to recognize the countries best corporate enterprises and encourage others to go for good corporate culture and management.

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COMPANY INFORMATION





Nature of Business

The Principal activity of the Company is to set up power plants for the generation and supply of electricity.

Principal Products and Service

Electricity is the principal product of the Company. Under private sector power generation policy of Bangladesh, Baraka Power Limited supplies electricity to the Bangladesh Power Development Board (BPDB) through the national grid.



Baraka Power Limited is a joint collaboration of a group of local and Non Resident Bangladeshi (NRB) 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 into 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 for implement, generate & supply electricity from a 51MW power plant at Fenchuganj, Sylhet for a period of 15 years on Build, Own & Operate (BOO) basis. Baraka Power signed agreement for supplying power to the Bangladesh Power Development Board on 28 April 2008. The 51MW 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, Chittagong 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.

CORPORATE ETHOS

OBJECTIVE

To ensure uninterrupted supply of electricity to the Nation through effective utilization of capital, machinery, human resources, continuous improvement of services, customer satisfaction and resource management.

MISSION

Our mission is to become the largest power generating company in the private sector by developing more power plants across Bangladesh.

VISION

To develop the socio-economic condition of Bangladesh by providing uninterrupted electricity at an affordable price.



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. A focus area, in this context, is the global warming issue. Baraka Power working on projects that include experiencing green cover, maintaining local ecological balance and improving long term sustainability.

The Company adopted and implemented policies which ensure emission control through initiatives such as Flue Gas Desulfurization (FGD).

SUCCESS MILESTONES

2008

21 January

Notification of Award issued by BPBD

28 April

Signed Project Agreement with BPBD

22 June

Gas-Supply Agreement with Jalalabad Gas Transmission and Distribution System Ltd (JGTDSL)

12 August

Gen-Set Supply Contract with GE Jenbacher, Jenbach, Austria

25 September

Conversion from Private to Public Limited Company

29 September

Sub Station Equipment Supply Contract

24 November

GAS RMS Supply Contract



2007

26 June

Incorporated as Private Limited Company

2010

03 April

Formal Inauguration by Honorable Prime Minister

01 September

Awarded ISO 9001:2008 Certification for Quality Management System

06 September

Accomplished Credit Rating by CRAB (Rating Long Term AA2)

14 October

Submitted Draft Prospectus to Securities and Exchange Commission for approval of Initial Public Offering (IPO)

28 December

Approval of Prospectus for IPO



2009

22 January

Signed syndicated term loan facility of BDT 1,250 million

10 October

Started Commissioning

24 October

Started Commercial Operation

2012

24 January

Sub Station Equipment Supply Contract with Siemens Bangladesh Limited for BPPL

15 February

Exhaust Gas Secondary Power Plant supply contact with Greens Power Ltd. UK for BPPL.



2011

01 February

Publication of Prospectus

06 April

Drawing of IPO Lottery

16 May

Listing of Shares with Stock Exchange

19 May

Started trade of Shares

31 July

Signed an agreement with BPBD to build a 50 MW Power Plant at Patenga, Chittagong by formation of new company named Baraka Patenga Power Limited (BPPL)

19 October

Gen Set supply contract with Rolls Royce Marine AS, UK for BPPL

2014

21 January

Signed Term Loan of USD 21.975 million funded by the World Bank for BPPL

27 April

Achieved ICMAB Best Corporate Award – 2013

04 May

Started Commercial Operation of BPPL

31 August

Successful Commissioned the Flue Gas Desulfurization System of BPPL



2013

12 January

Achieved Best Corporate Award – 2012 from ICMAB

20 March

Signed Syndicated Term Loan facility of BDT 2,205 million for BPPL

29 August

Sanctioned Term Loan of USD 04 million by IDCOL

01 November

Signed Flue Gas Desulfurization (FGD) Equipment purchase contract for BPPL

2016

20 October

Signed Strategic Partnership Agreement with UCEP



2015

20 January

Achieved ICMAB Best Corporate Award - 2014

10 April

Successful Commissioned Steam Turbine Generation (STG) of BPPL



2017

22 May

Acquired 51% equity ownership of Bela Fashions Limited (a 100% export oriented newly build compliance running Ready-Made -Garments factory)

8 August

Received LOI from BPDP for implementing a 110 MW IPP Power Plant under Karnaphuli Power Limited (a subsidiary of BPPL)

18 September

Signing of Engine Purchase Agreement with Wartsila Finland OY to purchase 06 nos. of Gen-Sets for Karnaphuli 110MW Shikalbaha Power Plant

18 October

Fund Raising Agreement with IDCOL for raising of BDT 2,800 million and USD 35 million for Karnaphuli Power Limited

19 October

Signing of Term Sheet with LankaBangla Finance Limited for raising of fund amounting BDT 800 million for Karnaphuli Power Limited

CORPORATE DIRECTORY



BOARD OF DIRECTORS

Chairman

Mr. Faisal Ahmed Chowdhury

Vice Chairmans

Engr. Md. Ahsanul Kabir

Mr. Abdul Bari

Managing Director

Mr. Gulam Rabbani Chowdhury

Directors

Mr. Robin Choudhury

Mr. Nanu Kazi Mohammed Miah

Independent Directors

Dr. Md. Zakir Hossain

Engr. Jalal Ahmed Chowdhury

Mr. Mohammed Ahmed Ali

MANAGEMENT TEAM

Mr. Faisal Ahmed Chowdhury
Chairman and Head of Planning & Business Development

Mr. Gulam Rabbani Chowdhury
Managing Director

Engr. Md. Ahsanul Kabir
Vice Chairman & Head of Administration

Mr. Fahim Ahmed Chowdhury
Deputy Managing Director & Head of Finance

Mr. Monzur Kadir Shafi
Deputy Managing Director & Head of Finance (BPPL)

Mr. Nazmul Hassan Choudhury
Chief Operating Officer (COO)

Mr. Mohammed Monirul Islam
Director-Finance & Company Secretary

Mr. Md. Shariful Alam
General Manager (Operation & Maintenance)

Mr. Monowar Ahmed
Deputy General Manager (Commercial)

Mr. Mohammad Rana
Assistant General Manager (Finance & Accounts)

Mr. Mohammed Murad Hossain
Assistant General Manager (Commercial)

Mr. Md. Nuruzzaman Miah
Plant Manager (Fenchuganj Plant)

Mr. A K M Shahidullah
Plant Manager (Patenga Plant)

Mr. Mufti Abdul Mokshit Al Malum
Senior Manager (Accounts)

Mr. Monoj Das Gupta
Senior Manager (Internal Audit & Corporate Affairs)

Mr. Sabbir Ahmed
Manager (Public Relation)

Mr. Saiful Islam Chowdhury (Sayem)
Manager (Human Resources)

BANKERS & FINANCIAL INSTITUTIONS

Infrastructure Development Co. Ltd. (IDCOL)
Trust Bank Limited
United Commercial Bank Limited
IPDC of Bangladesh Ltd
BRAC Bank Limited

Legal Advisors

Law Concept
Room # 802 (7th floor)
27, Dilkusha C/A
Dhaka-1000

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.

REGISTERED OFFICE

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

CORPORATE OFFICE

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

SYLHET OFFICE

Khairun Bhaban (6th floor)
Mirboxtola, Sylhet – 3100
Phone : +880-821-711815
Fax: +880-821-712154

LOCATION OF POWER PLANTS

Fenchuganj, Sylhet
South Patenga, Chittagong

LOCATION OF TEXTILE PROJECT

Tongi, Gazipur

E-mail: info@barakapower.com

Web: www.barakapower.com

STATUTORY AUDITORS

Malek Siddiqui Wali
Chartered Accountants
9-G, Motijheel C/A (2nd Floor)
Dhaka-1000

DIRECTORS' PROFILE



Faisal Ahmed Chowdhury Chairman

Mr. Faisal Ahmed Chowdhury is a visionary business leader and possessing over twenty seven years of highly successful leadership in the area of fiscal, strategic, and operational management. He is a dynamic & result oriented businessman with a strong track record in a number of industrial sectors. His excellent analytical, interpersonal and motivational skills have made him a prominent and respected business leader in Bangladesh.

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 established Imprint Trading Ltd., both of which were very successful.

With the ambition of establishing businesses in his motherland and for the development of the socio-economic standard of the nation, he successfully started an internationally recognized real estate company in Bangladesh named Royal City (300 acres), situated at the gateway of Sylhet. The vision established a modern independent residential town with a diverse range of world-class civic facilities. With strong entrepreneurial and leadership skills, he was able to encourage many NRBs (Non Resident Bangladeshis) unfamiliar with the commercial landscape of Bangladesh to invest in their home nation of origin.

Recently he has established an international standard educational organization, by the name of Royal Educare Limited (REL) in Bangladesh. Currently REL includes Eurokids Kindergarten and Royal Institute of Smart Education (RISE) primary & secondary school. RISE School incorporates the world renowned Cambridge University Curriculum. The future vision of REL is to develop the educational standards of the youth of Bangladesh with the aim of leaving a legacy for the future generation to build and improve our beloved nation, Bangladesh.

Along with NRBs and local entrepreneurs, Mr. Faisal Chowdhury established Baraka Power Limited previously called Barakatullah Electro Dynamics Limited in 2007. This venture has helped to resolve the national power shortage in Bangladesh. Remarkably, his unique entrepreneurial and leadership skills has made Baraka Power Limited fully operational and created a valuable organization within a very short span of time. Then he went on to establish a second power plant named Baraka Patenga Power Limited (BPPL) in Chittagong. BPPL is the first power plant to be funded by the World Bank foreign currency loan under IPFF facility. BPPL maintains high environmental standards by introducing a Flue Gas Desulfurization (FGD) system to minimize the environmental impact.

Mr. Faisal Chowdhury is also involved in several community and social interest activities and organizations. He is an Elected Executive Member of Foreign Investors Chamber of Commerce & Industry (FICCI) for the year 2017-2019, Executive Member of the Bangladesh Red Crescent Society, Sylhet Unit and Mujib-Jahan Blood Bank and President of Sylhet Zimkhana Cricket Club. He has a deep interest and passion in participating in social and community interest projects that help improve the socio-economic prosperity of Bangladesh as a whole.

Mr. Faisal Chowdhury is well travelled with a good understanding of the diversity of culture. He has visited several countries including India, China, Thailand, Singapore, Hong Kong, Malaysia, Saudi Arabia, Canada, Austria, Germany, UK, USA, Sweden, Finland, Norway, Switzerland etc. 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.

Engr. Md. Ahsanul Kabir

Vice Chairman

Engr. Md. Ahsanul Kabir has wide range of knowledge on electro mechanical technology from his student life, as he attended every Gov. Science fair at that time. He was awarded for his innovative ideas in National Science Fair throughout his student life.

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 save a big amount of money. 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. There are so many little technical problems he had solved which reduced the company 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. Now a days, he is working with alternative source of energy for power. Thriving every step, his continuous success in business is remarkably phenomenal.

On the other hand he has vast experience of 31 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. Been to places, learnt a lot.

He, with his team promises to serve the best!



Abdul Bari

Vice Chairman

Alhaj Abdul Bari is a prominent businessman. He started his business career in tourism sector in the early 1970's. 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.

Nanu Kazi Mohammed Miah

Director

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 in Henley-in-Arden 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.



Mohammed Ahmed Ali

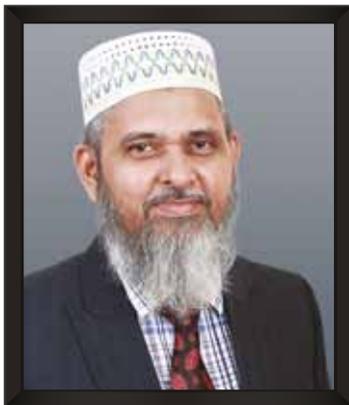
Independent Director

Mr. Alhaj Ahmed Ali was born in Sylhet in 1941. He completed his education on Bachelor of Arts. He started his career in business more than 41 years ago. He engages himself in various businesses such as the restaurant business, power sector etc.

Engr. Jalal Ahmed Chowdhury

Independent Director

Engr. Jalal Ahmed Chowdhury joined in the board of directors of Baraka Power Limited as Independent Director on October 26, 2017. Mr. Jalal Uddin Ahmed Chowdhury, Ex. Member – Generation of BPDB, was born and brought up in Sylhet. He earned his Bachelor Degree (BSc Engg. In Mechanical) from Chittagong Engineering College in 1978. From the beginning of his career he had worked in BPDB at different power stations like Ghorasal, Sikalbaha, Siddhirganj etc. Later he also worked as Project Director at Fenchuganj 90MW Combined Cycle Power Plant and Karnaphuli Hydro Power Station Rehabilitation Project. He also won Best Project Director Award in year 2008-2009 from Ministry of Power.



Dr. Md. Zakir Hossain

Independent Director

Dr. Md. Zakir Hossain was appointed to the Board as an Independent Director on October 26, 2017. He has been engaged in teaching and research for more than 27 years. Currently he is working as the Professor in the Department of Statistics and the Director, SUST Research Centre of Shahjalal University of Science & Technology (SUST), Sylhet, Bangladesh. He obtained Ph.D in Statistics (in the area of Demography) from Banaras Hindu University, India and M.Phil degree in Statistics (in the area of Bio-statistics) from Rajshahi University, Bangladesh. He has published 3 books and 44 research articles in reputed journals of home and abroad. He has presented about 39 papers in different national and international conferences.

Dr. Zakir has designed and implemented a number of study projects on various issues in micro and macro level sponsored by several organizations including IFC, FAO, UNICEF, DANIDA, UGC, Save the Childres, Ministry of Education under Grants for Advanced Research in Education, Social Science Research Council of Planning Commission and Chittagong Hill Tracts Development Board. He has provided consultancy to various issues including Food Security for Vulnerable Group Development (FSVGD) Project, Expansion of MNH-FP Services (Mamota Project), UNICEF-BBS Multiple Indicator Cluster Surveys (MICS) and PatuakhaliBarguna Aquaculture Extension Project (PBAEP).





Gulam Rabbani Chowdhury

Director & Managing Director

Managing Director of Baraka Power Limited as well as Baraka Group, Gulam Rabbani Chowdhury reflects on his diverse career in machine manufacturing, real estate, power, education and readymade garments industry, where dynamism of entrepreneurship and management discipline are the best parts of it; how to make a new startup to a huge success, how to engage and inspire NRB investors to invest in Bangladesh, how to lead a huge capital investment and extremely complex operation oriented business like power generation successfully, how to develop a strong and high level international network of business relations, how to brand yourself as a respected business leader and many more.

At present he is leading the Baraka Power Limited which continuously supplying electricity to the National Grid. The plant is situated at Fenchuganj, Sylhet and powered by General Electric (GE) installed generators producing 51 MW of power and has been operational since 2007. With power plant in profitability, Mr. Chowdhury

successfully took the private company to IPO flotation, listing it on both Dhaka and Chittagong Stock Exchanges in Bangladesh.

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. In 2011 Baraka Power signed a second PPA & IA to build a 50 MW power plant at Patenga, Chittagong which has been continuously supplying electricity to the national grid since the 4th May 2014. Inspired by the success of these two power plants, he is leading the construction of another 110MW HFO fired power plant at Chittagong. Developing his entrepreneurial vision further afield, he ventured into the readymade garments industry and he started of a readymade garment under the name of Bela 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) which aims to raise children with the highest standards of education. 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 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 as a leading Agricultural Machinery Manufacturer of the company in the Bengali year 1395.

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

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.

He was born in 1966 & brought up in a respectable family at Sylhet. Whilst he continues to establish successful business, Mr. Chowdhury holds dear to his heart the most important work which needs to be done to enhance the education and health and living standards of the poor and needy throughout Bangladesh. He contributes significantly in many ways to these major and most important issues that Bangladesh is facing.

MESSAGE FROM THE CHAIRMAN



Message from the Chairman

Respected Members, Shareholders and Other Stakeholders,
Assalamualikum.

It is an honor to welcome you to the 10th Annual General Meeting (AGM) of Baraka Power Limited.

On behalf of the Board, I express our sincere thanks to all respected shareholders for their confidence and trust on the management of the company and enduring involvements along with continued support and cooperation.

The Company has completed another year of overall good performance with a persistent operational and financial performance. It is to the great credit of our people, our Board of Directors, our Executive Committee Members and especially our talented work force who led the business to deliver such a desirable result.

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. Meanwhile, as you know, we have already acquired more land beside the plant and planning to utilize the same so that more positive results could be fetched.

Baraka Patenga Power Limited, a subsidiary of Baraka Power has been in very satisfactory full swing operation throughout the year. It has been a tremendous success to run smoothly such a complicated project. Moreover, we are continuing to operate the environmentally beneficial Desulphurization System (FGD) in Baraka Patenga. This has been an overall great achievement for our company as it is for the first time in Bangladesh that we have established such a high environmental standard set by the World Bank.

Baraka Power Ltd's 50 MW Gas based Power Plant and its subsidiary company Baraka Patenga Power Ltd's 50 MW HFO based Power Plant are successfully generating and supplying the required electricity to the national grid of Bangladesh. The plants are operating extremely well and we are pleased with what we have been able to achieve

in a very short space of time and again I am sincerely thankful to the dedicated Baraka Power team and to our honorable shareholders.

With an ambitious and entrepreneurial spirit, we are aiming to advance further by exploring new opportunities for the profitable growth of the company. We are seeking out more power plant projects to expand our portfolio. As a result of our solemn effort, I feel honored to inform you that, the Bangladesh Power Development Board (BPDB) has issued a Letter of Intent (LOI) for implementing a 110MW HFO based IPP power plant for a term of 15 years under the banner of Karnaphuli Power Limited of which Baraka Patenga holds 51% shares and Baraka Power holds 25% shares. In addition, we have already completed the acquisition process of a 100% export oriented compliantly running Ready-Made-Garments factory having 10-line (woven tops) production capacity named Bela Fashions Limited. Baraka Power Limited holds 51% equity of the company. We believe that through our dedication and hard work supported by your trust & confidence on us and your valuable investment we will be able to fetch very positive results from these new ventures in a very short time.

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.

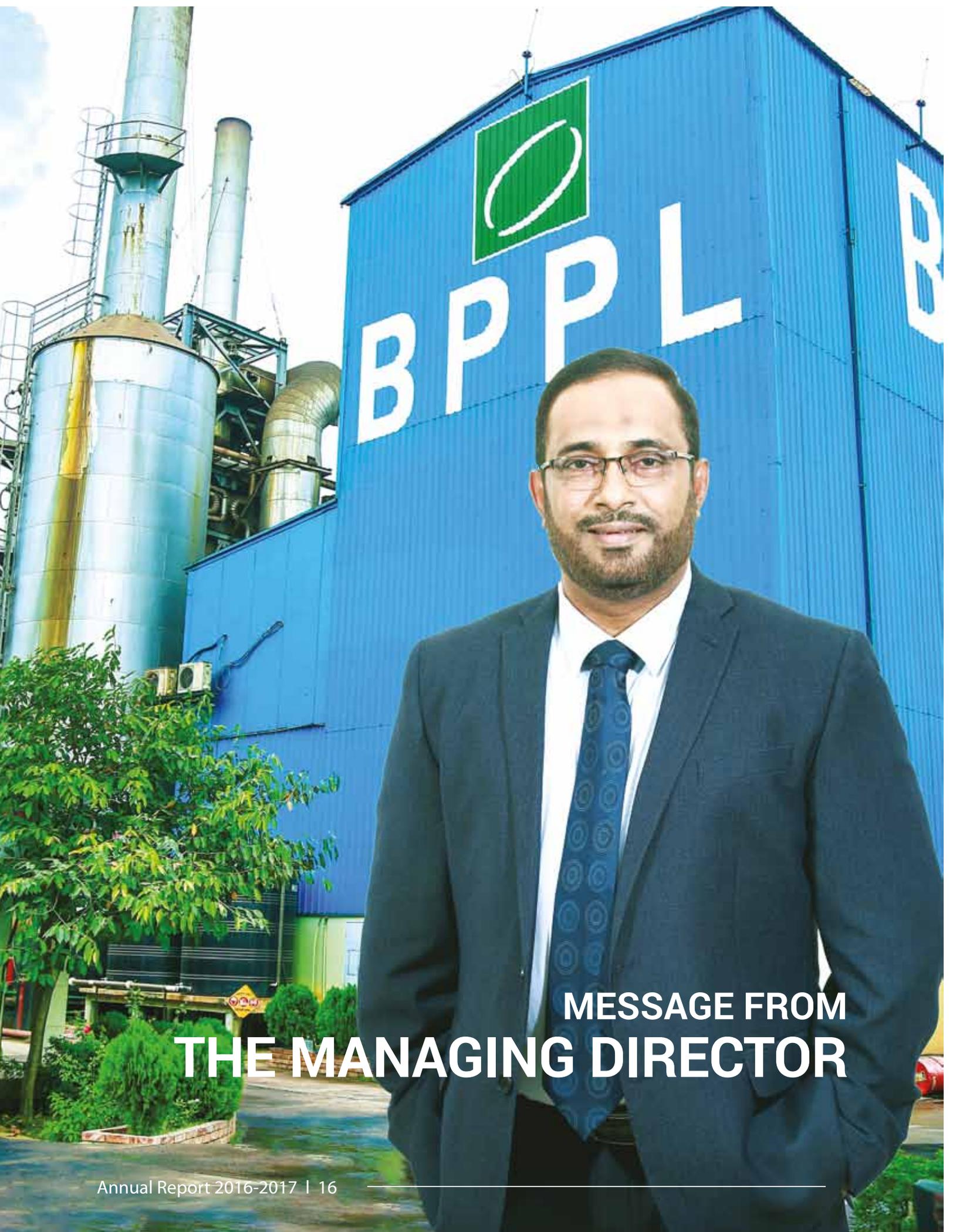
On that positive note, I would like to thank all my colleagues on the Board for their continued support and encouragement. I would also like to convey my sincere gratitude to related Govt. Institutions, suppliers & customers for their continuous support.

