

DIRECTORS' REPORT

to the Shareholders

For the year ended June 30, 2018

Bismillahir Rahmanir Rahim

Dear Shareholders,
Assalamu Alikum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 11th Annual General Meeting of Baraka 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, 2018 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 disclosure on Corporate Governance compliance status has been reported in Annexure-V & VI.

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' Responsibilities towards Shareholders

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

(i) Industry Outlook and future development:

Electricity is the main ingredients for socio-economic development of a country. Recognizing the necessity of the electricity, the Government has declared vision to provide electricity to all by 2021. The country is experiencing rapidly rising energy consumption over the past two decades. This trend will intensify further in the coming years as economic growth and development efforts accelerate-Bangladesh strives to become a middle-income country by 2021. Energy supply thus has to be increased rapidly in order to

sustain the country's growth momentum. In order to meet the Bangladesh Government's target of 37,708 MW of electricity by 2030, Baraka Power Limited along with its Group Companies have focused on different platforms for generating more electricity

The Board is pleased to inform you that the existing plant located at Fenchugonj, Sylhet is running excellent and generated 227,102 MWh of electricity and supplied 218,089 MWh to the national grid during the year 2017-2018. By selling of above units the company was able to earn revenue amounting Tk. 699,915,120 in the year 2017-2018.

You are already informed that the 50 MW HFO fired IPP power plant at Patenga, Chattogram 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. The plant is showing excellent



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performance and generated 135,008 MWh of electricity and supplying 129,598 MWh to the national grid during the year 2017-2018 earning revenue of Tk. 2,594,491,208 during the year ended June 30, 2018.

Last year we informed you that the company has plan to expand its business. You will be glad to know that during the year 2017-2018 we have acquired a Ready-Made-Garments factory, we have received two Letter of Intents (LOIs) from BPDB for implementing two new power plants of capacity 110MW and 105MW. During the passing year we have successfully signed two PPAs and IAs for implementation of the two new power projects. We are very glad to inform you that, by dint of its efficient and hardworking management and employees; Baraka Power Limited has been appointed as EPC contractor of Karnaphuli Power Limited and Baraka Shikalbaha Power Limited. The construction and implementation process of these two new power projects are going on very satisfactorily.

Since we are in growing phase and the expansion projects undertaken by Baraka Power has not started to return revenue yet, our financials might upset some of our shareholders but we strongly hope and believe that after successful implementation of the ongoing projects, the company will be able to get good returns from its investments.

(ii) Segment wise or Product wise performance:

Plant Particulars	Licensed Capacity (MWh)	Installed Capacity (MWh)	Plant factor (% on Licensed Capacity) considering the unit of energy sold		Energy Generation (MWh)	Energy Sold (MWh)
			Average	Maximum		
Fenchugonj, Sylhet - Gas Fired 51MW	446,760	483,026	48.70%	74.59%	227,102	218,089
Patenga, Chattogram - HFO Fired 50MW	438,000	489,421	66.08%	75.13%	289,203	277,886

(iii) Risks and concerns

Interest rate risks

Volatility of money market may influences the overall interest rate structure of the country. On June 30 2018, as the company has about Tk. 12.55 crore of outstanding loans, any unfavorable change in interest rate structure may affect the company's business adversely.

Management perception

Management of the company believes that rise in interest rate will not substantially affect the company. If interest rate rises, the company will go for alternative sources of financing.



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,



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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 reveals that the power crisis will remain in future as economy of Bangladesh is growing and demand for power and electricity is increasing. So, there is scope of extension of the term of current agreement subject to approval of BPDB.

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

Particulars	June 30, 2018	June 30, 2017	Deviation	
			Amount	Percentage
Revenue	699,915,120	779,242,654	(79,327,534)	(10.18) %
Cost of Sales	261,912,190	315,622,018	(53,709,828)	(17.02) %
Gross Profit	438,002,930	463,620,636	(25,617,706)	(5.53) %
Net Profit After Tax	319,052,358	338,637,332	(19,584,974)	(5.78) %
Gross Profit Margin (%)	62.58%	59.50%	3.08%	
Net Profit Margin (%)	45.58%	43.46%	2.13%	

Above table shows that net profit margin has increased by 2.13% whereas revenue decreased

by 10.18% in the year 2017-2018 to 2016-2017.