Finally, my most sincerest and heartfelt gratitude to the shareholders and all the employees of our company who have helped us achieve business success.

Thank you.



Faisal Ahmed Chowdhury
Chairman



**MESSAGE FROM
THE MANAGING DIRECTOR**

Message from the Managing Director

BismillahirRahmanir Rahim
Dear Distinguished Shareholders,
Assalamualaikum

It is a matter of great pleasure and pride to publish the Annual Report of 2016-17 and I wish to see and welcome you all in the upcoming 10th Annual General Meeting of Baraka Power Limited. On behalf the Board of Directors, I would like to share my views with all stakeholders of our Company.

Our performance in the year 2016-2017 bears the testimony that we have succeeded to operate the company sustainably. Meanwhile we are continually putting our sincere effort to take this organization to the next trajectory of sustainable growth. I believe that your prudent evaluation of our performance and valued guidance will help us in paving the way for sound and sustainable growth.

I am delighted to report you of another successful year with a consolidated EPS of BDT 2.63 which was almost same in last year. Our subsidiary company, Baraka Patenga Power Limited has also registered a good financial result; scoring consolidated EPS of BDT 3.20 which was BDT 3.03 in the previous year.

Both of our existing power plants are in full swing operation and are performing excellently. Moreover, we are in the process of adding another 110MW power plant in our portfolio. After implementation of the new power plant, our total power generation figure will reach to 211MW which is more than double of what we are producing now. Besides these, we are continually seeking out for new opportunities to develop more power plants. Along with that, we have widened our business portfolio to achieve even greater success for our shareholders by venturing in to the garments industry.

Since electricity is a core energy source that is inevitable for the overall development of any nation, your hard-earned investment in the Company is not only maximizing your wealth but also contributing towards the overall development of the economy.

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.

As a part of our future plan, we are preparing to take one of our successful and profitable power plants, Baraka Patenga Power Limited to IPO and listing it on the Dhaka and Chittagong Stock Exchanges. Apart from a source of financing, this will be extremely beneficial to all of our stakeholders.

We believe that Human Resources are the most valuable asset for any company. We continually endeavor to develop the most important element of our Company; our people. Our people are the keystone of our success and we are always seeking ways to improve and enhance their skills and expertise. 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 can assure you that we are ready for the development and growth of our Company as we begin to expand our business portfolio in the ever-changing business landscape.

We are ambitious about our future growth and expansion. You will be pleased to know that from a single power plant of 51MW at Fenchuganj, your Company Baraka Power Limited has now become the ultimate parent of a conglomerate consisting of total 4 (four) companies and we will continue to grow in future InshaAllah.

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.

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. Without our stakeholders we are nothing. Our stakeholders have always been our source of inspiration. We believe passionately in building value for the Government of Bangladesh as well as for all of our Shareholders and Stakeholders.

Thank you all.

Wishing you eternal prosperity and good health. Enjoy your journey with Baraka Power Limited.



Gulam Rabbani Chowdhury
Managing Director

PROFILE OF THE SENIOR EXECUTIVES



Mr. Fahim Ahmed Chowdhury

Deputy Managing Director & Head of Finance

Mr. Monzur Kadir Shafi

Deputy Managing Director & Head of Finance (BPPL)

Mr. Nazmul Hassan Choudhury

Chief Operating Officer

Mr. Mohammed Monirul Islam

Director-Finance & Company Secretary

Mr. Md. Shariful Alam

General Manager (Operation & Maintenance)

Mr. Monowar Ahmed

Deputy General Manager-Commercial

Mr. Mohammad Rana

Assistant General Manager (Finance & Accounts)

Mr. Mohammed Murad Hossain

Assistant General Manager (Commercial)

Mr. Md. Nuruzzaman Miah

Plant Manager (Fenchuganj Plant)

Mr. A K M Shahidullah

Plant manager (Patenga Plant)



Mr. Fahim Ahmed Chowdhury

Deputy Managing Director & Head of Finance

Fahim A Chowdhury is a member of a reputed business family. He is a person with strong vision and management skills. 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 different businesses such as a fast food takeaway restaurant, money transfer, travel agent and real estate business etc. in London. He completed his MBA in Human Resource Management and also achieved a BTEC qualification in customer service while working for City Council of London. This has helped him to achieve vast knowledge in building community relationships as well as enhancing his managerial skills.

In the spirit of contributing to the development of the motherland, he moved to Bangladesh in 2008 and joined as a Project Director to Baraka Power and subsequently he took the responsibility of Deputy Managing Director & Head of Finance. He is the EC member of RISE & Eurokids school and also serving as the Managing Director of Queens Healthcare Ltd.

Fahim A Chowdhury is also involved in many charitable organizations. He is PP of the Rotary club of Sylhet Sunshine and President of Nirjar Shahitta Shongcriti Cira Shongtha. He is also a life member of Sylhet Ideal Society, Baraka Foundation & Baraka Arabic Learning Centre.

Mr. Monzur Kadir Shafi

Deputy Managing Director & Head of Finance (BPPL)

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 1991. 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 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 is now the Deputy Managing Director & Head of Finance of BPPL.



Mr. Nazmul Hassan Choudhury

Chief Operating Officer

Naz Choudhury is the Baraka Group's Chief Operating Officer (COO) in charge of corporate strategy, planning and operations for the Baraka Group of Businesses. He is responsible for overseeing and directing business interests in not only the Power and Garment sectors, but also developing new business ventures and exploring diversified opportunities.

Best described as a multi-disciplined corporate entrepreneur, Naz Choudhury excels at building powerful high-level winning teams to deliver results. Coordinating all functions including finance, sales and marketing, operations, HR and administration across a corporate structure, he has an entrepreneurial spirit and a particular eye for innovation, creativity, branding and marketing.

Mr. Naz has worked across the business spectrum working in both private and public sectors as well as owning and running several businesses.

After completing a BEng (Hons) as a Civil engineer, he started his career as a Civil Engineer working on a variety of major public and private sector projects. These include London Underground/Jubilee Line Extension project, Thames Water Flood Alleviation Schemes and for Southwark Council, Regeneration and Environment department in the UK. He moved on in his career as an entrepreneur, developing business interests in retail and land and property development in the UK and abroad.

In 2000, Mr. Naz completed his MBA at the globally reputed Cranfield School of Management and was commended for leading a high-level team of professional to victory at the Oxford University's Venture Fest Business Plan of the Year in 2001. He was also runner up in the European Business schools, Business Plan of the Year in the same year.

Following his MBA, he set up and developed businesses in the retail and property sectors. In 2005 he was awarded the Wandsworth Business of the Year prize for successfully launching a new retail food concept.

He has also worked with the globally respected M&C SAATCHI on creative marketing and advertising strategies for super brands such as Porsche, Ribena and Orange telecom. Naz was also the Operations Director at the Association for Consultancy and Engineering (ACE), a representative body and trade association for the £9 Billion engineering consultancy industry.

He currently holds non-exec directorial roles with a variety of charities, NGO and projects, which he is passionate about. Notably, Mr. Naz was a board member of ADVANCE UK who support more than 5,000 people including disabled people and people with mental health conditions and learning disabilities to live the life they choose, however varied or complex that life may be.

Mr. Naz is keen on supporting causes, which positively embrace disability, diversity and equal opportunities. He is married and with children and enjoys travelling having visited more than 40 countries. His other personal interests include cycling and reading history and culture.

Mr. Mohammed Monirul Islam

Director-Finance & Company Secretary

Mr. Muhammed 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 a MBA degree in finance in 2007. Mr. Monir has accumulated more than 20 years of experience in different large private organizations namely Rangs Group, Summit Power Limited. Currently he is working with Baraka Power Limited as Director-Finance & Company Secretary.

Mr. Md. Shariful Alam

General Manager (Operation & Maintenance)

Engineer Md. Shariful Alam is having vast experience in Merchant Marine and in HFO & Gas based Power plants. He has obtained his Marine engineering from Bangladesh Marine Academy, a branch of Swedish Malmö University. He then studied in UK and achieved Class-1 Certificate of Competency. He did Masters in Business Administration from a renowned university in Bangladesh. Mr. Shariful started his career with Bangladesh Shipping Corporation and continued with Neptune Orient Lines, A government shipping lines of Singapore, until he completed his sea career, he have worked with Covanta Bangladesh Operating Ltd., a 110MW barge mounted power plant of an US based power company. Mr. Shariful worked with Clarke Energy & Orient Energy as head of service/product support. An authorized distributor & service provider of GE Jenbacher Gas Engines to provide technical support to customer in respect of commissioning, operation & maintenance and parts supply.

Mr. Monowar Ahmed

Deputy General Manager (Commercial)

Mr. Ahmed achieved his Commonwealth Executive MBA (CEMBA) degree from Bangladesh Open University (BOU). He gathered 17 years of working experience in the field of Planning, Business Development and Project Implementation. He spent 9 years in Summit Power Limited and then joined Baraka Power Limited. Presently he is acting as Deputy General Manager of Commercial department.

Mr. Mohammad Rana

Assistant General Manager (Finance & Accounts)

Mr. Mohammad Rana joined Baraka Power Limited on October 2017. Having more than 12 years of work experience in different Bank & Financial Institutions and Merchant banks, Mr. Rana is an expert on financial analysis, public issue, rights issue, 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. Mohammed Murad Hossain

Assistant General Manager (Commercial)

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 17 years in the line of manufacturing of agro machine, yarn, accessories, finished garments, commercial activities, local and international tendering process including 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 have visited number of countries including China, East Timor, Indonesia, Vietnam and India for business promotion, business seminar and international exhibition purpose.

Mr. Md. Nuruzzaman Miah

Plant Manager (Fenchuganj Plant)

Mr. Zaman 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 24 years of work experience after gain of Diploma Engineering. He worked in different private power sector companies in operation, maintenance, erection, installation and commissioning of power plants & heavy industries. He work in 100MW Diesel base Quick Rental power plant at Aggreko, Ghorashal and is experienced in different gas base engine as such Caterpillar, Germany and ROLLS ROYCE Power Ventures INC, UK.



Mr. A K M Shahidullah

Plant manager (Patenga Plant)

Mr. Shahidullah, a veteran marine chief engineer worked on oil chemical tanker vessels for 19 years. He has 3 years industrial consultancy experience mostly with 3rd party certifying authority like Intertek, SGS etc. Worked with Min Sheng Lines BD Ltd, at its first inception in Bangladesh. Min Sheng is the first ever home based main line container operator in Bangladesh. Blessed with a happy family Mr. Shahidullah is working with the Baraka family with integrity and bonding.



DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year ended June 30, 2017

Bismillahir Rahmanir Rahim

Dear Shareholders,
Assalamualyikum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 10th 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, 2017 thereon, for your valued consideration, approval and adoption.

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 chapter of Corporate Governance has been reported in **Annexure-I**.

Corporate Social Responsibility

Corporate social responsibility described the body of management systems and tools that help companies minimize their environmental impact, adhere to labor standards, contribute to the communities and manage toward a more economically sustainable society.

Directors' Additional Responsibilities towards Shareholders

In compliance with the requirements of the SEC's Notification No. SEC/ CMRRCD/ 2006-158/ 134/ Admin/ 44 dated August 07, 2012, the Directors are responsible for the governance of the Company and in that capacity, the Directors confirm, to the best to their knowledge that-

(i) Industry Outlook and future development:

The Board is pleased to inform you that the existing plant located at Fenchugonj, Sylhet is running excellent and generated 292,301 MWh of electricity and supplying 281,851 MWh to the national grid during the year 2016-2017. By selling of above units the company was able to earn revenue amounting Tk. 779,242,654 in the year 2016-2017.

You are already informed that the 50 MW HFO fired IPP power plant at Patenga, Chittagong named Baraka Patenga Power Limited (BPPL), of which 51% of the equity is owned by your company, started its commercial operation on May 04, 2014 and started commercial operation of its secondary Steam Turbine & Generator (STG) having capacity of 3.20 MW from April 10, 2015. The STG plant runs by heat recovery from 08 nos. of Rolls Royce gensets exhaust gas without burning any fuel. Consequently the annually fuel cost has reduced. The plant is showing excellent performance and generated 287,482 MWh of electricity and supplying 276,508 MWh to the national grid during the year 2016-2017 earning revenue of Tk. 2,648,485,011 during the year ended June 30, 2017.

You also know that, BPDB has already issued LOI for implementing a 110MW HFO based IPP power plant for a term of 15 years under the banner of Karnaphuli Power Limited (KPL). To diversify its business, your company has successfully completed acquisition of a 100% export oriented compliantly running Ready-Made-Garments factory having 10-line (woven tops) production capacity named Bela Fashions Limited.

The company has the plan to expand its business by participating tender process as called by Bangladesh Power Development Board (BPDB) in future or any other process set by Ministry of Power, Energy and Mineral Resources.

(ii) Segment wise or Product wise performance:

Location of the Plant	Licensed Capacity (MwH)	Installed Capacity (MwH)	Plant Factor (% on Licensed capacity to the unit of energy sold)		Energy Generation (MwH)	Energy Sold (MwH)
			Average	Maximum		
Fenchugonj, Sylhet	446,760	483,026	64.37%	89.54%	292,301	281,851
Patenga, Chittagong	438,000	489,421	69.22%	88.10%	287,482	276,508

(iii) Risks and concerns

Interest rate risks

Volatility of money market may influence the overall interest rate structure of the country. On June 30 2017, as the company has about Tk. 21.76 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 raises, the company will go for alternative sources of financing.

Exchange rate risks

Taka has been devalued significantly against dollar and it is very unlikely to appreciate in near future. But devaluation of local currency against major international currencies will not affect the company's business.

Management perception

Since dues relating to import of machineries and equipment from abroad is not significant, exchange rate 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 huge 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 fuelled 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 arise in this respect. Moreover, the Company is trying to expand its business by installing more power plants. 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 1 year warranty period 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.

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 levels 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, 2017	June 30, 2016	Deviation	
			Amount	Percentage
Revenue	779,242,654	841,125,119	(61,882,465)	(7.36%)
Cost of Sales	315,622,018	355,076,138	(39,454,120)	(11.11%)
Gross Profit	463,620,636	486,048,981	(22,428,345)	(4.61%)
Net Profit After Tax	338,637,332	331,664,596	6,972,736	2.10%
Gross Profit Margin (%)	59.50%	57.79%	2.96%	
Net Profit Margin (%)	43.46%	39.43%	10.22%	

Above chart shows that Net profit margin has increased by 10.22% whereas revenue decreased by 7.36% in the year 2016-2017 to 2015-2016.

(v) **Other income of Tk. 49,057,961 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:

	30-06-17 (Taka)	30-06-16 (Taka)
Employee Benefits	22,476,000	20,451,270
Total	22,476,000	20,451,270

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

B. **Other Related Party Transaction**

Name of the Related Party	Nature of Relationships	Nature of Transactions	Transactions during the year		Receivables/(Payables)	
			30-06-17	30-06-16	30-06-17	30-06-16
			Taka	Taka	Taka	Taka
Baraka Patenga Power Limited	Subsidiary company	Short term loan	250,356,064	195,491,226	-	-
Bela Fashions Limited	Subsidiary company	Short term loan	330,133,240	-	326,150,640	-
Royal Homes Limited	Common Management	Advance for Commercial Space	461,166,406	14,400,000	124,644,204	-
Royal Educare Limited	Common Management	Short term loan	7,071,893	36,031,908	42,103,801	36,031,908
Karnaphuli Power Limited	Common Management	Short term loan	54,108,759	406,731	54,515,490	406,731
Queens Healthcare Limited	Common Management	Short term loan	2,555	-	2,555	-
Baraka Apparels Limited	Common Management	Short term loan	218,441,532	80,683,242	192,673,930	80,683,242

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

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 generates net profit of Tk. 318.46 million during the year ended June 30, 2017.

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

(ix) Quarterly performance 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, 2017

Name	Designation	Period	30-06-2017	30-06-2016
Mr. Faisal Ahmed Chowdhury	Chairman & Head of Planning & Business Development	July'16 to June '17	4,305,000	4,305,000
Mr. Gulam Rabbani Chowdhury	Managing Director	July'16 to June '17	4,305,000	4,305,000
Mr. Md. Ahsanul Kabir	Vice-Chairman & Head of Administration	July'16 to June '17	2,340,000	2,340,000
Total			10,950,000	10,950,000

In addition to the above, directors who attended the board meeting, have drawn meeting attendance fee @ Tk. 5,000 per director per meeting. The total board meeting attendance fee during the year is Tk. 209,500

(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, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;

(xv) The system of internal control is sound in design and has been effectively implemented and monitored;

(xvi) There are no significant doubts upon the company's ability to continue as a going concern;

(xvii) 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;

(xviii) Key operating and financial data of last five years has been annexed;

(xix) The board of directors of the company has recommended 5% cash and 15% stock dividend for the year ended June 30, 2017;

(xx) The number of Board meetings held during the year and attendance by each director has been disclosed in **Annexure II**.

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

(xxii) No changes have been made in the Board of Directors during the year 2016-2017.

Financial Results & Profit Appropriation:

In the year 2016-2017, financial performance of your company shows a stable result compared to previous year. The Directors take pleasure in reporting the financial results of the company for the year ended June 30, 2017 and recommended apportion of retained earnings as mentioned below:

Amount in BDT		
	June 30, 2017	June 30, 2016
Profit available for appropriation		
Profit after tax	338,637,332	331,664,596
Prior year's adjustment	-	-
Add: Undistributed profit brought forward from previous year	385,050,674	298,834,480
Total amount Available for Appropriation	723,688,006	630,499,076
Appropriation		
Final dividend for the year 2014-2015 (@ 08% stock & 08% cash)	-	(245,448,402)
Final dividend for the year 2015-2016 (@ 05% stock & 15% cash)	(331,355,344)	-
Closing Retained Earnings at year end (before proposed dividend)	392,332,662	385,050,674
Proposed dividend for the year 2016-2017 (@ 15% stock & @ 05% Cash)	(347,923,110)	
Retained Earnings after Proposed Dividend	44,409,552	385,050,674

Dividend:

Your Board has recommended 05% cash (Tk 0.5 per share of Tk. 10 each) and 15% stock dividend (15 shares for every 100 shares held) on 173,961,555 ordinary shares of Tk. 10 each for the year ended June 30, 2017 subject to approval by the shareholders at its 10th Annual General Meeting.

Board Meeting & Attendance:

During the year ended June 30, 2017, total of 07 meetings were being held by the Board of Directors. Directors who have attended the Board meeting are shown in **Annexure II** of this report.