- (v) Other income of Tk. 97,898,646 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:

	30-06-18 (Taka)	30-06-17 (Taka)
Employee Benefits	23,250,000	22,476,000
Total	23,250,000	22,476,000

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

B. Other Related Party Transactions

Name of the Related Party	Nature of Relationships	Nature of Transactions	Transactions during the year		Receivables/(Payables)	
			30-06-18 Taka	30-06-17 Taka	30-06-18 Taka	30-06-17 Taka
Baraka Patenga Power Limited	Subsidiary Company	Short term loan	4,973,440,670	250,356,064	101,046,872	-
Baraka Fashions Limited	Subsidiary Company	Short term loan	409,319,487	330,133,240	255,370,127	326,150,640
Royal Homes Limited	Common Management	Advance for Commercial Space	27,047,419	461,166,406	151,691,623	124,644,204
Royal Educare Limited	Common Management	Short term loan	3,644,035	7,071,893	44,147,836	42,103,801
Baraka Shikalbaha Power Ltd.	Associate Company	Short term loan	352,000	-	-	-
Karnaphuli Power Limited	Subsidiary Company	Short term loan	181,793,696	54,108,759	-	54,515,490
Queens Healthcare Limited	Common Management	Short term loan	2,555	2,555	-	2,555
Baraka Apparels Limited	Common Management	Short term loan	63,461,512	218,441,532	242,739,844	192,673,930

(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 generated net profit of Tk. 335.09 million during the year ended June 30, 2018.



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(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, 2018:

Name	Designation	Period	30-06-2018	30-06-2017
Mr. Faisal Ahmed Chowdhury	Chairman & Head of Planning & Business Development	July'17 to June '18	4,438,500	4,290,000
Mr. Gulam Rabbani Chowdhury	Managing Director	July'17 to June '18	4,438,500	4,290,000
Mr. Md. Ahsanul Kabir	Vice-Chairman & Head of Administration	July'17 to June '18	2,524,500	2,376,000
Total			11,401,500	10,956,000

In Addition to the above, directors who attend the board meeting, have drawn board meeting attendance fee @ Tk. 10,000 per director per meeting. The total board meeting attendance fee during the year is Tk. 442,750.

(xi) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;

(xii) Proper books of account of the company have been maintained;

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

(xiv) International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;



- (xv) The system of internal control is sound in design and has been effectively implemented and monitored;
- (xvi) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- (xvii) There are no significant doubts upon the company's ability to continue as a going concern;
- (xviii) Significant deviations from last year in operating results of the company has been highlighted and reasons thereof have been explained in financial results & profit appropriation;
- (xix) Key operating and financial data of last five years has been annexed in Annexure I;
- (xx) The board of directors of the company has recommended 10% stock dividend (10 shares for every 100 shares held) on 200,055,788 ordinary shares of Tk. 10 each for the year ended June 30, 2018 subject to approval by the shareholders at the 11th Annual General Meeting;
- (xxi) No bonus share or stock dividend has been or shall be declared as interim dividend;
- (xxii) During the year ended June 30, 2018, total of 09 meetings were being held by the Board of Directors. The Directors who have attended the Board meeting are shown in Annexure II of this report.



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

(xxiv) Change in the Board of Directors after last AGM:

Date	Changes	Reason of changes
12 March 2018	Engr. Jalal Uddin Ahmed Chowdhury resigned as Independent Director	Voluntarily resigned from the Board
12 March 2018	Mr. Helal Ahmed Chowdhury appointed as Independent Director	Appointed as Independent Director to comply with the Corporate Governance requirement of BSEC
25 September	Mr. Fahim Ahmed Chowdhury appointed as Managing Director	Due to expiry of term of the Managing Director
6 October 2018	Mr. Md. Ahmed Ali resigned as Independent Director	Voluntarily resigned from the Board

After completion of the last AGM, due to their personal reasons, Engr. Jalal Uddin Ahmed Chowdhury and Mr. Md. Ahmed Ali resigned from the Board of Directors of the Company. Moreover, the 5 (five) years term of Mr. Gulam Rabbani Chowdhury as Managing Director has expired on September 24, 2018. Accordingly, to comply with the Corporate Governance Requirement of Bangladesh Securities and Exchange Commission Mr. Helal Ahmed Chowdhury has been appointed as Independent Director and Mr. Fahim Ahmed Chowdhury has been appointed as Managing Director of the Company by the Board of Directors of the Company.