Directors' appointment & re-appointment:

Due to expiry of consecutive 02 terms as Independent Director in the Board, Dr. Tofayel Ahmed Ph.D has retired from the Board of Directors of the company which is effective from August 12, 2017 and approved in the Board Meeting held on October 26, 2017. Furthermore, Mr. Abdus S. Majid, Independent Director has expressed his intention to voluntarily retire from the Board of the company which is approved by the Board of Directors on October 26, 2017 and made effective from the same date. Accordingly, to comply with the Corporate Governance Guideline of Bangladesh Securities and Exchange Commission, to fill up those positions, Engr. Jalal Ahmed Chowdhury and Dr. Md. Zakir Hossain were appointed as new Independent Directors in the Board Meeting held on October 26, 2017 which will be placed in the 10th Annual General Meeting of the company for approval.

Moreover, as per Article No. 112 of the Article of Association of the company following Directors shall retire in the 10th Annual General Meeting by rotation and being eligible, offer them for re-election:

01. Nanu Kazi Mohammed Miah

02. Robin Choudhury

Auditors:

M/S Malek Siddiqui Wali, Chartered Accountants, 9-G, Motijheel C/A (2nd Floor), Dhaka-1000 was appointed as the auditor of the company in its 9th AGM held on December 22, 2016. They have carried out the audit for the year 2016-2017 and will retire in the 10th AGM. M/S Malek Siddiqui Wali, Chartered Accountants have expressed their willingness for reappointment for the year 2017-2018. As recommended by the Board, the resolution to reappoint M/S Malek Siddiqui Wali, Chartered Accountants as auditor for the year 2017-2018 will be placed at the forthcoming Annual General Meeting of the company.





Audit Committee

Audit committee has been formed by the Board of Directors at its meeting held on August 13, 2011, which consists of three members from the board including an Independent Director and company secretary of the company to act as a 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.

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 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.

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 teamwork have helped 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,

A handwritten signature in black ink, appearing to read 'Gulam Rabbani Chowdhury'.

Gulam Rabbani Chowdhury
Managing Director

ANNEXURE - I

Baraka Power Limited

Status of Compliance with the Corporate Governance Guideline (CGC)

For the year ended 30th June 2017

Status of compliance with the condition imposed by the Commission's Notification No. letter SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 7.00)

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1	Board of Directors			
1.1	Boards size			
	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		The Board is comprised of 09 Directors including Managing Director.
1.2	Independent Directors			
(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		03 out of 09 directors are appointed as Independent Director
(ii)	For the purpose of this clause 'Independent directors' means a director-			
a)	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.
b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company ;	√		
c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	√		
d)	Who is not a member, director, or officer of any stock exchange;	√		
e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
f)	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;	√		
g)	Who shall not be an independent director in more than 3 (three) listed companies;	√		
h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBF1);	√		
i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
(iv)	The post of independent director(s) can not remain vacant for more than 90(ninety) days.	√		
(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
(vi)	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)			
(i)	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.	√		
(ii)	The person should be a Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have a least 12(twelve) years of corporate management /professional experiences.	√		
(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable
1.4	Chairman of the Board and Chief Executive Officer			
(i)	The position of the chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	√		Differnet Persons hold the positions with specific responsibilites set by the Board.

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1.5	Directors Report to the Shareholders			
(i)	Industry outlook and possible future developments in the industry.	√		
(ii)	Segment-wise or product-wise performance.	√		
(iii)	Risks and concerns.	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			Not Applicable
(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not Applicable
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable
(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not Applicable
(x)	Remuneration to directors including independent directors.	√		
(xi)	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.	√		
(xii)	Proper books of account of the issuer 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)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), 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)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considerer to be a going concern, the fact along with reasons thereof should be disclosed.	√		
(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
(xix)	if the issuer company has not declared dividend(cash or stock) for the year, the reasons thereof shall be given.			The Company has declared 15% Stock & 5% Cash dividend.
(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
(xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:	√		
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		No Share held except Directors,CEO & CS (as per notification)
(xxi) c)	Executives;			Not Applicable
(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).			Not Applicable
(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
(xxii) a)	a brief resume of the director	√		
(xxii) b)	nature of his/her expertise in specific functional areas;	√		
(xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1 Appointment	The company shall Appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.	√		The company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
2.2 Requirement to attend the Board Meetings	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		In practice
3.0	Audit Committee			
(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		Already in place
(ii)	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.	√		In practice
(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		In practice
3.1	Constitution of the Audit Committee			
(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
(ii)	The Board of Directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience. The term " Financially literate means the ability to read and understand the financial statements i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/finance graduate with at least 12(twelve) years of corporate management/ professional experiences.	√		
(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		No such Incidence arose
(v)	The company secretary shall act as the secretary of the Committee.	√		In practice
(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		In practice
3.2	Chairman of the Audit Committee			
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee			
(i)	Oversee the financial reporting process.	√		
(ii)	Monitor choice of accounting policies and principles.	√		
(iii)	Monitor Internal Control Risk management process.	√		
(iv)	Oversee hiring and performance of external auditors.	√		
(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
(vii)	Review the adequacy of internal audit function.	√		
(viii)	Review statement of significant related party transactions submitted by the management.	√		
(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			Not Applicable
3.4	Reporting of Audit Committee			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	√		
3.4.1 (ii) a)	report on conflicts of interests;			No such Incidence arose
b)	suspected or presumed fraud or irregularity or material defect in the internal control system;			No such Incidence arose
c)	suspected infringement of laws, including securities related laws, rules and regulations;:			No such Incidence arose
d)	any other matter which shall be disclosed to the Board of Directors immediately.			No such Incidence arose
3.4.2 Reporting to the Authorities	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such reportable incidence arose
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
4	External/ Statutory Auditors			
<i>The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-</i>				
(i)	Appraisal or valuation services or fairness opinions.	√		
(ii)	Financial information system design and implementation	√		
(iii)	Book-keeping or other services related to the accounting records or financial statement	√		
(iv)	Broker –dealer services	√		
(v)	Actuarial services	√		
(vi)	Internal audit services	√		
(vii)	Any other services that the audit committee determines.	√		
(viii)	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.	√		
(ix)	Audit/ Certification services on compliance of corporate governance as required under clause (i) of condition No. 7	√		
5	Subsidiary Company			
(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
(ii)	At least 1 (one) independent director of the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		
(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
(v)	The. Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary company.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
The CEO and CFO shall certify to the Board that:-				
(i)	They have reviewed financial statements for the year and that to the best of their 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 together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		In practice
(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 violation of the company's code of conduct.	√		In practice
7.0	Reporting and Compliance of Corporate Governance			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2017.
(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		



ANNEXURE - II

Board Meeting and Attendance during the year ended June 30, 2017

Name of Directors	Number of meetings held whilst Board Members	Meeting attendance	Remarks
Mr. Faisal Ahmed Chowdhury	7	7	
Mr. Gulam Rabbani Chowdhury	7	6	
Mr Md. Ahsanul Kabir	7	7	
Mr. Abdul Bari	7	6	
Mr. Nanu Kazi Mohammed Miah	7	3	
Mr. Robin Choudhury	7	0	
Dr. Tofayel Ahmed	7	5	
Mr. Abdus S Majid	7	3	
Mr. Md. Ahmed Ali	7	1	



ANNEXURE - III

The pattern of Shareholding as on June 30, 2017

Sl.	Name of Shareholders	Status	No. of Shares Held	Percentage (%) of Share Holding
a)	Parents/ Subsidiary/ Associate Companies		-	-
b)	Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouse and minor Children			
	Mr. Faisal Ahmed Chowdhury	Director & Chairman	3,615,768	2.08%
	Mr. Md. Ahsanul Kabir	Director & Vice Chairman	4,338,923	2.49%
	Mr. Gulam Rabbani Chowdhury	Director & Managing Director	3,615,768	2.08%
	Mr. Nanu Kazi Mohammed Miah	Director	3,479,865	2.00%
	Mr. Robin Choudhury	Director	12,792,705	7.35%
	Mr. Abdul Bari	Director & Vice Chairman	3,482,797	2.00%
	Dr. Tofayel Ahmed Ph.D	Independent Director	-	-
	Mr. Abdus S. Majid	Independent Director	1,701,069	0.98%
	Mr. Md. Ahmed Ali	Independent Director	1,608,437	0.92%
	Mr. Fahim Ahmed Chowdhury	DMD & Head of Finance	884,499	0.51%
	Mr. Mohammed Monirul Islam	Company Secretary	257,195	0.15%
	Ms. Rushina Ahmed Chowdhury	Spouse of Mr. Faisal Ahmed Chowdhury	416,422	0.24%
	Ms. Momtaz Chowdhury	Spouse of Mr. Gulam Rabbani Chowdhury	310,300	0.18%
	Ms. Shaheda Begum Shanti	Spouse of Mr. Robin Chowdhury	1,873,104	1.22%
	Ms. Mohibun Bari Chowdhury	Spouse of Mr. Abdul Bari	46,850	0.03%
	Ms. Tohmina Khatun	Spouse of Mr. Nanu Kazi Mohammed Mia	343,053	0.20%
	Ms. Abeda Khanom Chowdhury	Spouse of Mr. Fahim Ahmed Chowdhury	200,000	0.11%
	Ms. Rukshana Jahan Jolly	Spouse of Mr. Abdus S. Majid	300,000	0.17%
	Ms. Sultana Jesmin Chino	Spouse of Mr. Mohammed Monirul Islam	127,995	0.07%
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

ANNEXURE - IV

Financial Summary

Particulars	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
FINANCIAL POSITION					
Non-Current Assets	6,013,295,059	5,980,581,835	6,173,495,917	5,520,375,957	4,394,110,726
Current Assets	2,766,230,092	2,273,735,211	2,168,132,816	2,110,210,043	599,431,940
TOTAL ASSETS	8,779,525,151	8,254,317,046	8,341,628,734	7,630,586,000	4,993,542,666
Share Capital	1,739,615,550	1,656,776,720	1,534,052,520	1,311,156,000	1,248,720,000
Share Premium	970,000,000	970,000,000	970,000,000	970,000,000	970,000,000
Retained Earnings	790,296,274	663,882,068	470,274,630	269,065,674	207,008,692
Non-Controlling Interest	802,120,236	726,278,701	632,203,906	488,139,110	305,300,685
Non-Current Liabilities	2,703,792,065	3,109,918,629	3,229,911,000	3,092,389,073	249,945,242
Current Liabilities	1,773,760,083	1,127,460,928	1,505,186,678	1,499,836,143	2,012,568,047
TOTAL EQUITY & LIABILITIES	8,779,525,151	8,254,317,046	8,341,628,734	7,630,586,000	4,993,542,666
OPERATING RESULTS					
Revenue	3,485,450,033	2,960,310,153	3,844,108,738	1,573,361,307	675,390,784
Gross Profit	1,115,095,144	1,125,957,975	1,042,093,141	516,846,359	364,819,171
Operating Profit	988,436,034	966,601,907	869,743,885	412,876,844	288,119,861
Income Tax Expenses	(69,083,031)	(53,804,430)	(51,536,442)	(31,160,857)	(30,526,119)
Non Controlling Interest	152,785,759	140,379,795	144,064,796	30,240,850	(3,249,376)
Net Profit after tax	457,769,550	439,055,840	424,105,477	249,364,982	187,510,848
FINANCIAL RATIOS					
Gross Profit Margin (%)	31.99%	38.04%	27.11%	32.85%	54.02%
Net Profit Margin (%)	13.13 %	14.83%	11.03%	15.85%	27.76%
Return on Capital Employed (%)	14.11 %	13.56%	12.72%	6.73%	8.32%
Debt Equity Ratio	47:53	52:48	55:45	62:38	13:87
OTHER INFORMATION					
Face value per share	10	10	10	10	10
Proposed Dividend	15% stock and 5% cash	5% stock and 15% cash	8% stock and 8% cash	17% stock	5% stock and 10% cash
Earnings Per share (EPS)	2.63	2.65	2.56	1.90	1.48
Net Assets value (NAV) per Share	20.12	19.86	19.39	19.45	19.43
Net Operating Cash Flows Per Share (NOCFPS)	2.52	5.08	5.76	(6.61)	1.23

ANNEXURE - V



PODDER & ASSOCIATES

Cost and Management Accountants

As per BSEC rules (letter SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012), all the companies listed with any stock exchange in Bangladesh shall comply with some conditions in accordance with condition no. 7. The condition requires that the directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions and prerequisite set by BSEC in their letter.

Compliance Certificate

On

CORPORATE GOVERNANCE

To the Shareholders of

Baraka Power Limited

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Baraka Power Limited** for the financial year ended on 30th June 2017, these guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

For Podder & Associates

Jayanta Kumer Podder
Cost and Management Accountant

Date: 7 2 NOV 2017

Place: Dhaka, Bangladesh

Corporate Governance

The 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 provides the company to utilize its resources at optimum level. It also provides the Board to do their responsibility with integrity, reliability and transparency which give accountability to the stakeholders.

BOARD COMMITTEES

To maintain good and sound governance within the organization, the Board of Directors formed some special purpose committee, namely

▶ **Audit Committee, includes**

1. Mr. Dr. Md. Zakir Hossain, Independent Director act as Chairman (Due to expiry of consecutive 02 terms as independent director, Dr. Tofayel Ahmed, former Chairman of Audit Committee and Independent Director, retired from the Board of Directors of Baraka Power Limited which is effective from August 12, 2017)
2. Mr. Nanu Kazi Mohammed Miah , Director act as Member
3. Mr. Mohammed Monirul Islam, Director Finance & Company Secretary act as Member Secretary

▶ **Purchase & Procurement Committee, includes**

1. Mr. Faisal Ahmed Chowdhury, Chairman
2. Mr. Engr. Md. Ahsanul Kabir, Member
3. Mr. Fahim Ahmed Chowdhury, Member
4. Mr. Mohammed Monirul Islam, Member
5. Mr. Monowar Ahmed, Member

▶ **Operation & Maintenance Committee, includes**

1. Mr. Gulam Rabbani Chowdhury, Chairman
2. Mr. Fahim Ahmed Chowdhury, Member
3. Mr. Manzur Kadir Shafi, Member
4. Mr. Md. Shariful Alam, Member

The main goal for forming those committees are to minimize the risk in various sector of operation as well as maximize the performance to achieve the ultimate objective of the company. To govern the objectives, governance framework is based on the following principals:

- ▶ That the Board size is appropriate and the members of the board are aware about their responsibilities and duties;
- ▶ That the internal control system is sound to avoid error and omission of information and risk management is effective to minimize risk in different level of operation;
- ▶ That all material information is timely flow to the board and other committees to ensure efficiency of decision making;
- ▶ That all material information concerning to the capital market will flow to the shareholder as well as to the stakeholders to determine their investment decision;
- ▶ That all transactions are transparent and accountable;
- ▶ That all applicable regulatory and statutory rules and regulations are complied with.

BOARD ORGANIZATION & STRUCTURE

a) **Role of the Board and its composition**

The Directors of the Board are appointed by following proper regulatory procedure consist of 09 Directors including three Independent Directors. They are responsible for guiding the company to accomplish its ultimate goal set by the shareholders. Roles of the Board are-

- ▶ To ensure proper guidance to the company to achieve its goal;
- ▶ To ensure maintaining good governance throughout the company;
- ▶ To monitor the effectiveness of Internal Control System and risk management;
- ▶ To ensure the optimum utilization of company's resources to achieve maximum profit and also concentrate on cost minimization;
- ▶ To make sure transparency, accountability and timely flow of accounting information;
- ▶ To protect the interest of shareholders and stakeholders as well as the employees of the company;
- ▶ To comply with all applicable regulatory and statutory rules & regulations.

b) Board Meeting

In pursuant with the Articles of Association of the company, the Board to meet at least four times in a year and at least once in a quarter when duly called for in writing by a Board member. Dates for Board Meeting in the ensuring year are decided in advance and notice of each Board Meeting is served in writing well in advance.

MANAGEMENT TEAM

The management team is the executive committee of the company who are managing the company. The team is lead by the Managing Director of the company and other members are directors of executive committee and key managers throughout the organization. Management team endeavors to achieve the goal of the company set by the Board of Directors.

Baraka Power Limited believes in integrity, reliability and transparency to the nation by following good, effective and sound corporate governance within the organization. The company also believes, corporate governance can play role as a bridge among the management, the shareholders and the statutory bodies.



Audit Committee Report

The Audit Committee of Baraka Power Limited, a subcommittee of Board of Directors, was formed and its charter approved by the BOD 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. Mr. Dr. Md. Zakir Hossain, Independent Director act as Chairman
(Due to expiry of consecutive 02 terms as independent director, Dr. Tofayel Ahmed, former Chairman of Audit Committee and Independent Director, retired from the Board of Directors of Baraka Power Limited which is effective from August 12, 2017)
2. Mr. Nanu Kazi Mohammed Miah , Director act as Member
3. Mr. Mohammed Monirul Islam, Director Finance & Company Secretary act as Member Secretary

Total of 04 meeting were held during 2016-2017. Permanent invites to the meetings were Director Finance & Company Secretary who acts as the secretary of the Audit Committee and others are Director & Independent Director, a Chairman of the committee. Special invitee was Chairman and 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, 2017;
- Considered and made recommendation to the Board on the appointment and remuneration of external auditors, Malek Siddiqui Wali, Chartered Accountants for the year 2017-2018;
- 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 improve ment and therefore duly noted.



Dr. Md. Zakir Hossain
Chairman
Audit Committee

FINANCIALS



BARAKA POWER LIMITED & ITS SUBSIDIARIES

Independent Auditors' Report To the Shareholders of BARAKA POWER LIMITED AND ITS SUBSIDIARIES

We have audited the accompanying Financial Statement of BARAKA POWER LIMITED AND ITS SUBSIDIARY, which comprise the Consolidated Statement of Financial Position as at June 30, 2017 and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. We have also audited the accompanying Financial Statement of BARAKA POWER LIMITED, which comprise the Statement of Financial Position as at June 30, 2017 and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles (GAAP), Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entities' preparation and fair presentation of the financial statements 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 entitie's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2017 and of the results of its operations and its cash flows for the period then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchanges Rules, 1987 and other applicable laws and regulations.

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 as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The Company's Statement of Financial Positions and the Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts ;
- d) The expenditures incurred and payments made ware for the purposes of the companies' business.

Dated: Dhaka
October 26, 2017


Malek Siddiqui Wali
Chartered Accountants

BARAKA POWER LIMITED & ITS SUBSIDIARIES

Consolidated Statement of Financial Position

As on June 30, 2017

Particulars	Notes	As on June 30, 2017 Amount (Tk.)	As on June 30, 2016 Amount (Tk.)
ASSETS			
A Non-Current Assets			
Property, Plant & Equipment	4.A	5,961,118,111	5,922,031,270
Intangible Assets	5.A	612,000	44,208
Goodwill on Acquisition	6.00	30,147,495	-
Capital Work-in-progress	7.00	-	33,208,342
Investment in Subsidiary	8.A	-	-
Investment in Associate	9.00	-	960,000
Pre-Operating Expenses	10.A	21,417,453	24,338,015
		6,013,295,059	5,980,581,835
B Current Assets			
Inventories	11.A	954,028,350	856,472,211
Investment in Marketable Securities-Held for Sale	12.A	13,374,031	-
Accounts Receivables	13.A	1,030,061,653	894,899,779
Other Receivables	14.A	414,616,629	117,462,066
Advances, Deposits & Pre-payments	16.A	249,122,000	264,970,258
Cash & Cash Equivalents	17.A	105,027,429	139,930,897
		2,766,230,092	2,273,735,211
C TOTAL ASSETS (A+B)			
		8,779,525,151	8,254,317,046
EQUITY & LIABILITIES			
D Equity Attributable to Owners of the Company			
Share Capital	18.A	1,739,615,550	1,656,776,720
Share Premium	19.A	970,000,000	970,000,000
Fair Value Reserve	20.A	(59,057)	-
Retained Earnings	21.A	790,296,274	663,882,068
		3,499,852,767	3,290,658,788
Non-Controlling Interest	22.00	802,120,236	726,278,701
Total Equity		4,301,973,003	4,016,937,489
E Non-Current Liabilities			
Term Loan-Non Current Maturity	23.A	2,690,784,227	3,100,293,873
Finance Lease Liability-Non Current Maturity	24.A	2,303,071	1,918,097
Provision for Gratuity	25.A	10,704,767	7,706,659
		2,703,792,065	3,109,918,629
F Current Liabilities			
Term Loan-Current Maturity	23.B	464,171,016	453,159,214
Finance Lease Liability-Current Maturity	24.B	2,397,373	2,928,519
Short term Liabilities	26.A	768,901,808	484,716,916
Liabilities for Expenses	27.A	4,876,500	750,306
Provision for Tax	28.A	43,608,227	114,849,173
Payable for WPPF	29.A	20,877,550	19,653,422
Accounts Payable	30.A	466,615,589	51,343,919
Other Payables	31.A	2,312,020	59,459
		1,773,760,083	1,127,460,928
G TOTAL EQUITY & LIABILITIES (D+E+F)			
		8,779,525,151	8,254,317,046
Net Asset Value Per Share (NAVPS)			
		20.12	19.86

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 26, 2017 and signed for and on behalf of the board.



Company Secretary



Head of Finance



Director



Managing Director



Chairman

Signed in terms of our separate report of even date.

Dated: Sylhet
October 26, 2017



(Malek Siddiqui Wali)

Chartered Accountants

BARAKA POWER LIMITED & ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2017

Particulars	Notes	For the year ended June 30, 2017 Amount (Tk.)	For the year ended June 30, 2016 Amount (Tk.)
Revenue	32.A	3,485,450,033	2,960,310,153
Cost of Revenue	33.A	(2,370,354,889)	(1,838,577,544)
Gross Profit		1,115,095,144	1,121,732,609
Other Income	34.A	27,540,921	8,518,484
General & Administrative Expenses	35.A	(154,200,031)	(163,649,186)
Operating Profit		988,436,034	966,601,907
Financial Expenses	36.A	(288,405,141)	(313,708,420)
Profit before WPPF		700,030,893	652,893,487
Contribution to WPPF		(20,877,550)	(19,653,422)
Profit before Tax		679,153,343	633,240,065
Over Provision in Prior year's Income Tax Expenses		484,997	-
Income Tax Expenses	37.A	(69,083,031)	(53,804,430)
Net Profit after Tax		610,555,309	579,435,635
Other Comprehensive Income/(loss) from Investment in Marketable Securities		(79,290)	-
Total Comprehensive Income For The Year		610,476,019	579,435,635
Profit Attributable To:			
Owners of the company		457,769,550	439,055,840
Non controlling interest		152,785,759	140,379,795
		610,555,309	579,435,635
Total Comprehensive Income Attributable To:			
Owners of the company		457,710,493	439,055,840
Non controlling interest		152,765,526	140,379,795
		610,476,019	579,435,635
Earnings per Share:			
Basic Earnings per Share (par value Tk. 10 each)	38.A	2.63	2.52

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 26, 2017 and signed for and on behalf of the board.



Company Secretary



Head of Finance



Director



Managing Director



Chairman



(Malek Siddiqui Wali)
Chartered Accountants

Signed in terms of our separate report of even date.

Dated: Sylhet
October 26, 2017

BARAKA POWER LIMITED & ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity For the year ended June 30, 2017

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 01-07-2016	1,656,776,720	970,000,000	-	663,882,068	3,290,658,788	726,278,701	4,016,937,489
Net Profit/(Loss) during the year	-	-	-	457,769,550	457,769,550	152,785,759	610,555,309
Increase/(Decrease) in Fair Value	-	-	(59,057)	-	(59,057)	(20,233)	(79,290)
Non-Controlling Interest Arised on Acquisition	-	-	-	-	-	(28,303,741)	(28,303,741)
Issue of Bonus Share @ 5%(2015-2016)	82,838,830	-	-	(82,838,830)	-	-	-
Payment of Cash Dividend @ 15% (2015-2016)	-	-	-	(248,516,514)	(248,516,514)	-	(248,516,514)
Interim Cash Dividend of Subsidiary @ 10% (2016-2017)	-	-	-	-	-	(48,620,250)	(48,620,250)
Balance as on 30-06-2017	1,739,615,550	970,000,000	(59,057)	790,296,274	3,499,852,767	802,120,236	4,301,973,003

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 01-07-2015	1,534,052,520	970,000,000	-	470,274,630	2,974,327,150	632,203,906	3,606,531,056
Net Profit/(Loss) during the year	-	-	-	439,055,840	439,055,840	140,379,795	579,435,635
Payment of Cash Dividend @ 8% (2014-2015)	-	-	-	(122,724,202)	(122,724,202)	-	(122,724,202)
Issue of Bonus Share @ 8%(2014-2015)	122,724,200	-	-	(122,724,200)	-	-	-
Interim Cash Dividend of Subsidiary @ 10% (2015-16)	-	-	-	-	-	(46,305,000)	(46,305,000)
Balance as on 30-06-2016	1,656,776,720	970,000,000	-	663,882,068	3,290,658,788	726,278,701	4,016,937,489

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 26, 2017 and signed for and on behalf of the board.


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our separate report of even date.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BARAKA POWER LIMITED & ITS SUBSIDIARIES

Consolidated Statement of Cash Flows For the year ended June 30, 2017

Particulars	For the year ended June 30, 2017 Amount (Tk.)	For the year ended June 30, 2016 Amount (Tk.)
Cash Flow from Operating Activities:		
Cash Receipts from Customer	3,106,752,695	2,933,042,289
Cash Paid to Suppliers & Others	(2,073,857,586)	(1,757,623,410)
Cash Generated from operating Activities	1,032,895,109	1,175,418,879
Income Tax paid	(81,740,106)	(62,160,367)
Financial Expenses	(338,738,850)	(272,082,776)
Net Cash from Operating Activities	612,416,153	841,175,736
Cash Flow from Investing Activities:		
Payment against PPE	(35,512,624)	(65,779,177)
Acquisition of Subsidiary	34,646,123	-
Investment in Marketable Securities	(14,187,479)	-
Dividend Received	45,000	-
Disposal of Associates	450,000	-
Disposal of PPE	-	850,001
Investment in Associate	-	(450,000)
Net Cash Provided by / (Used in) Investing Activities	(14,558,980)	(65,379,176)
Cash Flow from Financing Activities:		
Finance Lease Repayment	(2,928,520)	(2,555,945)
Short Term Liabilities	257,301,714	(490,768,640)
Term Loan Repayment	(589,997,071)	(94,784,654)
Interim Dividend paid to Minority shareholders	(48,620,250)	(46,305,000)
Dividend paid	(248,516,514)	(122,724,202)
Net Cash Used in Financing Activities	(632,760,641)	(757,138,441)
Net Cash Inflow/(Outflow) for the year	(34,903,468)	18,658,119
Opening Cash & Cash Equivalents	139,930,897	121,272,778
Closing Cash & Cash Equivalents	105,027,429	139,930,897
Net Operating Cash Flows Per Share (NOCFPS)	3.52	5.08
The above balance consists of the following:		
Cash in Hand	6,989,024	4,656,648
Cash at Bank	88,180,266	45,270,249
Fixed Deposit Receipts	9,856,000	90,004,000
Cash Available on BO A/C at year end	2,139	-
	105,027,429	139,930,897

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 26, 2017 and signed for and on behalf of the board.


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our separate report of even date.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BARAKA POWER LIMITED & ITS SUBSIDIARIES

Consolidated Schedule for Property, Plant & Equipment As on June 30, 2017

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
Cost											
Balance at 01 July 2015	237,111,395	5,125,005	13,662,421	11,203,040	14,762,543	10,772,336	483,836,142	-	13,061,678	5,483,798,257	6,273,332,817
Addition during the year	19,478,738	200,122	1,864,608	32,000	4,232,513	-	46,293,724	-	2,032,469	316,974,993	391,109,167
Adjustment	-	-	-	-	(2,675,653)	-	-	-	-	-	(2,675,653)
Balance at 30 June 2016	256,590,133	5,325,127	15,527,029	11,235,040	16,319,403	10,772,336	530,129,866	-	15,094,147	5,800,773,250	6,661,766,331
Balance at 01 July 2016	256,590,133	5,325,127	15,527,029	11,235,040	16,319,403	10,772,336	530,129,866	-	15,094,147	5,800,773,250	6,661,766,331
Added on Acquisition	122,500,000	3,104,783	12,878,204	-	-	-	9,562,000	-	-	70,713,131	218,758,118
Addition during the year	-	1,187,379	1,817,370	-	8,500,000	2,971,156	40,411,300	-	-	3,182,689	58,069,894
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 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
Accumulated Depreciation											
Balance at 01 July 2015	-	1,961,979	9,243,607	6,162,061	10,602,041	3,815,202	56,600,695	-	8,716,816	414,786,481	511,888,882
Charged during the year	-	518,469	1,909,147	1,831,455	2,623,039	2,693,084	34,073,081	-	1,868,257	184,380,981	229,897,513
Adjustment	-	-	-	-	(2,051,333)	-	-	-	-	-	(2,051,333)
Balance at 30 June 2016	-	2,480,448	11,152,754	7,993,516	11,173,747	6,508,286	90,673,776	-	10,585,073	599,167,462	739,735,062
Balance at 01 July 2016	-	2,480,448	11,152,754	7,993,516	11,173,747	6,508,286	90,673,776	-	10,585,073	599,167,462	739,735,062
Added on Acquisition	-	232,886	1,872,129	-	-	-	-	1,061,960	-	9,739,847	12,906,822
Charged during the year	-	611,553	2,234,508	1,684,954	3,050,978	2,891,161	35,584,280	318,734	1,429,904	177,028,276	224,834,348
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 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
Written Down Value											
At 30 June 2016	256,590,133	2,844,679	4,374,275	3,241,524	5,145,656	4,264,050	439,456,090	-	4,509,074	5,201,605,788	5,922,031,269
At 30 June 2017	379,090,133	6,292,402	14,963,212	1,556,570	10,594,678	4,344,045	444,283,110	8,181,306	3,079,170	5,088,733,485	5,961,118,111

Allocation of Depreciation:

	For the year ended June 30, 2017	For the year ended June 30, 2016
Cost of Sales	178,776,914	186,249,238
General & Administrative Expenses	46,057,434	43,648,275
Total	224,834,348	229,897,513

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

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

BARAKA POWER LIMITED & ITS SUBSIDIARIES

CONSOLIDATED SCHEDULE OF INTANGIBLE ASSETS As on June 30, 2017

Schedule-A

Particulars	IT Software- Tally Acc. Software	Share Management Software	Website Development	Payroll Software	Total
Rate of Amortization	20.00%	20.00%	20.00%	20.00%	
Cost					
Balance at 01 July 2015	140,000	200,000	107,500	-	447,500
Addition during the year	-	-	-	-	-
Adjustment	-	-	-	-	-
Balance at 30 June 2016	140,000	200,000	107,500		447,500
Balance at 01 July 2016	140,000	200,000	107,500	-	447,500
Added on Acquisition	-	-	110,000	560,000	560,000
Addition during the year	-	-	-	-	110,000
Adjustment	-	-	-	-	-
Balance at 30 June 2017	140,000	200,000	217,500	560,000	1,117,500
Accumulated Amortization					
Balance at 01 July 2015	113,249	130,417	71,375	-	315,041
Charged during the year	26,751	40,000	21,500	-	88,251
Adjustment	-	-	-	-	-
Balance at 30 June 2016	140,000	170,417	92,875		403,292
Balance at 01 July 2016	140,000	170,417	92,875	-	403,292
Added on Acquisition	-	29,583	14,625	39,333	39,333
Charged during the year	-	-	-	18,667	62,875
Adjustment	-	-	-	-	-
Balance at 30 June 2017	140,000	200,000	107,500	58,000	505,500
Written Down Value					
At 30 June 2016	-	29,583	14,625	-	44,208
At 30 June 2017	-	-	110,000	502,000	612,000

BARAKA POWER LIMITED

STATEMENT OF FINANCIAL POSITION

As on June 30, 2017

Particulars	Notes	As on June 30, 2017 Amount (Tk.)	As on June 30, 2016 Amount (Tk.)
ASSETS			
A Non-Current Assets			
Property, Plant & Equipment	4.00	1,920,893,174	1,985,620,579
Intangible Assets	5.00	110,000	44,208
Investment in Subsidiary	8.00	482,103,000	481,950,000
Pre-Operating Expenses	10.00	21,417,453	24,338,015
		2,424,523,627	2,491,952,802
B Current Assets			
Inventories	11.00	337,683,573	372,155,411
Investment in Marketable Securities-Held for Sale	12.00	6,727,067	-
Accounts Receivables	13.00	233,502,796	249,801,941
Other Receivables	14.00	414,391,260	117,446,066
Subsidiary Company Balance	15.00	326,150,640	-
Advances, Deposits & Pre-payments	16.00	167,907,010	240,167,888
Cash & Cash Equivalents	17.00	45,933,545	80,520,062
		1,532,295,891	1,060,091,368
C TOTAL ASSETS (A+B)			
		3,956,819,518	3,552,044,170
EQUITY & LIABILITIES			
D Total Equity			
Share Capital	18.00	1,739,615,550	1,656,776,720
Share Premium	19.00	970,000,000	970,000,000
Fair Value Reserve	20.00	(37,999)	-
Retained Earnings	21.00	392,332,662	385,050,674
		3,101,910,213	3,011,827,394
E Non-Current Liabilities			
Term Loan-Non Current Maturity	23.00	124,908,910	204,844,497
Finance Lease Liability-Non Current Maturity	24.00	2,303,071	-
Provision for Gratuity	25.00	10,704,767	7,706,659
		137,916,748	212,551,156
F Current Liabilities			
Term Loan-Current Maturity	23.00	92,671,312	107,108,577
Finance Lease Liability-Current Maturity	24.00	479,277	-
Short Term Liabilities	26.00	466,092,498	-
Subsidiary Company Balance	15.00	-	20,097,645
Liabilities for Expenses	27.00	320,731	309,622
Provision for Tax	28.00	75,864,474	134,202,543
Payable for WPPF	29.00	20,877,550	19,653,422
Accounts Payable	30.00	59,191,291	46,234,352
Other Payables	31.00	1,495,424	59,459
		716,992,557	327,665,620
G TOTAL EQUITY & LIABILITIES (D+E+F)			
		3,956,819,518	3,552,044,170
Net Asset Value Per Share (NAVPS)			
		17.83	18.18

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 26, 2017 and signed for and on behalf of the board.



Company Secretary



Head of Finance



Director



Managing Director



Chairman

Signed in terms of our separate report of even date.

Dated: Sylhet
October 26, 2017



(Malek Siddiqui Wali)
Chartered Accountants

BARAKA POWER LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended June 30, 2017

Particulars	Notes	For the year ended June 30, 2017 Amount (Tk.)	For the year ended June 30, 2016 Amount (Tk.)
Revenue	32.00	779,242,654	841,125,119
Cost of Revenue	33.00	(315,622,018)	(355,076,138)
Gross Profit		463,620,636	486,048,981
Other Income	34.00	99,405,235	52,333,629
General & Administrative Expenses	35.00	(89,099,225)	(90,089,279)
Operating Profit		473,926,646	448,293,331
Financial Expenses	36.00	(35,498,097)	(35,571,474)
Profit before WPPF		438,428,549	412,721,857
Contribution to WPPF		(20,877,550)	(19,653,422)
Profit before Tax		417,550,999	393,068,435
Income Tax Expenses	37.00	(78,913,667)	(61,403,839)
Net Profit after Tax		338,637,332	331,664,596
Other Comprehensive Income/(loss) from Investment in Marketable Securities	12.00	(37,999)	-
Total comprehensive income for the year		338,599,333	331,664,596
Earnings per Share:			
Basic Earnings per Share (par value Tk. 10 each)	38.00	<u>1.95</u>	<u>1.91</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 26, 2017 and signed for and on behalf of the board.



Company Secretary



Head of Finance



Director



Managing Director



Chairman

Signed in terms of our separate report of even date.
Dated: Sylhet
October 26, 2017



(Malek Siddiqui Wali)
Chartered Accountants

BARAKA POWER LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended June 30, 2017

Amount in Taka

Particulars	Share Capital	Share Premium	Fair Value Reserve	Retained Earnings	Total
Balance as on 01-07-2016	1,656,776,720	970,000,000	-	385,050,674	3,011,827,394
Net Profit/(Loss) during the year			(37,999)	338,637,332	338,599,333
Transactions with the shareholders:					
Issue of Bonus Share @ 05% (2015-2016)	82,838,830			(82,838,830)	-
Payment of Cash Dividend @ 15% (2015-2016)				(248,516,514)	(248,516,514)
Balance as on 30-06-2017	1,739,615,550	970,000,000	(37,999)	392,332,662	3,101,910,213

Amount in Taka

Particulars	Share Capital	Share Premium	Fair Value Reserve	Retained Earnings	Total
Balance as on 01-07-2015	1,534,052,520	970,000,000	-	298,834,480	2,802,887,000
Net Profit/(Loss) during the year			-	331,664,596	331,664,596
Transactions with the shareholders:					
Issue of Bonus Share @ 08% (2014-2015)	122,724,200			(122,724,200)	-
Payment of Cash Dividend @ 08% (2014-2015)				(122,724,202)	(122,724,202)
Balance as on 30-06-2016	1,656,776,720	970,000,000	-	385,050,674	3,011,827,394

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 26, 2017 and signed for and on behalf of the board.


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our separate report of even date.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BARAKA POWER LIMITED

STATEMENT OF CASH FLOWS For the year ended June 30, 2017

Particulars	For the year ended June 30, 2017 Amount (Tk.)	For the year ended June 30, 2016 Amount (Tk.)
Cash Flow from Operating Activities:		
Cash Receipts from Customer	541,869,303	652,180,326
Cash Paid to Suppliers & Others	(289,171,764)	(434,835,923)
Cash Generated from operating Activities	252,697,539	217,344,403
Income Tax paid	(77,342,354)	(62,023,177)
Financial Expenses	(35,198,588)	(33,384,384)
Net Cash from Operating Activities	140,156,597	121,936,842
Cash Flow from Investing Activities:		
Payment against PPE	(1,491,435)	(39,045,906)
Investment in Subsidiary	(153,000)	-
Investment in Marketable Securities	(7,499,224)	-
Dividend Received	50,649,750	48,195,000
Net Cash Provided by / (Used in) Investing Activities	41,506,091	9,149,094
Cash Flow from Financing Activities:		
Short term liabilities	466,092,498	(47,609,058)
Payment of Term Loan	(93,793,849)	(87,659,460)
Dividend paid	(248,516,514)	(122,724,202)
Transaction with Subsidiary	(340,031,340)	124,479,440
Net Cash Used in Financing Activities	(216,249,205)	(133,513,280)
Net Cash Inflow/(Outflow) for the year	(34,586,517)	(2,427,344)
Opening Cash & Cash Equivalents	80,520,062	82,947,406
Closing Cash & Cash Equivalents	45,933,545	80,520,062
Net Operating Cash Flows Per Share (NOCFPS)	0.81	0.74
The above balance consists of the following:		
Cash in Hand	2,477,900	1,464,752
Cash at Bank	43,454,869	41,605,310
Fixed Deposit Receipts	-	37,450,000
Cash Available on BO A/C at year end	776	-
	45,933,545	80,520,062

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of October 26, 2017 and signed for and on behalf of the board.