Moreover, as per Article No. 112 of the Article of Association of the company following Directors shall retire in the 11th Annual General Meeting by rotation and being eligible, offer them for re-election:

01. Mr. Gulam Rabbani Chowdhury
02. Mr. Abdul Bari
03. Mr. Faisal Ahmed Chowdhury

Brif resume of the Directors have been disclosed in the Directors' Profile section of the Annual Report.

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

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(xxvi) Declaration by the MD and the CFO to the Board regarding Financial Statements for the year ended on 30th June 2018 has been reported in Annexure IV.

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

Financial Results & Profit Appropriation:

In the year 2017-2018, 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, 2018 and recommended apportion of retained earnings as mentioned below:

Profit available for appropriation:	June 30, 2018	June 30, 2017
Profit after tax	319,052,358	338,637,332
Add: Undistributed profit brought forward from previous year	392,332,662	385,050,674
Total amount Available for Appropriation	711,385,020	723,688,006
Appropriation:	June 30, 2018	June 30, 2017
Final dividend for the year 2015-2016 (@ 05% stock & 15% cash)		(331,355,344)
Final dividend for the year 2016-2017 (@ 15% stock & @ 05% Cash)	(347,923,110)	
Closing Retained Earnings at year end (before proposed dividend)	363,461,910	392,332,662
Proposed dividend for the year 2017-2018 (@ 10% stock)	(200,055,780)	
Retained Earnings after Proposed Dividend	163,406,130	392,332,662

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 10th AGM held on December 14, 2017. They have carried out the audit for the year 2017-2018 and will retire in the 11th AGM. Since M/S Malek Siddiqui Wali, Chartered Accountants have been the auditor of the Company for the last 3 years consecutively, as per Notification of Bangladesh Securities and Exchange Commission, they are not eligible for reappointment for the year 2018-2019. Accordingly, the Board has recommended to appoint M/S Kazi Zahir Khan & Co., Chartered Accountants, Shamsunnahar & Wazi Complex (8th Floor), Suite-9B, 31/C/1 Topkhana Road, Segunbagicha, Dhaka as the statutory auditor of the Company for the year 2018-

2019. As recommended by the Board, the resolution to appoint M/S Kazi Zahir Khan & Co., Chartered Accountants as auditor for the year 2018-2019 will be placed at the forthcoming 11th 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. The Committee consists of three members from the board including two Independent Directors. The company secretary of the company acts as the 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 to 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,