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our separate report of even date.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BARAKA POWER LIMITED

Schedule for Property, Plant & Equipment

As on June 30, 2017

Particulars	Schedule-B										Total
	Land & Land Development	Furniture & fixture	Office & Electrical Equipment	Office Decoration	Motor Vehicles	Motor Vehicles (Leasehold Asset)	Building & Civil Construction	Maintenance Equipment	Plant & Machineries		
Depreciation Rate	0%	10%	20%	20%	20%	20%	6.67%	20%	3%		
Cost											
Balance at 01 July 2015	109,362,515	3,116,569	8,790,133	6,634,375	7,664,287	-	82,176,991	9,838,428	1,827,390,449	2,054,973,747	
Addition during the year	18,501,238	25,194	763,000	32,000	4,232,513	-	46,293,724	-	316,974,993	386,822,662	
Adjustment	-	-	-	-	-	-	-	-	-	-	
Balance at 30 June 2016	127,863,753	3,141,763	9,553,133	6,666,375	11,896,800	-	128,470,715	9,838,428	2,144,365,442	2,441,796,409	
Balance at 01 July 2016	127,863,753	3,141,763	9,553,133	6,666,375	11,896,800	-	128,470,715	9,838,428	2,144,365,442	2,441,796,409	
Addition during the year	-	449,700	681,920	-	8,500,000	2,971,156	-	-	-	12,602,776	
Adjustment	-	-	-	-	-	-	-	-	-	-	
Balance at 30 June 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	
Accumulated Depreciation											
Balance at 01 July 2015	-	1,613,199	7,862,246	4,574,816	7,226,687	-	30,221,632	8,492,015	310,423,014	370,413,609	
Charged during the year	-	313,967	841,572	917,722	1,292,574	-	7,282,416	967,653	74,146,317	85,762,221	
Adjustment	-	-	-	-	-	-	-	-	-	-	
Balance at 30 June 2016	-	1,927,166	8,703,818	5,492,538	8,519,261	-	37,504,048	9,459,668	384,569,331	456,175,830	
Balance at 01 July 2016	-	1,927,166	8,703,818	5,492,538	8,519,261	-	37,504,048	9,459,668	384,569,331	456,175,830	
Charged during the year	-	333,678	582,030	771,221	2,166,457	198,077	8,568,995	378,760	64,330,963	77,330,181	
Adjustment	-	-	-	-	-	-	-	-	-	-	
Balance at 30 June 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	
Written Down Value											
At 30 June 2016	127,863,753	1,214,597	849,315	1,173,837	3,377,539	-	90,966,667	378,760	1,759,796,111	1,985,620,579	
At 30 June 2017	127,863,753	1,330,619	949,205	402,616	9,711,082	2,773,079	82,397,672	-	1,695,465,148	1,920,893,174	

	For the year ended June 30, 2017	For the year ended June 30, 2016
Allocation of Depreciation:		
Cost of Sales	64,709,723	75,113,970
General & Administrative Expenses	12,620,458	10,648,251
Total	77,330,181	85,762,221

(Depreciation expenses on Plant & Machinery and Maintenance Equipment considered as direct expenses)
(Other than depreciation expenses on Plant & Machinery and Maintenance Equipment considered as indirect expenses)

BARAKA POWER LIMITED

Schedule of Intangible Assets As on June 30, 2017

Schedule-B

Particulars	IT Software- Tally Acc. Software	Share Management Software	Website Development	Total
Rate of Amortization	20.00%	20.00%	20.00%	
<u>Cost</u>				
Balance at 01 July 2015	140,000	200,000	107,500	447,500
Addition during the year	-	-	-	-
Adjustment	-	-	-	-
Balance at 30 June 2016	140,000	200,000	107,500	447,500
Balance at 01 July 2016	140,000	200,000	107,500	447,500
Addition during the year	-	-	110,000	110,000
Adjustment	-	-	-	-
Balance at 30 June 2017	140,000	200,000	217,500	557,500
<u>Accumulated Amortization</u>				
Balance at 01 July 2015	113,249	130,417	71,375	315,041
Charged during the year	26,751	40,000	21,500	88,251
Adjustment	-	-	-	-
Balance at 30 June 2016	140,000	170,417	92,875	403,292
Balance at 01 July 2016	140,000	170,417	92,875	403,292
Charged during the year	-	29,583	14,625	44,208
Adjustment	-	-	-	-
Balance at 30 June 2017	140,000	200,000	107,500	447,500
<u>Written Down Value</u>				
At 30 June 2016	-	29,583	14,625	44,208
At 30 June 2017	-	-	110,000	110,000

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

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 Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other laws and regulations applicable in Bangladesh.

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

BAS - 1	Presentation of Financial Statements
BAS - 2	Inventories
BAS - 7	Statement of Cash Flows
BAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10	Events after the reporting period
BAS - 12	Income Taxes
BAS - 16	Property, Plant & Equipment
BAS - 17	Leases
BAS - 18	Revenue
BAS - 21	The Effects of change in foreign exchange rates
BAS - 23	Borrowing Costs
BAS - 24	Related Party Disclosures
BAS - 27	Separate Financial Statements
BAS - 28	Investments in Associates and Joint Ventures
BAS - 33	Earnings Per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets.
BAS - 38	Intangible Assets
BFRS - 9	Financial Instruments
BFRS - 10	Consolidated Financial Statements
BFRS - 13	Fair Value Measurement

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

2.02 Other regulatory compliances

In addition to the aforesaid, the Company is also required to comply with the following 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
Securities and Exchange Ordinance, 1969
Securities and Exchange Rules, 1987

2.03 Date of authorization :

The Board of Directors authorized the financial statements for issue on October 26, 2017.

2.04 Reporting Period :

The financial period of the Company covers one year from July 01, 2016 to June 30, 2017.

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" basis which is one of the most commonly adopted basis as provided in "The Framework for the Preparation and Presentation of Financial Statements" issued by the Bangladesh Accounting Standards (BAS).

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 Bangladesh Accounting Standard (BAS).

2.08 Use of Estimates and Judgment:

The preparation of financial statements in conformity with BASs 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 27: Liabilities for expenses;
Note 28: Provision for Tax.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

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.

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 BFRS 10, BAS 27 & BAS 28 in times of preparing consolidated financial statement and accounted for investment in associates. As per BAS 27 Para 10, investment in associates has been accounted for in the financial statements under "Cost Method". Baraka Power Limited has held shares 51 % as well as management control over as per BAS 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
Baraka Patenga Power Limited	June 07, 2011	51%	49%	Power Generation
Bela Fashions Limited	May 01, 2017	51%	49%	Ready Made Garments

3.02 Property, Plant and Equipment:

a. Recognition and Measurement:

In compliance with BAS-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.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

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

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, 2017:

Name of the Assets	Baraka Power Limited	Subsidiary Company	
		Baraka Patenga Power Limited	Bela Fashions Limited
Land & Land development	0.00%	0.00%	0.00%
Furniture & Fixtures	10.00%	10.00%	10.00%
Office & Electrical Equipment	20.00%	20.00%	20.00%
Office Decoration	20.00%	20.00%	-
Motor Vehicles	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.

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 BAS 38: Intangible assets. The cost of the Intangible assets comprises its purchase price and any costs directly attributable to the assets.

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.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

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 BAS-1 "Presentation of Financial Statements" and BAS-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 BAS-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 BAS-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. This gratuity scheme is not recognized by the National Board of Revenue. 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 BAS 19: Employment Benefits, such valuation is not likely to yield a result significantly different from the current provision.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

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.

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 BAS-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 BAS-23: Borrowing Cost.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

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.

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, 2017 the assessment of indicators of impairment reveals that impairment testing is not required for the company.

3.19 Related party disclosure:

As per Bangladesh Accounting Standard (BAS -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 basis with its related parties.

3.20 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.

3.21 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.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
4.00 Property, Plant & Equipment: Tk. 1,920,893,174		
<u>Cost</u>		
Opening Balance	2,441,796,409	2,054,973,747
Add: Addition during the year	12,602,776	386,822,662
	<u>2,454,399,185</u>	<u>2,441,796,409</u>
Less: Adjustment during the year	-	-
Closing Balance of Cost	<u>2,454,399,185</u>	<u>2,441,796,409</u>
<u>Accumulated Depreciation</u>		
Opening Balance	456,175,830	370,413,609
Add: Charged during the year	77,330,181	85,762,221
	<u>533,506,011</u>	<u>456,175,830</u>
Less: Adjustment during the year	-	-
Closing Balance of Depreciation	<u>533,506,011</u>	<u>456,175,830</u>
Written Down Value	<u>1,920,893,174</u>	<u>1,985,620,579</u>
<i>Details of Property, Plant & Equipment is stated in "Schedule - B".</i>		
<i>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.</i>		
4.A Consolidated Property, Plant & Equipment: Tk. 5,961,118,111		
Baraka Power Limited	1,920,893,174	1,985,620,579
Baraka Patenga Power Ltd.	3,850,792,905	3,954,491,678
Bela Fashions Limited	207,513,019	-
	<u>5,979,199,098</u>	<u>5,940,112,257</u>
Less: Inter company adjustment	18,080,987	18,080,987
Total	<u>5,961,118,111</u>	<u>5,922,031,270</u>
<i>Details of Consolidated Property, Plant & Equipment is stated in Schedule-A</i>		
5.00 Intangible Assets: Tk. 110,000		
<u>Cost</u>		
Opening Balance	447,500	447,500
Addition during the year	110,000	-
Adjustment during the year	-	-
Closing Balance of Cost	<u>557,500</u>	<u>447,500</u>
<u>Accumulated Depreciation</u>		
Opening Balance	403,292	315,041
Charged during the year	44,208	88,251
Adjustment during the year	-	-
Closing Balance of Depreciation	<u>447,500</u>	<u>403,292</u>
Written Down Value	<u>110,000</u>	<u>44,208</u>
<i>Details of Intangible Assets is stated in Schedule-B</i>		
5.A Consolidated Intangible Assets: Tk. 612,000		
Baraka Power Limited	110,000	44,208
Baraka Patenga Power Ltd.	-	-
Bela Fashions Limited	502,000	-
Total	<u>612,000</u>	<u>44,208</u>
<i>Details of Consolidated Intangible Assets is stated in Schedule-A</i>		

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
6.00 Consolidated Goodwill on Acquisition: Tk. 30,147,495		
Baraka Patenga Power Limited	1,768,182	-
Acquisition of Subsidiary (Bela Fashions Ltd.) (Note: 6.01)	28,379,313	-
Total	30,147,495	-
6.01 Goodwill on Acquisition of Subsidiary: Tk. 28,379,313		
Cost of Acquisition	153,000	-
Less: Share of Net Assets Acquired (Note: 06.01.01)	28,226,313	-
Goodwill on Acquisition of Subsidiary	28,379,313	-
6.01.01 Share of Net Assets Acquired		
Share Capital	300,000	-
Retained Earnings Brought Forward	(4,464,626)	-
Pre-acquisition Profit/(loss)	(51,181,086)	-
Net Assets	(55,345,712)	-
Holding Company Portion (51%)	(28,226,313)	-
7.00 Consolidated Capital Work in Progress: Tk. Nil		
Baraka Power Limited	-	-
Baraka Patenga Power Ltd.	-	33,208,342
Bela Fashions Limited	-	-
Total	-	33,208,342
8.00 Investment in subsidiary: TK. 482,103,000		
Investment as share capital in BPPL (51%)	481,950,000	481,950,000
Investment as share capital in Bela Fashions Ltd. (51%)	153,000	-
Total	482,103,000	481,950,000
<p><i>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) has been owned 51% shares of BPPL. As a result of 5% stock dividend declared by 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 @ Tk. 10 each.</i></p> <p><i>Baraka Power Limited has been purchased 51% equity (15,300 ordinary shares @ Tk. 10 each) of Bela Fashions Limited, a 100% export oriented woven ready-made garments factory with production capacity of 10 line.</i></p>		
8.A Consolidated Investment in Subsidiary: Nil		
Baraka Power Limited	482,103,000	481,950,000
Baraka Patenga Power Ltd.	-	-
Bela Fashions Limited	-	-
Total	482,103,000	481,950,000
Less: Inter company adjustment	482,103,000	481,950,000
Total	-	-

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
9.00 Consolidated Investment in Associate: Tk. Nil		
Baraka Power Limited	-	-
Baraka Patenga Power Ltd.	-	960,000
Bela Fashions Limited	-	-
	<u>-</u>	<u>960,000</u>
Less: Inter company adjustment	-	-
Total	<u><u>-</u></u>	<u><u>960,000</u></u>
10.00 Pre-operating Expenses: Tk. 21,417,453		
<u>Original cost</u>		
Beginning Balance	43,808,428	43,808,428
Add: Addition during the year	-	-
Ending Balance (A)	<u>43,808,428</u>	<u>43,808,428</u>
<u>Amortization expenses</u>		
Beginning Balance	19,470,413	16,549,851
Add: Charged during the year	2,920,562	2,920,562
Ending Balance (B)	<u>22,390,975</u>	<u>19,470,413</u>
Total (A-B)	<u>21,417,453</u>	<u>24,338,015</u>
<i>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 -1, Schedule-XI of Companies Act, 1994.</i>		
10.A Consolidated Pre-operating Expenses: Tk. 21,417,453		
Baraka Power Limited	21,417,453	24,338,015
Baraka Patenga Power Ltd.	-	-
Bela Fashions Limited	-	-
Total	<u>21,417,453</u>	<u>24,338,015</u>
11.00 Inventories: Tk. 337,683,573		
Opening Balance	372,155,411	295,881,149
Add: Purchase during the period	13,168,068	121,130,719
	<u>385,323,479</u>	<u>417,011,868</u>
Less: Consumption during the period	47,639,906	44,856,457
Closing Balance (Note-11.01)	<u>337,683,573</u>	<u>372,155,411</u>
<i>Inventory Stock has been checked and verifies by the management at the close of the year. Net realizable value of above inventory items are higher than its acquisition cost. Hence, all these items of inventories were valued at cost.</i>		
11.01 Closing Balance of Inventories: Tk. 337,683,573		
	Quantity	
Spare Parts	39,232 Pcs	314,755,937
Lube Oil	74,749 Ltr	22,915,384
Other Lubricants	1.56 Kg	12,252
Total		<u>337,683,573</u>
11.A Consolidated Inventories: Tk. 954,028,350		
Baraka Power Limited		337,683,573
Baraka Patenga Power Ltd.		593,283,728
Bela Fashions Limited		23,061,049
Closing Balance		<u>954,028,350</u>
		<u>856,472,211</u>

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
12.00 Investment in Marketable Securities-Held for Sale: Tk. 6,727,067		
Cost		
Opening Balance	-	-
Addition during the year	7,500,000	-
Withdrawal during the year	-	-
Cash Available on BO A/C at year end	(776)	-
Closing Balance (A)	7,499,224	-
Gain/(loss)		
Realized Gain/(loss)	(725,816)	-
Realized BO Charges	(8,342)	-
Change in Fair Value of Marketable Securities	(37,999)	-
Closing Balance (B)	(772,157)	-
Fair Value of Marketable Securities (A-B)	6,727,067	-

Details of Current Investment-

Investment Sector	No. of Shares	Market Price	Cost Price	Market value as on 30-06-2017	Change in Fair Value as on 30-06-2017
Pharmaceuticals & Chemicals	3,500	247.90	878,165	867,650	(10,515)
Engineering	41,500	134.90	5,603,687	5,598,350	(5,337)
Financial Institutions	3,516	45.20	176,504	158,923	(17,581)
Miscellaneous	1,920	53.20	106,710	102,144	(4,566)
Total			6,765,066	6,727,067	(37,999)

12.A Consolidated Investment in Marketable Securities-Held for Sale: Tk. 13,374,031

Baraka Power Limited	6,727,067	-
Baraka Patenga Power Ltd.	6,646,964	-
Bela Fashions Limited	-	-
Total	13,374,031	-

13.00 Accounts Receivables: Tk. 233,502,796

Bangladesh Power Development Board (BPDB)	233,502,796	249,801,941
Total	233,502,796	249,801,941

Aging Schedule of Accounts Receivables

Duration		
Invoiced 0-30 days	95,090,179	75,113,593
Invoiced 31-60 days	58,247,687	84,054,291
Invoiced 61-90 days	4,685,536	-
Invoiced 91-180 days	237,619	10,726,541
Invoiced 181-365 days	-	42,705,085
Invoiced over 365 days	75,241,775	37,202,431
Total	233,502,796	249,801,941

Discloser as per Para F of Schedule XI, Para-1 of the Companies Act, 1994

Debts exceeding 06 months	75,241,775	79,907,516
Other debts less provision	158,261,021	169,894,425
	233,502,796	249,801,941
Debts considered good and secured	233,502,796	249,801,941
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	-	-
	233,502,796	249,801,941

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
13.A Consolidated Accounts Receivables: Tk. 1,030,061,653		
Baraka Power Limited	233,502,796	249,801,941
Baraka Patenga Power Ltd.	766,765,565	645,097,838
Bela Fashions Limited	29,793,292	-
Total	<u>1,030,061,653</u>	<u>894,899,779</u>
14.00 Other Receivables: Tk. 414,391,260		
Receivable from Related Parties		
Queens Healthcare Limited	2,555	-
Royal Homes Limited	124,644,204	-
Baraka Apparels Limited	192,673,930	80,683,242
Karnaphuli Power Limited (KPL)	54,515,490	406,731
Royal Educare Limited	42,103,801	36,031,908
Total (A)	<u>413,939,980</u>	<u>117,121,881</u>
Receivable from others		
Mr. Nazmul Hassan Chowdhury	405,620	250,000
Little Scholars	15,660	-
P&H Associates	30,000	-
Greenland Equities Limited	-	12,652
Podder & Associates Ltd	-	61,533
Total (B)	<u>451,280</u>	<u>324,185</u>
Total Receivable (A+B)	<u>414,391,260</u>	<u>117,446,066</u>
14.A Consolidated Others Receivables: Tk. 414,616,629		
Baraka Power Limited	414,391,260	117,446,066
Baraka Patenga Power Ltd.	10,000	16,000
Bela Fashions Limited	54,730,859	-
	469,132,119	117,462,066
Less: Inter company Adjustment	54,515,490	-
Total	<u>414,616,629</u>	<u>117,462,066</u>
15.00 Subsidiary Company Balance: Tk. 326,150,640		
Baraka Patenga Power Limited	-	(20,097,645)
Bela Fashions Limited	326,150,640	-
Total	<u>326,150,640</u>	<u>(20,097,645)</u>

Baraka Patenga Power Limited & Bela Fashions Limited are the subsidiaries of Baraka Power Limited and necessary Funds are provided/received for smooth operation of projects at the rate of 13% p.a and 12% p.a respectively.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
16.00 Advances, Deposits & Pre-payments: Tk. 167,907,010		
Advances:		
Advance Income Tax	58,073,750	117,983,132
Advance against Inventory & PPE (Note : 16.01)	19,564,286	25,983,281
Advance against Employees' Car Loan*	1,717,312	4,194,608
Advance against rent of Vehicle	-	2,400,000
Sub Total	79,355,348	150,561,021
Deposits:		
Deposit for Bank Guarantee	84,060,806	84,060,806
Sub Total	84,060,806	84,060,806
Prepayments:		
Prepayment for Office Rent	1,405,840	1,606,440
Prepayment for Financial Expenses	1,757,632	2,636,144
Prepayment against Insurance Premium	1,327,384	1,303,477
Sub Total	4,490,856	5,546,061
Grand Total	167,907,010	240,167,888

*Employees' car loan is considered as good and collectable/adjustable against monthly salary. The loan will be adjusted within one year of Tk. 643,992 and more than one year of Tk. 1,073,320.

16.01 Advance against Inventory & PPE :Tk. 19,564,286

Inventory Software	100,000	100,000
Commercial Space*	14,400,000	14,400,000
Advance against Vehicle	-	8,500,000
Advance against Vehicle (Leasehold)	61,007	-
Land and Land Developments	2,550,000	2,550,000
Spare Parts	2,453,279	433,281
Total	19,564,286	25,983,281

* Baraka Power Limited has agreed to purchase 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.

16.A Consolidated Advances, Deposits & Pre-payments:Tk. 249,122,000

Baraka Power Limited	167,907,010	240,167,888
Baraka Patenga Power Ltd.	79,746,306	24,802,370
Bela Fashions Limited	1,468,684	-
Total	249,122,000	264,970,258

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
17.00 Cash & Cash Equivalents: Tk.45,933,545		
Cash in Hand	2,477,900	1,464,752
Sub Total	2,477,900	1,464,752
<u>Cash at Bank</u>		
Trust Bank Ltd., Sylhet Cor. Br.	-	2,676,378
Trust Bank Ltd., SND A/C, Sylhet Cor. Br.	41,089,887	132,099
Trust Bank Ltd., IB A/C, Sylhet Cor. Br.	-	39,985,694
EXIM Bank Ltd., Fenchugonj Br.	23,169	23,756
BRAC Bank Ltd., Gulshan Br.	211,406	213,056
Shahjalal Islami Bank Ltd., Dhaka Main Br.	170,996	172,646
UCBL, Principal Br., Dhaka	-	(2,453,561)
One Bank Ltd., Kakrail Br.	64,157	65,457
Bank Asia Ltd, Sylhet Uposhahar Branch	1,574,869	-
Eastern Bank Limited	320,385	789,785
Sub Total	43,454,869	41,605,310
Cash Available on BO A/C at year end	776	-
Fixed Deposit Receipts	-	37,450,000
Grand Total	45,933,545	80,520,062

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 year.

17.A Consolidated Cash & Cash Equivalents: Tk.105,027,429

Baraka Power Limited	45,933,545	80,520,062
Baraka Patenga Power Ltd.	30,525,364	59,410,835
Bela Fashions Limited	28,568,520	
Total	105,027,429	139,930,897

18.00 Share Capital: Tk. 1,739,615,550

Authorized:

300,000,000 Ordinary Shares of Tk. 10 each (300,000,000 Ordinary shares of Tk. 10 each in the year ended June 30, 2016)	3,000,000,000	3,000,000,000
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Issued, Subscribed and Paid-up:

173,961,555 Ordinary Shares of Tk. 10 each (165,677,672 Ordinary Shares of Tk. 10 each in the year ended June 30, 2016)	1,739,615,550	1,656,776,720
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BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

18.A Consolidated Share Capital: Tk. 1,739,615,550

Authorized:

300,000,000 Ordinary Shares of Tk. 10 each

(300,000,000 Ordinary shares of Tk. 10 each in the year ended June 30, 2016)

As on
June 30, 2017
Amount (Tk)

As on
June 30, 2016
Amount (Tk)

3,000,000,000

3,000,000,000

Issued, Subscribed and Paid-up:

173,961,555 Ordinary Shares of Tk. 10 each

(165,677,672 Ordinary Shares of Tk. 10 each in the year ended June 30, 2016)

1,739,615,550

1,656,776,720

Shareholding Position is as follows:

Sl. No.	Name of shareholders	Percentage of Shareholdings		Amount in Taka	
		30-06-2017	30-06-2016	30-06-2017	30-06-2016
01	FAISAL AHMED CHOWDHURY	2.08%	2.08%	36,157,680	34,435,890
02	MD. AHSANUL KABIR	2.49%	2.49%	43,389,230	41,323,080
03	GULAM RABBANI CHOWDHURY	2.08%	2.08%	36,157,680	34,435,890
04	NANU KAZI MOHAMMED MIAH	2.00%	2.00%	34,798,660	33,141,590
05	ROBIN CHOUDHURY	7.35%	7.35%	127,927,050	121,835,290
06	ABDUL BARI	2.00%	2.00%	34,827,970	33,169,500
07	ABDUS S MAJID	0.98%	0.98%	17,010,690	16,200,660
08	MD. AHMED ALI	0.92%	0.92%	16,084,370	15,318,450
09	OTHER SHAREHOLDERS	80.09%	80.09%	1,393,262,220	1,326,916,370
Total		100.00%	100.00%	1,739,615,550	1,656,776,720

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%	
	30-06-2017	30-06-2016	30-06-2017	30-06-2016
Less than 500 shares	19,521	24,726	2.91%	3.92%
500 to 5,000 shares	6,524	3,386	7.41%	3.56%
5,001 to 10,000 shares	1,297	568	5.77%	2.47%
10,001 to 20,000 shares	652	322	5.41%	2.80%
20,001 to 30,000 shares	233	130	3.36%	1.92%
30,001 to 40,000 shares	115	61	2.35%	1.28%
40,001 to 50,000 shares	97	47	2.62%	1.30%
50,001 to 100,000 shares	155	82	6.60%	3.44%
100,001 to 1,000,000 shares	197	148	34.30%	28.41%
1,000,001 to 10,000,000 shares	21	31	29.27%	50.90%
Total	28,812	29,501	100.00%	100.00%

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

Total

970,000,000

970,000,000

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.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
19.A Consolidated Share Premium: Tk. 970,000,000		
Baraka Power Limited	970,000,000	970,000,000
Baraka Patenga Power Ltd.	-	-
Bela Fashion Limited	-	-
Total	970,000,000	970,000,000
20.00 Fair value Gain/Loss Reserve: Tk. (37,999)		
Opening Balance	-	-
Add: Addition	(37,999)	-
	(37,999)	-
Less : Adjustment	-	-
	(37,999)	-
20.A Consolidated Fair value Gain/Loss Reserve: Tk. (59,057)		
Baraka Power Limited	(37,999)	-
Baraka Patenga Power Limited	(41,291)	-
Bela Fashion Limited	-	-
	(79,290)	-
Less : Non-Controlling Interest	(20,233)	-
	(59,057)	-
21.00 Retained Earnings: Tk. 392,332,662		
Opening Balance	385,050,674	298,834,480
Add: Net profit during the year	338,637,332	331,664,596
	723,688,006	630,499,076
Less: Payment of cash dividend	248,516,514	122,724,202
Less: Issue of stock dividend	82,838,830	122,724,200
Total	392,332,662	385,050,674
21.A Consolidated Retained Earnings: Tk. 790,296,274		
Opening Balance	663,882,068	470,274,630
Add: Profit/(Loss) during the year	457,769,550	439,055,840
	1,121,651,618	909,330,470
Less: Cash dividend	248,516,514	122,724,202
Less: Stock dividend	82,838,830	122,724,200
Total	790,296,274	663,882,068
22.00 Non Controlling Interest: Tk. 802,120,236		
Opening balance	726,278,701	632,203,906
Add: Non-controlling interest arised on acquisition (Note: 22.01)	(28,303,741)	-
Add: Fair Value Reserve	(20,233)	-
Add: Non-controlling interest for the year	152,785,759	140,379,795
	850,740,486	772,583,701
Less: Interim Cash Dividend @ 10% (2016-17)	48,620,250	46,305,000
Total	802,120,236	726,278,701
22.01 Non Controlling Interest on acquisition: Tk. (28,303,741)		
Baraka Power Limited (Note: 22.01.01)	(27,119,399)	-
Baraka Patenga Power Limited	(1,184,342)	-
Bela Fashion Limited	-	-
Total	(28,303,741)	-
22.01.01 Non-Controlling Interest on Acquisition of Bela Fashions Ltd. : Tk. (27,119,399)		
Share Capital	300,000	-
Retained Earnings Brought Forward	(4,464,626)	-
Pre-acquisition Profit/(loss)	(51,181,086)	-
Net assets	(55,345,712)	-
Non-Controlling Interest Arised on Acquisition (49% of Net Assets)	(27,119,399)	-

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
23.00 Term Loan : Tk. 217,580,222		
Non-Current Maturity: Tk. 124,908,910		
Infrastructure Development Company Ltd. (IDCOL)	77,099,636	128,499,740
Trust Bank Ltd.	47,809,274	76,344,757
Sub Total	124,908,910	204,844,497
Current Maturity: Tk. 92,671,312		
Infrastructure Development Company Ltd. (IDCOL)	51,400,000	51,400,000
Trust Bank Ltd.	40,541,738	54,400,000
Interest Payable	729,574	1,308,577
Sub Total	92,671,312	107,108,577
Grand-Total	217,580,222	311,953,074

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 an amount of Tk. 13,600,000 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 10.50% p.a and the no. of outstanding installment is 13 (Thirteen).

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 the existing high cost bearing term loan of TBL. Now the no. of outstanding installment is 14 (Fourteen).

The security package for the term loan is as follows:

- Mortgage of project land;
- 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;
- Establishment of Escrow Account and Debt Service Account with appropriate cash flow;
- Directors' Personal Guarantee;
- Co-payee of benefits under all insurance policies insuring the relevant moveable and immoveable assets of the company.

23.A Consolidated Term Loan (Non-Current): Tk. 2,690,784,227

Baraka Power Limited	124,908,910	204,844,497
Baraka Patenga Power Ltd.	2,565,875,317	2,895,449,376
Bela Fashions Limited	-	-
Total	2,690,784,227	3,100,293,873

23.B Consolidated Term Loan (Current): Tk. 464,171,016

Baraka Power Limited	92,671,312	107,108,577
Baraka Patenga Power Ltd.	371,499,704	346,050,637
Bela Fashions Limited	-	-
Total	464,171,016	453,159,214

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

		As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)	
24.00 Finance Lease Liability: Tk. 2,782,348				
Non-Current Maturity				
IPDC Finance Limited		2,303,071	-	
	Sub-Total	2,303,071	-	
Current Maturity				
IPDC Finance Limited		479,277	-	
	Sub-Total	479,277	-	
	Grand-Total	2,782,348	-	
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.				
The Principal amount of lease obligation payable after the date of statement of financial position is as follows :				
Particulars	Future Minimum Lease Payment	30-06-2017		30-06-2016
		Interest	Present Value of minimum lease payment	Present Value of minimum lease payment
Not Later than one year	732,084	252,807	479,277	-
Later than one year but not later than five years	2,745,315	442,244	2,303,071	-
Later than five years	-	-	-	-
Total obligation under finance lease	3,477,399	695,051	2,782,348	-
24.A Consolidated Finance Lease Liability (Non-Current): Tk. 2,303,071				
Baraka Power Limited		2,303,071	-	
Baraka Patenga Power Ltd.		-	1,918,097	
Bela Fashions Limited				
Total		2,303,071	1,918,097	
24.B Consolidated Finance Lease Liability (Current): Tk. 2,397,373				
Baraka Power Limited		479,277	-	
Baraka Patenga Power Ltd.		1,918,096	2,928,519	
Bela Fashions Limited		-	-	
Total		2,397,373	2,928,519	
25.00 Provision for Gratuity: Tk. 10,704,767				
Opening Balance		7,706,659	5,547,676	
Add: Provision made during the year		4,021,196	2,652,229	
		11,727,855	8,199,905	
Less: Payment made during the year		1,023,088	493,246	
Closing Balance		10,704,767	7,706,659	

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	As on June 30, 2017 Amount (Tk)	As on June 30, 2016 Amount (Tk)
25.A Consolidated Provision for Gratuity: Tk. 10,704,767		
Baraka Power Limited	10,704,767	7,706,659
Baraka Patenga Power Ltd.	-	-
Bela Fashions Limited	-	-
Total	10,704,767	7,706,659
26.00 Short term liabilities: Tk. 466,092,498		
Working Capital Liability	350,000,000	-
Bank Overdraft	116,092,498	-
Total	466,092,498	-
<i>Trust Bank Limited has been sanctioned overdraft facility at interest rate of 9.00% p.a. for the purpose to meet day to day operational requirement of the Company.</i>		
26.A Consolidated Short term liabilities: Tk. 768,901,808		
Baraka Power Limited	466,092,498	-
Baraka Patenga Power Ltd.	357,324,800	484,716,916
Bela Fashions Limited	-	-
	823,417,298	484,716,916
Less : Inter Company Adjustment	54,515,490	-
Total	768,901,808	484,716,916
27.00 Liabilities for Expenses: Tk. 320,731		
Audit Fees	230,000	230,000
Utility Expenses	90,731	79,622
Office Rent	-	-
Total	320,731	309,622
27.A Consolidated Liabilities for Expenses: Tk. 4,876,500		
Baraka Power Limited	320,731	309,622
Baraka Patenga Power Ltd.	478,478	440,684
Bela Fashions Limited	4,077,291	-
Total	4,876,500	750,306
28.00 Provision for Income Tax: Tk. 75,864,474		
Opening balance	134,202,543	78,954,381
Addition during the year	78,913,667	61,403,839
	213,116,210	140,358,220
Less: Adjustment during the year	137,251,736	6,155,677
Closing balance	75,864,474	134,202,543
28.A Consolidated Provision for Income Tax: Tk. 43,608,227		
Baraka Power Limited	75,864,474	134,202,543
Baraka Patenga Power Ltd.	10,579	4,169,433
Bela Fashions Limited	1,468,684	-
	77,343,737	138,371,976
Less: Inter company adjustment	33,735,510	23,522,803
Total	43,608,227	114,849,173
28.01 Provision for Income Tax on Revenue: Tk. 43,442,691		
Opening balance	114,979,744	64,512,237
Addition during the year	46,754,559	50,467,507
	161,734,303	114,979,744
Less: Adjustment during the year	118,291,612	-
Closing balance	43,442,691	114,979,744

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

29.00 Payable for WPPF: Tk. 20,877,550

Opening Balance	19,653,422	16,184,549
Add: Addition made during the year	20,877,550	19,653,422
	40,530,972	35,837,971
Less: Payment made during the year		
Participation Fund	15,722,738	12,947,639
Welfare Fund	3,930,684	3,236,910
Closing Balance	20,877,550	19,653,422

The balance represents contribution to Workers' Profit Participation Fund formed by the Company in accordance with the Section-3 of The Companies Profits (Workers' Participation) Act, 1968 for the year ended June 30, 2017.

29.A Consolidated Payable for WPPF: Tk.20,877,550

Baraka Power Limited	20,877,550	19,653,422
Baraka Patenga Power Ltd.	-	-
Bela Fashions Limited	-	-
Total	20,877,550	19,653,422

30.00 Accounts Payable: Tk. 59,191,291

Jalalabad Gas T & D Co. Limited	48,818,615	46,110,152
GE Jenbacher & Co.	10,335,176	-
Acetex Corporation BD	37,500	-
Clarke Energy	-	124,200
Total	59,191,291	46,234,352

Aging of Accounts Payable

0-30 days	9,930,963	46,110,152
30-180 days	49,260,328	124,200
over 180 days	-	-
Total	59,191,291	46,234,352

30.A Consolidated Accounts Payables: Tk. 466,615,589

Baraka Power Limited	59,191,291	46,234,352
Baraka Patenga Power Ltd.	333,792,507	5,109,567
Bela Fashions Limited	73,631,791	-
Total	466,615,589	51,343,919

Aging of Accounts Payable

0-30 days	393,521,125	51,219,719
30-180 days	73,094,464	124,200
over 180 days	-	-
Total	466,615,589	51,343,919

31.00 Other Payables: Tk. 1,495,424

Other payable for IPO proceeds	48,000	48,000
Other payable for Dividend Suspense A/C	1,447,424	11,459
Total	1,495,424	59,459

Other payable for IPO proceeds consists of subscription money of 04 applicants of IPO proceeds.

31.A Consolidated other Payables: Tk. 2,312,020

Baraka Power Limited	1,495,424	59,459
Baraka Patenga Power Ltd.	-	-
Bela Fashions Limited	326,967,236	-
	328,462,660	59,459
Less: Inter company adjustment	326,150,640	-
Total	2,312,020	59,459

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
32.00 Revenue: Tk. 779,242,654		
Capacity Proceeds	374,496,283	367,001,139
Variable Operational & Maintenance Proceeds*	118,643,326	136,681,523
Energy Proceeds*	286,103,045	337,442,457
Total	779,242,654	841,125,119
<i>*Energy and VOMP proceeds is decreased due to decrease of generation depends on demand from Bangladesh Power Development Board whereas other components of capacity proceeds remain consistent.</i>		
32.A Consolidated Revenue: Tk. 3,485,450,033		
Baraka Power Limited	779,242,654	841,125,119
Baraka Patenga Power Ltd.	2,648,485,011	2,119,185,034
Bela Fashions Limited	57,722,368	-
Total	3,485,450,033	2,960,310,153
33.00 Cost of Revenue : Tk. 315,622,018		
Gas Consumption	195,123,595	227,071,686
Lubricants and Chemical Consumption (Note: 33.01)	21,374,024	19,572,861
Spare Parts Consumption (Note: 33.02)	26,265,882	25,283,596
Depreciation on Plant & Machinery	64,709,723	74,146,317
Repair & Maintenances on Plant & Machinery	3,959,701	4,776,312
Insurance Premium	4,189,093	4,225,366
Total	315,622,018	355,076,138
33.01 Lubricants and Chemical Consumption: Tk. 21,374,024		
Opening Balance	36,225,575	27,292,457
Add: Purchase during the year	8,076,085	28,505,979
	44,301,660	55,798,436
Less: Closing Balance	22,927,636	36,225,575
Consumption during the year	21,374,024	19,572,861
<i>Lubricants and chemical consists of Lube oil, Caustic Soda, Grease, Coolnet water, Maxi Guard etc.</i>		
33.02 Spare Parts Consumption: Tk.26,265,882		
Opening Balance	335,929,837	268,588,692
Add: Purchase during the year	5,091,982	92,624,741
	341,021,819	361,213,433
Closing Balance	314,755,937	335,929,837
Consumption during the year	26,265,882	25,283,596
33.A Consolidated Cost of Revenue: Tk. 2,370,354,889		
Baraka Power Limited	315,622,018	355,076,138
Baraka Patenga Power Ltd.	2,003,865,451	1,483,501,406
Bela Fashions Limited	50,867,420	-
Total	2,370,354,889	1,838,577,544

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
34.00 Other Income: Tk. 99,405,235		
Dividend Income from Subsidiary	50,604,750	48,195,000
Dividend Income from investment in marketable securities	45,000	-
BO A/C Charges	(8,342)	-
Capital Loss on Marketable Securities	(725,816)	-
Foreign Exchange Gain /(Loss)	(2,042,451)	(1,050,699)
Gain/(loss) on Providing O & M Service	367,027	216,452
Interest Income earned on Loan from Related Party	49,057,961	4,790,357
Bank Interest	2,107,106	182,519
Total	99,405,235	52,333,629
34.A Consolidated Other Income: Tk. 27,540,921		
Baraka Power Limited	99,405,235	52,333,629
Baraka Patenga Power Ltd.	(9,681,257)	4,596,307
Bela Fashions Limited	(114,797)	-
	89,609,181	56,929,936
Less: Inter company adjustment	62,068,260	48,411,452
Total	27,540,921	8,518,484
35.00 General & Administrative Expenses: Tk. 89,099,225		
Salary & Allowances	35,210,851	33,118,124
Gratuity Expenses	4,021,196	2,652,229
Director's Remuneration	10,956,000	10,950,000
Communication Expenses	1,082,235	1,115,135
Travelling & Conveyance	1,804,026	1,544,563
Utility Expenses	680,918	887,287
Office Rent, Rates & Taxes	1,025,838	874,880
AGM & EGM Expenses	5,455,115	4,388,327
Vehicle Running Expenses	3,202,318	4,062,332
General Repair & Maintenances	1,026,448	971,766
Entertainment & Others	1,102,191	901,104
Business Development Expenses	473,980	467,985
Legal Fees & Professional Consultancy	18,750	29,261
Staff Fooding & Lodging	662,581	1,097,984
Advertisement & Publicity	241,908	461,467
Tender Expenses	-	231,000
Audit Fees	230,000	230,000
Photocopy & Stationeries	321,606	292,789
Uniform	277,720	357,172
Newspaper, Books & Periodicals	40,005	45,918
Printing Expenses	443,848	259,936
Annual Fees	2,033,247	2,850,335
Insurance Premium	266,027	164,291
Education & Training	193,366	8,600
Gardening & Beautification Expenses	82,507	47,181
Annual Religious & Cultural Expenses	1,265,400	939,378
Gift & Greetings	111,300	106,332
Rest House Keeping Expenses	1,075,116	980,876
Meeting Attendance Fee	209,500	218,750
Amortization Expenses	2,964,770	8,218,373
Depreciation Expenses	12,620,458	11,615,904
Total	89,099,225	90,089,279

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
35.A Consolidated General & Administrative Expenses: Tk. 154,200,031		
Baraka Power Limited	89,099,225	90,089,279
Baraka Patenga Power Ltd.	59,946,268	73,559,907
Bela Fashions Limited	5,154,538	-
Total	154,200,031	163,649,186
36.00 Financial Expenses: Tk. 35,498,097		
Term Finance Expenses	21,855,480	31,945,329
Lease Finance Expenses	70,369	-
Other Financial Expenses	10,685,027	1,374,197
Bank Charge & Commission	198,955	104,580
Bank Guarantee Expenses	2,688,266	2,147,368
Total	35,498,097	35,571,474
36.A Consolidated Financial Expenses: Tk. 288,405,141		
Baraka Power Limited	35,498,097	35,571,474
Baraka Patenga Power Ltd.	257,996,023	278,136,946
Bela Fashions Limited	6,374,531	-
	299,868,651	313,708,420
Less: Inter company adjustment	11,463,510	-
Total	288,405,141	313,708,420
37.00 Income Tax Expenses: Tk. 78,913,667		
Income tax expenses on Revenue	46,754,559	50,467,507
Income tax expenses on Financial & Other Income	12,372,411	1,297,332
Income tax expenses on Dividend Income	10,129,950	9,639,000
Under Charged of Income Tax Expenses on Prior Years	9,656,747	-
Total	78,913,667	61,403,839
37.A Consolidated Income Tax Expenses: Tk. 69,083,031		
Baraka Power Limited	78,913,667	61,403,839
Baraka Patenga Power Ltd.	9,121	2,093,704
Bela Fashions Limited	372,950	-
	79,295,738	63,497,543
Less: Inter company adjustment	10,212,707	9,693,113
Total	69,083,031	53,804,430
38.00 Earnings Per Share (EPS) : Tk. 1.95		
Profit Attributable to Ordinary Shareholders	338,637,332	331,664,596
Weighted Average Number of Ordinary Shares Outstanding during the year (Note 38.01)	173,961,555	173,961,555
Basic Earnings Per Share (EPS)	1.95	1.91

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As on and for the year ended June 30, 2017

	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
38.A Consolidated Earnings Per Share (EPS): Tk. 2.63		
Profit Attributable to Ordinary Shareholders	457,769,550	439,055,840
Weighted Average Number of Ordinary Shares Outstanding during the year (Note 38.01)	173,961,555	173,961,555
Total	2.63	2.52

38.01 Weighted Average Number of Ordinary Shares Outstanding:

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).

Date of Allotment	Ordinary Share	Weighted No. of Share	Calculation	Weighted No. of Share
01-07-2016	165,677,672			165,677,672
Bonus for the year 2015-16 @ 05%	8,283,883	360	82,83,883 * 360/360	8,283,883
Total	173,961,555			173,961,555

38.02 Dilution of Earnings Per Share:

No diluted earnings per share is required to be calculated for the year presented as there was no potential ordinary shares has been issued by the company, as such no scope for dilution during the year.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

39.00 Contingent Liability: TK. 318,566,937

Consolidated and separate contingent liability existed for the Company is Tk. 362,735,487 and 199,112,387 respectively as at June 30, 2017 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	2017	2016
			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-Bangladesh Power Development Board, Dhaka**	062/2011, ONE	04-02-2012	37,050,000	37,050,000
Corporate Guarantee to BRAC Bank Ltd. as Term Loan Security		21-03-2021	117,536,454	-
Corporate Guarantee to Prime Finance & Investment Ltd. as Lease Security		23-01-2018	1,918,096	-
Total			318,566,937	199,112,387

** Bangladesh Power Development Board (BPDB) has not released the original bank guarantee yet.

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

June 30, 2017	June 30, 2016
Taka	Taka

39.A Consolidated Contingent Liability: Tk.482,190,037

Baraka Power Limited	318,566,937	199,112,387
Baraka Patenga Power Ltd.	163,623,100	220,000,000
Bela Fashion Limited	-	-
Total	482,190,037	419,112,387

40.00 Commitment of Capital Expenditure: Tk. Nil

Name of the company	L/C Number	Currency	Value as at 30-06-2017		Value as at 30-06-2016	
			in FCY	in BDT	in FCY	in BDT
			-	-	-	-
Total			-	-	-	-

41.00 Remittance of Foreign Currency: Tk. 11,867,728

Name of beneficiary	L/C Number	Currency	Value as at 30-06-2017		Value as at 30-06-2016	
			in FCY	in BDT	in FCY	in BDT
GE Jenbacher GMBH and Co. Ltd.	236515010011	EURO			65,272.75	5,787,735
Ningbo Demy	236515FTT014	USD			895.00	69,989
GE Jenbacher GMBH and Co. Ltd.	236515020001	EURO			433,572.00	39,051,830
Turbo International	236515010012	USD			21,485.00	1,695,167
GE Jenbacher GMBH and Co. Ltd.	236515020004	EURO			121,952.97	11,369,675
Symtec	236515FTT020	USD			1,180.00	93,102
SYSTEMAIR SDN BHD	236516010001	USD			2,175.00	171,825
GE Jenbacher GMBH and Co. Ltd.	236515020006	EURO	76,610.49	6,857,405		
ABB Ltd	236516010008	USD	10,308.45	812,821		
Dalwin Marine	236516010013	USD	26,920.00	2,122,642		
GE Jenbacher GMBH and Co. Ltd.	236516020001	EURO	4,038.23	360,000		
Dalwin Marine	236516010014	USD	15,500.00	1,221,487		
Ningbo Demy	236517010004	USD	1,066.00	86,985		
Zicom Equipment	236517150006	USD	4,950.00	406,388		
Total			139,393	11,867,728	646,533	58,239,323

42.00 Value of Imports Calculated on CIF Basis: Tk. 11,867,728

Spare Parts		11,867,728	58,239,323
Total		11,867,728	58,239,323

43.00 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 BAS 24: Related Party Disclosures.

Transaction with key management personnel: Tk. 22,476,000

Employee Benefits		22,476,000	20,451,270
Total		22,476,000	20,451,270

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

BARAKA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS As on and for the year ended June 30, 2017

B. Other Related Party Transactions:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Transactions during the year		Receivables/(Payables)	
			30-06-2017	30-06-2016	30-06-2017	30-06-2016
			Taka	Taka	Taka	Taka
Baraka Patenga Power Limited	Subsidiary company	Short term loan	250,356,064	195,491,226	-	-
Bela Fashions Limited	Subsidiary company	Short term loan	330,133,240	-	326,150,640	-
Royal Homes Limited	Common Management	Advance for Commercial Space	461,166,406	14,400,000	124,644,204	-
Royal Educare Limited	Common Management	Short term loan	7,071,893	36,031,908	42,103,801	36,031,908
Karnaphuli Power Limited	Common Management	Short term loan	54,108,759	406,731	54,515,490	406,731
Queens Healthcare Limited	Common Management	Short term loan	2,555	-	2,555	-
Baraka Apparels Limited	Common Management	Short term loan	218,441,532	80,683,242	192,673,930	80,683,242

44.00 Capacity & Generation:

Plant Particulars	Licensed Capacity (MwH)	Installed Capacity (MwH)	Plant factor (% on Licensed)		Energy Generation (MwH)	Energy Sold (MwH)
			Average	Maximum		
Fenchugonj, Sylhet - Gas Fired 51MW	446,760	483,026	64.37%	89.54%	292,301	281,851
Patenga, Chittagong - HFO Fired 50MW	438,000	489,421	69.22%	88.10%	287,482	276,508

45.00 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, 2017

Name	Designation	Period	30-06-2017	30-06-2016
Mr. Faisal Ahmed Chowdhury	Chairman & Head of Planning & Business Development	July'16 to June '17	4,290,000	4,305,000
Mr. Gulam Rabbani Chowdhury	Managing Director	July'16 to June '17	4,290,000	4,305,000
Mr. Md. Ahsanul Kabir	Vice-Chairman & Head of Administration	July'16 to June '17	2,376,000	2,340,000
Total			10,956,000	10,950,000

In Addition to the above, directors who attend the board meeting, have drawn board meeting attendance fee @ Tk.5,000 per director per meeting. The total board meeting attendance fee during the year is Tk. 209,500.

46.00 General Disclosures:

46.01 Number of regular employees receiving remuneration of Tk 36,000 or above per annum was 154 (one hundred fifty four) as at June 30, 2017 and was 111 as at June 30, 2016 as disclosure required by the Schedule XI, Part II, note 5 of Para 3 of The Companies Act, 1994.

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

46.03 Figures are rounded off to the nearest Taka.

47.00 Events after reporting period:

- a. The board of the directors of the company in their meeting held on October 26, 2017 has proposed cash dividend @ 05% (i.e. Tk. 0.50 per share of Tk. 10 each) and Stock dividend @ 15% (i.e. 15 shares for every 100 shares) for the year ended June 30, 2017. Dividend is subject to approve by the shareholders at the forthcoming Annual General Meeting (AGM) of the Company.

BARAKA PATENGA POWER LIMITED

Directors' Report

to the Shareholders of Baraka Patenga Power Limited

For the year ended June 30, 2017

Bismillahir Rahmanir Rahim
Distinguished Shareholders,
Assalamuaykum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 7th Annual General Meeting of Baraka Patenga Power Limited (BPPL). 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, 2017 thereon, for your valued consideration, approval, and adoption.

Industry Outlook and Future Development

The Board has the pleasure to inform you that the 50 MW HFO fired IPP power plant at Patenga, Chittagong has been generating electricity smoothly from its commercial operation on May 04, 2014 to till date. The plant has shown excellent performance by contributing 276,508 Mwh of electricity to the National Grid with revenue of Tk. 2,648,485,011 during the year ended June 30, 2017.

The board also informs you that the Co-generation exhaust gas secondary power plant having capacity of 3.20 MW has been running successfully throughout the year. The STG plant runs by heat recovery from 08 nos. of Rolls Royce gensets exhaust gas without burning any fuel and is reducing the fuel cost by 6.40% annually. In addition, a Desulfurization plant of our project is also playing a great role to reduce sulfur emission at an acceptable low level.

Segment wise or Product wise Performance

Plant Location	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		
Patenga, Chittagong	438,000	489,421	69.22%	88.10%	287,482	276,508

Risks and Concerns

BPPL operates in an industry which is exposed to a number of internal and external risk factors over which our company has little or no control. The occurrence of the risk factors as delineated hereunder can have significant bearing on the operational and financial performance of the Company. Therefore, it is imperative to thoroughly understand the risk profile of the company along with management's perception of the risks so that you are aware that your company is in safe hands.

Financial Risk Management

Company's financial risk management is governed by Accounting Policies as approved by the Board of Directors. Company's principal financial assets include trade and other receivables, cash and short term deposits that arise directly from its operations. Company's financial liabilities mainly include trade and other payables, finance lease obligation, loans and borrowings. The Company is exposed to credit risk, liquidity risk and market risk in relation to its financial instruments.

Credit Risk

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

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position at the reporting date was :

Exposure to Credit Risk	30-06-17 Taka	30-06-16 Taka
Accounts Receivable	766,765,565	645,097,838
Advances, Deposits & Prepayments	28,629,821	24,802,370
Other Receivable	10,000	16,000
	<u>795,405,386</u>	<u>851,773,212</u>

Aging of Accounts Receivable	30-06-17 Taka	30-06-16 Taka
Invoiced 0-30 days	148,467,214	258,273,018
Invoiced 30-180 days	225,467,332	249,427,034
Invoiced over 180 days	392,831,019	137,397,786
	<u>766,765,565</u>	<u>645,097,838</u>

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient fund to make the expected payment within due date. Moreover, the company seeks to maintain short term line of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. In extreme stresses situations, the Company may get support from the group in the form of inter-company loan.

Market Risk

Market risk is the risk that any change in market conditions, such as interest rates that will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) Currency Risk:

Your Company is exposed to currency risk as it imports HFO and spare parts as raw materials against payment of international currencies (USD and EURO). Currency fluctuations may increase import cost which affects adversely on the profit of the company. The management of your company is fully aware of the risks associated with currency fluctuations. The management continuously monitors the procurement policy and takes effective and corrective measures to avoid currency risks. Major imported machinery and equipment purchased from abroad has been

BARAKA PATENGA POWER LIMITED

settled. Therefore, Your company's management believes that currency risk is not going to hamper business of the Company.

b) Interest Rate Risk :

Interest rate risk refers to the likely changes in the cash flows or future value of a firm because of changes in the interest rates in the market. Increase in the interest rate burdens the company with additional financial charges and squeezes the profit of the company. The Management of the country is well aware of the volatility in the money market of our country. We monitor interest rates regularly and borrow money from the Bank/NBFI for the long term when interest rates are low. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

Capital Risk Management

Capital risk refers to a investor faces that he or she may lose all or part of the principal amount invested. Dear Shareholders, it is for your kind information that your management have keen eyes to protect investor's interest and to maximize the company's wealth day by day. All major investments and operational decisions are taken by the approval of Board members by considering related risks.

Operational Risk Management

Operational risk refers as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Limitations of technology used, fuel supply agreement, operational & maintenance arrangement, political or force majeure in the form of natural disasters like cyclone, tsunami, earthquake may hamper normal electricity generation of the power plant. The management of your company believes that prudent rehabilitation schemes and quality maintenance will lessen the damages caused by such natural disasters. Most importantly, all the above risks are covered under the insurance agreement with Pioneer Insurance Company Limited, Bangladesh General Insurance Company Limited and Republic insurance Company Limited to compensate all operational risk and damages caused in such situations.

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;

Dividend

Your Board has recommended 10% cash dividend in addition 10% interim cash dividend (which has already been paid) for the year ended June 30, 2017 subject to the approval by the shareholders at its 7th Annual General Meeting.

Directors' appointment & re-appointment

The Board of Directors in its meeting held on October 26, 2017 has appointed Engr. Jalal Ahmed Chowdhury as new Independent Director which will be approved in the 7th AGM. Moreover, as per Article No. 129 of the Articles of Association of the company following Directors shall retire in the 7th Annual General Meeting by rotation and being eligible, offer them for re-election:

01. Mr. Fahim Ahmed Chowdhury
02. Mr. Afzal Rashid Chowdhury

Auditors

M/S Malek Siddiqui Wali, Chartered Accountants, 9-G, Motijheel C/A (2nd Floor), Dhaka-1000 was appointed as the auditor of the company to carry out the audit for the year 2016-2017. They have carried out the audit for the year 2016-2017 and will retire in the 7th AGM. Since, M/S Malek Siddiqui Wali, Chartered Accountants has been appointed as statutory auditor of the company for the last consecutive 03 (three) years, they are not eligible to perform as auditor for the year 2017-2018. Being eligible, M/S Kazi Zahir Khan & Co., Chartered Accountants have expressed their intention to be appointed as statutory auditor of the company for the year 2017-2018. The Board has recommended M/S Kazi Zahir Khan & Co., Chartered Accountants to appoint as Auditor for the year 2017-2018 which will be placed before the shareholders at 7th AGM for approval.

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 Bangladesh Power Development Board (BPDB), Power Cell of the Power Division, MPEMR, Banks & Financial Institutions, Insurance Companies, Service Providers, the Bangladesh Securities And Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms, various Government Authorities, Individual and Agencies.

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 teamwork have helped 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

Managing Director
Dated : October 26, 2017

BARAKA PATENGA POWER LIMITED & ITS SUBSIDIARY

Independent Auditors' Report To the Shareholders of BARAKA PATENGA POWER LIMITED AND ITS SUBSIDIARY

We have audited the accompanying Financial Statement of BARAKA PATENGA POWER LIMITED AND ITS SUBSIDIARY, which comprise the Consolidated Statement of Financial Position as at June 30, 2017 and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. We have also audited the accompanying Financial Statement of BARAKA PATENGA POWER LIMITED, which comprise the Statement of Financial Position as at June 30, 2017 and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles (GAAP), Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entities' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2017 and of the results of its operations and its cash flows for the period then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchanges Rules, 1987 and other applicable laws and regulations.

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 as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The Company's Statement of Financial Positions and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts ;
- d) The expenditures incurred and payments made ware for the purposes of the companies' business.

Dated: Dhaka
October 26, 2017



Malek Siddiqui Wali
Chartered Accountants

BARAKA PATENGA POWER LIMITED & ITS SUBSIDIARY

Consolidated Statement of Financial Position as on June 30, 2017

Particulars	Notes	As at June 30, 2017 Amount (Tk.)	As at June 30, 2016 Amount (Tk.)
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	04.A	3,850,792,905	3,954,491,677
Capital Work in Progress	05.A	-	33,208,342
Goodwill on Acquisition of Subsidiary	06.00	1,768,182	-
Investment in Associate	08.A	-	960,000
Total Non-Current Assets		3,852,561,087	3,988,660,019
Current Assets			
Inventories	09.A	593,283,728	484,316,800
Investment in Marketable Securities - Held for Sale	10.A	6,646,964	-
Advances, Deposits & Pre-payments	11.A	79,746,306	24,802,370
Accounts Receivables	12.A	766,765,565	645,097,838
Other Receivables	13.A	10,000	16,000
Holding Company Balance	14.A	-	20,097,645
Cash & Cash Equivalents	15.A	30,525,364	59,410,835
Total Current Assets		1,476,977,927	1,233,741,488
TOTAL ASSETS		5,329,539,014	5,222,401,507
EQUITY & LIABILITIES			
Shareholders' Equity			
Share Capital	16.A	992,250,000	945,000,000
Fair Value Reserve		(41,291)	-
Retained Earnings		708,097,816	536,618,278
		1,700,306,525	1,481,618,278
Non Controlling Interest	17	(1,666,992)	-
Total Equity		1,698,639,533	1,481,618,278
Non-Current Liabilities			
Term Loan-Non Current Maturity	19.A	2,565,875,317	2,895,449,376
Finance Lease Liability-Non Current Maturity	20.A	-	1,918,097
Total Non-Current Liabilities		2,565,875,317	2,897,367,473
Current Liabilities			
Term Loan-Current Maturity	19.B	371,499,704	346,050,637
Finance Lease Liability-Current Maturity	20.B	1,918,096	2,928,519
Short Term Liabilities	21.A	357,324,800	484,716,916
Provision for Income Tax	22.A	10,579	4,169,433
Liabilities for Expenses	23.A	478,478	440,684
Accounts Payables	24.A	333,792,507	5,109,567
Total Current Liabilities		1,065,024,164	843,415,756
TOTAL EQUITY & LIABILITIES		5,329,539,014	5,222,401,507
Net Assets Value Per Share (NAVPS)		17.14	15.68

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 26, 2017 and were signed on its behalf by:


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BARAKA PATENGA POWER LIMITED & ITS SUBSIDIARY

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2017

Particulars	Notes	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
Revenue	25.A	2,648,485,011	2,119,185,034
Cost of Revenue	26.A	(2,003,865,451)	(1,487,507,065)
Gross Profit		644,619,560	631,677,969
General & Administrative Expenses	27.A	(59,946,268)	(69,554,248)
Operating Profit		584,673,292	562,123,721
Other Income/(Loss)	28.A	(9,681,257)	4,596,307
Financial Expenses	29.A	(257,996,023)	(278,136,946)
Profit before Tax		316,996,012	288,583,082
Over Provision in Prior year's Income Tax Expenses	22.01	484,997	-
Income Tax Expenses	30.A	(9,121)	(2,093,704)
Profit after Tax		317,471,888	286,489,378
Other Comprehensive Income/(loss) from Investment in Marketable Securities	10.00	(41,291)	-
Total Comprehensive Income for the year		317,430,597	286,489,378
Profit Attributable To:			
Owners of the company		317,954,538	286,489,378
Non controlling interest		(482,650)	-
		317,471,888	286,489,378
Total Comprehensive Income Attributable To:			
Owners of the company		317,913,247	286,489,378
Non controlling interest		(482,650)	-
		317,430,597	286,489,378
Earnings per Share:			
Basic Earnings Per Share (par value of Tk. 10 each)	31.A	3.20	2.89

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 26, 2017 and were signed on its behalf by:


Company Secretary


Head of Finance


Director


Managing Director


Chairman


(Malek Siddiqui Wali)
Chartered Accountants

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017

BARAKA PATENGA POWER LIMITED & ITS SUBSIDIARY

Consolidated Statement of Changes in Equity For the year ended June 30, 2017

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 01-07-2016	945,000,000	-	536,618,278	1,481,618,278	-	1,481,618,278
Non-Controlling Interest Arised on Acquisition	-	-	-	-	(1,184,342)	(1,184,342)
Increase/(Decrease) in Fair Value	-	(41,291)	-	(41,291)	-	(41,291)
Net Profit During the year	-	-	317,954,538	317,954,538	(482,650)	317,471,888
Transactions with the shareholders:						
Issue of Bonus Share for the year 2015-2016	47,250,000	-	(47,250,000)	-	-	-
Payment of Interim Cash Dividend @ 10% for the year 2016-2017	-	-	(99,225,000)	(99,225,000)	-	(99,225,000)
Balance as on 30-06-2017	992,250,000	(41,291)	708,097,816	1,700,306,525	(1,666,992)	1,698,639,533

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 01-07-2015	945,000,000	-	344,628,900	1,289,628,900	-	1,289,628,900
Net Profit/(Loss) during the year	-	-	286,489,378	286,489,378	-	286,489,378
Transactions with the shareholders:						
Payment of Interim Cash Dividend @ 10% for the year 2015-2016	-	-	(94,500,000)	(94,500,000)	-	(94,500,000)
Balance as on 30-06-2016	945,000,000	-	536,618,278	1,481,618,278	-	1,481,618,278

The financial statements were approved by the Board of directors on October 26, 2017 and were signed on its behalf by:


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BARAKA PATENGA POWER LIMITED & ITS SUBSIDIARY

Consolidated Statement of Cash Flows For the year ended June 30, 2017

Particulars	For the year ended	For the year ended
	June 30, 2017	June 30, 2016
	Amount (Tk)	Amount (Tk)
Cash Flow from Operating Activities:		
Cash Receipts from Customer & others	2,517,142,027	2,246,965,421
Cash Paid to Suppliers	(1,681,726,308)	(1,283,287,656)
Cash Paid to others	(26,977,461)	(44,425,885)
Cash Generated from operating Activities	808,438,258	919,251,880
Financial Expenses	(260,424,455)	(238,698,392)
Income Tax Paid	(4,024,802)	(353,641)
Net Cash from Operating Activities	543,989,001	680,199,847
Cash Flow from Investing Activities:		
Acquisition of PPE	(29,072,120)	(21,823,217)
Disposal of Assets	-	850,000
Investment in Associate	450,000	(450,000)
Cash Balance of Subsidiary on Acquisition	27,573	-
Acquisition of Subsidiary	(25,500)	-
Investment in Marketable Securities - Held for Sale	(6,688,255)	-
Short Term Loan from / (to) Related Party	-	27,177,619
Net Cash Provided by / (Used in) Investing Activities	(35,308,302)	5,754,402
Cash Flow from Financing Activities:		
Term Loan Repayment	(300,814,572)	(7,125,194)
Short term loan	(154,695,723)	(443,159,582)
Lease Finance	(2,928,520)	(2,555,945)
Transaction with Holding Company	20,097,645	(117,528,065)
Dividend Paid	(99,225,000)	(94,500,000)
Net Cash Used in Financing Activities	(537,566,170)	(664,868,786)
Net Cash Inflow/(Outflow) for the period	(28,885,471)	21,085,463
Opening Cash & Cash Equivalents	59,410,835	38,325,372
Closing Cash & Cash Equivalents	30,525,364	59,410,835
The above balance consists of the followings:		
Cash in hand	3,515,590	3,191,896
Cash at bank	17,152,411	3,664,939
Cash available on BO A/C at Year End	1,363	-
Fixed Deposit Receipt	9,856,000	52,554,000
Total	30,525,364	59,410,835
Net Operating Cash Flows Per Share (NOCFPS)	5.48	7.20

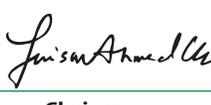
The financial statements were approved by the Board of directors on October 26, 2017 and were signed on its behalf by:


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BARAKA PATENGA POWER LIMITED

Statement of Financial Position as at June 30, 2017

Particulars	Notes	As at June 30, 2017 Amount (Tk.)	As at June 30, 2016 Amount (Tk.)
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	04.00	3,850,792,905	3,954,491,677
Capital Work in Progress	05.00	-	33,208,342
Investment in Subsidiary	07.00	535,500	-
Investment in Associate	8.00	-	960,000
Total Non-Current Assets		3,851,328,405	3,988,660,019
Current Assets			
Inventories	9.00	593,283,728	484,316,800
Investment in Marketable Securities - Held for Sale	10.00	6,646,964	-
Advances, Deposits & Pre-payments	11.00	28,629,821	24,802,370
Accounts Receivables	12.00	766,765,565	645,097,838
Other Receivables	13.00	10,000	16,000
Holding Company Balance	14.00	-	20,097,645
Cash & Cash Equivalents	15.00	30,498,055	59,410,835
Total Current Assets		1,425,834,133	1,233,741,488
TOTAL ASSETS		5,277,162,538	5,222,401,507
EQUITY & LIABILITIES			
Shareholders' Equity			
Share Capital	16.00	992,250,000	945,000,000
Fair Value Reserve	10.00	(41,291)	-
Retained Earnings		708,600,167	536,618,278
Total Shareholders' Equity		1,700,808,876	1,481,618,278
Non-Current Liabilities			
Term Loan-Non Current Maturity	19.00	2,565,875,317	2,895,449,376
Finance Lease Liability-Non Current Maturity	20.00	-	1,918,097
Total Non-Current Liabilities		2,565,875,317	2,897,367,473
Current Liabilities			
Term Loan-Current Maturity	19.00	371,499,704	346,050,637
Finance Lease Liability-Current Maturity	20.00	1,918,096	2,928,519
Short Term Liabilities	21.00	302,809,310	484,716,916
Provision for Income Tax	22.00	9,000	4,169,433
Liabilities for Expenses	23.00	449,728	440,684
Accounts Payables	24.00	333,792,507	5,109,567
Total Current Liabilities		1,010,478,345	843,415,756
TOTAL EQUITY & LIABILITIES		5,277,162,538	5,222,401,507
Net Assets Value Per Share (NAVPS)		17.14	15.68

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 26, 2017 and were signed on its behalf by:


Company Secretary


Head of Finance


Director


Managing Director


Chairman


(Malek Siddiqui Wali)
Chartered Accountants

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017

BARAKA PATENGA POWER LIMITED

Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2017

Particulars	Notes	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
Revenue	25.00	2,648,485,011	2,119,185,034
Cost of Revenue	26.00	(2,003,865,451)	(1,487,507,065)
Gross Profit		644,619,560	631,677,969
General & Administrative Expenses	27.00	(59,843,606)	(69,554,248)
Operating Profit		584,775,954	562,123,721
Other Income/(Loss)	28.00	(9,681,602)	4,596,307
Financial Expenses	29.00	(257,113,460)	(278,136,946)
Profit before Tax		317,980,892	288,583,082
Over Provision in Prior year's Income Tax Expenses		484,997	-
Income Tax Expenses	30.00	(9,000)	(2,093,704)
Profit after Tax		318,456,889	286,489,378
Other Comprehensive Income/(loss) from Investment in Marketable Securities	10.00	(41,291)	-
Total Comprehensive Income for the year		318,415,598	286,489,378
Earnings per Share:			
Basic Earnings Per Share (par value of Tk. 10 each)	31.00	3.21	2.89

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 26, 2017 and were signed on its behalf by:


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BARAKA PATENGA POWER LIMITED

Statement of Changes in Equity For the year ended June 30, 2017

Amount in Taka

Particulars	Share Capital	Fair Value Reserve	Retained Earnings	Total
Balance as on 01-07-2016	945,000,000	-	536,618,278	1,481,618,278
Increase/(Decrease) in Fair Value	-	(41,291)	-	(41,291)
Net Profit/(Loss) during the year	-	-	318,456,889	318,456,889
Transactions with the shareholders:				
Issue of Bonus Share for the year 2015-2016	47,250,000	-	(47,250,000)	-
Payment of Interim Cash Dividend @ 10% for the year 2016-2017	-	-	(99,225,000)	(99,225,000)
Balance as on 30-06-2017	992,250,000	(41,291)	708,600,167	1,700,808,876

Amount in Taka

Particulars	Share Capital	Fair Value Reserve	Retained Earnings	Total
Balance as on 01-07-2015	945,000,000	-	344,628,900	1,289,628,900
Net Profit/(Loss) during the year	-	-	286,489,378	286,489,378
Transactions with the shareholders:				
Payment of Interim Cash Dividend @ 10% for the year 2015-2016	-	-	(94,500,000)	(94,500,000)
Balance as on 30-06-2016	945,000,000	-	536,618,278	1,481,618,278

The financial statements were approved by the Board of directors on October 26, 2017 and were signed on its behalf by:



Company Secretary



Head of Finance



Director



Managing Director



Chairman

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017



(Malek Siddiqui Wali)
Chartered Accountants

BARAKA PATENGA POWER LIMITED

Statement of Cash Flows For the year ended June 30, 2017

Particulars	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
Cash Flow from Operating Activities:		
Cash Receipts from Customer & others	2,517,141,682	2,246,965,421
Cash Paid to Suppliers	(1,681,726,308)	(1,283,287,656)
Cash Paid to others	(26,903,549)	(44,425,885)
Cash Generated from operating Activities	808,511,825	919,251,880
Financial Expenses	(260,423,880)	(238,698,392)
Income Tax Paid	(4,024,768)	(353,641)
Net Cash from Operating Activities	544,063,177	680,199,847
Cash Flow from Investing Activities:		
Acquisition of PPE	(1,934,149)	(21,823,217)
Disposal of Assets	-	850,000
Investment in Associate	450,000	(450,000)
Investment in Subsidiary	(25,500)	-
Investment in Marketable Securities - Held for Sale	(6,688,255)	-
Short Term Loan from / (to) Related Party	-	27,177,619
Net Cash Provided by / (Used in) Investing Activities	(8,197,904)	5,754,402
Cash Flow from Financing Activities:		
Term Loan Repayment	(300,814,572)	(7,125,194)
Short term loan	(181,907,606)	(443,159,582)
Lease Finance	(2,928,520)	(2,555,945)
Transaction with Holding Company	20,097,645	(117,528,065)
Dividend Paid	(99,225,000)	(94,500,000)
Net Cash Used in Financing Activities	(564,778,053)	(664,868,786)
Net Cash Inflow/(Outflow) for the period	(28,912,780)	21,085,463
Opening Cash & Cash Equivalents	59,410,835	38,325,372
Closing Cash & Cash Equivalents	30,498,055	59,410,835
The above balance consists of the followings:		
Cash in hand	3,515,590	3,191,896
Cash at bank	17,125,102	3,664,939
Cash available on BO A/C at Year End	1,363	-
Fixed Deposit Receipt	9,856,000	52,554,000
Total	30,498,055	59,410,835
Net Operating Cash Flows Per Share (NOCFPS)	5.48	7.20

The financial statements were approved by the Board of directors on October 26, 2017 and were signed on its behalf by:


Company Secretary


Head of Finance


Director


Managing Director


Chairman

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017


(Malek Siddiqui Wali)
Chartered Accountants

BELA FASHIONS LIMITED

Directors' Report to the Shareholders of Bela Fashions Limited For the year ended June 30, 2017

Bismillahir Rahmanir Rahim
Distinguished Shareholders,
Assalamualykum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 23rd Annual General Meeting of Bela Fashions Limited (BFL). 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, 2017 thereon, for your valued consideration, approval and adoption.

Industry Outlook

Ready Made Garments Industry (RMGI) is one of the major industries contributing largely to the economic development of Bangladesh. This is one of the highest export earner and highest employment generating sector. Besides some recent hardships, there are very good opportunities for investment and expansion in this sector.

State of the Company's Affairs

During the year 2016-17, the company has shown a major boost in its performance. Specially speaking, sales revenue increased to Tk. 29,183,778/- in 2016-17 which was only Tk. 411,784 in the previous year. This is mostly due to the expert operational performance of the new management. However, since the acquisition process has been completed on May 22, 2017 the new management of the company did not get enough time to address all the performance boosting opportunities. Although the company did not made profit in this year, we are very optimistic that under the new management the company will eventually do well and will generate positive profitability.

Dividend & Reserve

During the year 2015-16 retained earnings position of the company was negative 4,464,626/- which is negative 60,807,579/- in the year 2016-17. Due to inadequacy of reserve, the Board of Directors of the company has recommended zero dividend for the year 2016-17.

Material Changes During the Year 2016-17

- Acquisition of 51% equity of the company by Baraka Power Limited.
- Major reconstruction of Board of Directors of the company.
- Restructuring of top management of the company.

During the year 2016-17, 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 Male Siddiqui Wali, Chartered Accountants has not issued any reservation, qualification or adverse remark in their report relating to year 2016-17.

Directors Responsibility to Shareholders

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

- 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;
- Proper books of account of the company have been maintained;
- 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;
- International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- 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 teamwork have helped 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

Managing Director

Dated : October 26, 2017

BELA FASHIONS LIMITED

Independent Auditors' Report To the Shareholders of BELA FASHIONS LIMITED

We have audited the accompanying Financial Statement of BELA FASHIONS LIMITED, which comprises the statement of Financial Position as at June 30, 2017 and 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 a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles (GAAP), Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2017 and of the results of its operations and its cash flows for the period then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

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 as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) 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 accounts;
- d) The expenditures incurred and payments made were for the purpose of the company's business.

Dated: Dhaka
October 26, 2017



Malek Siddiqui Wali
Chartered Accountants

BELA FASHIONS LIMITED

Statement of Financial Position as at June 30, 2017

Particulars	Notes	As at June 30, 2017 Amount (Tk.)	As at June 30, 2016 Amount (Tk.)
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant & Equipment	4.00	207,513,019	191,841,903
Intangible Assets	5.00	502,000	200,000
Total Non-Current Assets		208,015,019	192,041,903
<u>Current Assets</u>			
Inventories	6.00	23,061,049	-
Advances, Deposits & Pre-payments	7.00	1,468,684	-
Accounts Receivables	8.00	29,793,292	-
Other Receivables	9.00	54,730,859	-
Cash & Cash Equivalents	10.00	28,568,520	2,325,820
Total Current Assets		137,622,404	2,325,820
TOTAL ASSETS		345,637,423	194,367,723
EQUITY & LIABILITIES			
<u>Shareholders' Equity</u>			
Share Capital	11.00	300,000	300,000
Retained Earnings		(60,807,579)	(4,464,626)
Total Shareholders' Equity		(60,507,579)	(4,164,626)
<u>Non-Current Liabilities</u>			
Term Loan-Long Term Portion	12.00	-	148,474,150
Total Non-Current Liabilities		-	148,474,150
<u>Current Liabilities</u>			
Term Loan-Short Term Portion	12.00	-	22,152,869
Short Term Liabilities	13.00	-	24,786,015
Provision for Income Tax	14.00	1,468,684	-
Accounts Payable	15.00	73,631,791	-
Liabilities for Expenses	16.00	4,077,291	19,315
Others Payables	17.00	326,967,236	3,100,000
Total Current Liabilities		406,145,002	50,058,199
TOTAL EQUITY & LIABILITIES		345,637,423	194,367,723

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 26, 2017 and signed for and on behalf of the board.



Company Secretary



Head of Finance



Director



Managing Director



Chairman



(Malek Siddiqui Wali)

Chartered Accountants

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017

BELA FASHIONS LIMITED

Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2017

Particulars	Notes	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
Sales	18.00	239,183,778	411,784
Cost of Goods Sold	19.00	(240,440,043)	(331,064)
Gross Profit/(Loss)		(1,256,265)	80,720
Administrative & Selling Expenses	20.00	(21,534,885)	(1,177,015)
Operating Profit/(Loss)		(22,791,150)	(1,096,295)
Other Income	21.00	(114,797)	-
Financial Expenses	22.00	(31,968,322)	(17,777)
Profit before Tax		(54,874,269)	(1,114,072)
Income Tax Expenses	23.00	(1,468,684)	(2,471)
Profit after Tax		(56,342,953)	(1,116,543)
Other Comprehensive Income/(loss)		-	-
Total Comprehensive Income for the year		(56,342,953)	(1,116,543)

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 26, 2017 and signed for and on behalf of the board.



Company Secretary



Head of Finance



Director



Managing Director



Chairman



(Malek Siddiqui Wali)
Chartered Accountants

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017

BELA FASHIONS LIMITED

Statement of Changes in Equity For the year ended June 30, 2017

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01-07-2016	300,000	(4,464,626)	(4,164,626)
Net Profit/(Loss) during the year	-	(56,342,953)	(56,342,953)
Balance as on 30-06-2017	300,000	(60,807,579)	(60,507,579)

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01-07-2015	300,000	(3,348,083)	(3,048,083)
Net Profit/(Loss) during the year	-	(1,116,543)	(1,116,543)
Balance as on 30-06-2016	300,000	(4,464,626)	(4,164,626)

The financial statements were approved and authorized for issue by the Board of directors on the date of October 26, 2017 and signed for and on behalf of the board.



Company Secretary



Head of Finance



Director



Managing Director



Chairman

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017



(Malek Siddiqui Wali)
Chartered Accountants



BELA FASHIONS LIMITED

Statement of Cash Flows For the year ended June 30, 2017

Particulars	For the year ended June 30, 2017 Amount (Tk)	For the year ended June 30, 2016 Amount (Tk)
Cash Flow from Operating Activities:		
Cash Receipts from Customer & others	155,081,141	411,784
Cash Paid to Suppliers	(179,105,826)	(1,200,999)
Cash Paid to others	(14,807,931)	-
Cash Generated from operating Activities	(38,832,616)	(789,215)
Financial Expenses	(47,904,246)	
Income Tax Paid	(1,468,684)	(2,471)
Net Cash from Operating Activities	(88,205,546)	(791,686)
Cash Flow from Investing Activities:		
Acquisition of PPE	(32,225,284)	(65,985,656)
Net Cash Used in Investing Activities	(32,225,284)	(65,985,656)
Cash Flow from Financing Activities:		
Term Loan	(148,474,150)	60,413,034
Short term loan	(24,786,015)	-
Transaction with Baraka Power	319,933,695	-
Net Cash Generated from Financing Activities	146,673,530	60,413,034
Net Cash Inflow/(Outflow) for the period	26,242,700	(6,364,308)
Opening Cash & Cash Equivalents	2,325,820	8,690,128
Closing Cash & Cash Equivalents	28,568,520	2,325,820
The above balance consists of the followings:		
Cash in hand	995,534	1,988,391
Cash at bank	27,572,986	337,429
Total	28,568,520	2,325,820

The financial statements were approved and authorized for issue by the Board of directors on the date of October 26, 2017 and signed for and on behalf of the board.



Company Secretary



Head of Finance



Director



Managing Director



Chairman



(Malek Siddiqui Wali)
Chartered Accountants

Signed in terms of our report of even date annexed.

Dated: Sylhet
October 26, 2017

EVENTS



Mr. Gulam Rabbani Chowdhury, Managing Director is signing Engine Purchase Agreement with Wartsila Finland OY to purchase 06 nos. of Gen-Sets for Karnaphuli 110MW Shikalbaha Power Plant. In that event Mr. Faisal Ahmed Chowdhury, Chairman, Mr. Nazmul Hassan Choudhury, COO, Mr. Fahim Ahmed Chowdhury, DMD Baraka Power Limited, Mr. Monzur Kadir Shafi, DMD Baraka Patenga Power Limited and others were present.

Mr. Gulam Rabbani Chowdhury, Managing Director signing Fund Raising Agreement with IDCOL for raising of BDT 2,800 million and USD 350 million for Karnaphuli Power Limited.



In presence of Mr. Faisal Ahmed Chowdhury, Chairman and other senior executives of Baraka Group, Mr. Gulam Rabbani Chowdhury, Managing Director is signing Term Sheet with LankaBangla Finance Limited for raising of fund amounting BDT 800 million for Karnaphuli Power Limited.

ANNUAL SPORTS & CULTURAL PROGRAM 2016

With warm interaction Baraka Power Family celebrating Annual Sports and Cultural Program – 2016 in a joyful atmosphere.



In house training program conducted and participated by members of Baraka Group.



CSR ACTIVITIES



As a part of Corporate Social Responsibility, Mr. Gulam Rabbani Chowdhury, Vice President of Bangladesh Independent Power Producers' Association, with other private power sector entrepreneurs handing over cheques to the Honorable Prime Minister Sheikh Hasina as donation to Prime Minister's Relief Fund, Prime Minister's Education Assistance Trust Fund and Jatir Janak Bangabandhu Sheikh Mujibur Rahman Memorial Trust Fund. In that occasion, among others Prime Minister's advisor Dr. Toufiq E Elahi Chowdhury and State Minister for Power & Energy Mr. Nasrul Hamid were present.



As a part of Corporate Social Responsibility, Baraka Group is distributing relief among the Rohingya victims.



Mr. Gulam Rabbani Chowdhury, Managing Director of Baraka Power Limited handing over aid to underprivileged people for house construction.

On behalf of Baraka Group, in presence of Mr. Fahim Ahmed Chowdhury, DMD Baraka Power Limited, reliefs were distribution among the flood victims of Sunamganj District.



Distribution of new dresses by Baraka Power Limited among the unfortunate little students of KIN School on the holy occasion of EID.

NOTICE OF THE 10TH ANNUAL GENERAL MEETING

Notice is hereby given that the **10th Annual General Meeting** of the Shareholders of Baraka Power Limited will be held on the 14th day of December 2017 at Hotel Star Pacific, Dargah Gate, Sylhet-3100 at 12.30 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 June 30, 2017 together with the Auditors' Report thereon.
2. To declare dividend for the year ended 30 June 2017 as recommended by the Board of Directors.
3. To approach appointment of new Independent Directors and elect Directors in place of those retiring under Article No. 112 of the Articles of Association of the Company.
4. To appoint auditors for the year ended June 30, 2018 and to fix up their remuneration.

By order of the Board



Mohammed Monirul Islam
Company Secretary

Dated, Dhaka
November 22, 2017

Notes:

1. The record date of the company was 21st day of November 2017 for closing of share transfer book. Members whose name was appear 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 :@ 05%
Stock Dividend :@ 15%
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 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 10th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRC/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।





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company