Sd/-
Gulam Rabbani Chowdhury
Chairman

FINANCIAL SUMMARY

Annexure I

Particulars	June 30,2018	June 30,2017	June 30,2016	June 30, 2015	June 30, 2014
FINANCIAL POSITION					
Non-Current Assets	6,337,713,093	6,013,295,059	5,980,581,835	6,173,495,917	5,520,375,957
Current Assets	3,836,108,164	2,766,230,092	2,273,735,211	2,168,132,816	2,110,210,043
TOTAL ASSETS	10,173,821,257	8,779,525,151	8,254,317,046	8,341,628,734	7,630,586,000
Share Capital	2,000,557,880	1,739,615,550	1,656,776,720	1,534,052,520	1,311,156,000
Share Premium	970,000,000	970,000,000	970,000,000	970,000,000	970,000,000
Retained Earnings	789,802,008	790,296,274	663,882,068	470,274,630	269,065,674
Non-Controlling Interest	877,191,969	802,120,236	726,278,701	632,203,906	488,139,110
Non-Current Liabilities	2,457,041,294	2,703,792,065	3,109,918,629	3,229,911,000	3,092,389,073
Current Liabilities	3,079,445,263	1,773,760,083	1,127,460,928	1,505,186,678	1,499,836,143
TOTAL EQUITY & LIABILITIES	10,173,821,257	8,779,525,151	8,254,317,046	8,341,628,734	7,630,586,000
OPERATING RESULTS					
Revenue	3,580,312,392	3,485,450,033	2,960,310,153	3,844,108,738	1,573,361,307
Gross Profit	1,100,164,797	1,115,462,171	1,125,957,975	1,042,093,141	516,846,359
Operating Profit	854,881,811	988,436,034	966,601,907	869,743,885	412,876,844
Income Tax Expenses	(61,824,130)	(69,083,031)	(53,804,430)	(51,536,442)	(31,160,857)
Non Controlling Interest	101,598,694	152,785,759	140,379,795	144,064,796	30,240,850
Net Profit after tax	349,745,355	457,769,550	439,055,840	424,105,477	249,364,982
FINANCIAL RATIOS					
Gross Profit Margin (%)	30.73%	31.99%	38.04%	27.11%	32.85%
Net Profit Margin (%)	9.77%	13.13%	14.83%	11.03%	15.85%
Return on Capital Employed (%)	12.05%	14.11%	13.56%	12.72%	6.73%
Debt Equity Ratio	44:56	47:53	52:48	55:45	62:38
OTHER INFORMATION					
Face value per share	10	10	10	10	10
Proposed Dividend	10% stock	15% stock and 5% cash	5% stock and 15% cash	8% stock and 8% cash	17% stock
Earnings Per share (EPS)	1.75	2.63	2.65	2.76	1.90
Net Assets value (NAV) per Share	18.80	20.12	19.86	19.39	19.45
Net Operating Cash Flows Per Share (NOCFPS)	4.74	3.52	5.08	5.76	(6.30)

BOARD MEETINGS AND ATTENDANCE

Annexure I I

Board Meeting and Attendance During the year ended June 30, 2018

Sl.	Name of Directors	Number of meetings held whilst Board Members	Meeting attendance	Remarks
1	Faisal Ahmed Chowdhury	9	9	
2	Gulam Rabbani Chowdhury	9	9	
3	Md. Ahsanul Kabir	9	9	
4	Md. Abdul Bari	9	7	
5	Nanu Kazi Md. Miah	9	4	
6	Robin Choudhury	9	0	
7	Dr. Tofayel Ahmed	1	1	Dr. Tofayel Ahmed's term as Independent Director expired on 12 August 2017.
8	Abdus S. Majid	2	0	Mr. Abdus S. Majid resigned from the Board with effect from 26 October 2017.
9	Md. Ahmed Ali	9	0	Md. Ahmed Ali resigned from the Board with effect from 06 October 2018.
10	Dr. Md. Zakir Hossain	7	7	Dr. Md. Zakir Hossain has been appointed as Independent Director with effect from on 26 October 2017.
11	Engr. Jalal Uddin Ahmed Chowdhury	5	5	Engr. Jalal Uddin Ahmed Chowdhury resigned from the Board with effect from 12 March 2018.
12	Helal Ahmed Chowdhury	2	2	Mr. Helal Ahmed Chowdhury has been appointed as Independent Director with effect from on 12 March 2018.



PATTERN OF SHAREHOLDING

ANNEXTURE III

The pattern of Shareholding as on June 30, 2018

Sl.	Name of Shareholders	Status	No. of Shares Held	Percentage (%) of Share Holding
a)	Parents/Subsidiary/Associate Companies		-	-
b)	Directors, Chief Executive Office, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouse and minor Children			
	Mr. Gulam Rabbani Chowdhury	Director & Chairman	4,158,133	2.08%
	Mr. Md. Ahsanul Kabir	Director & Vice Chairman	4,989,761	2.49%
	Mr. Abdul Bari	Director & Vice Chairman	4,005,216	2.00%
	Mr. Faisal Ahmed Chowdhury	Director	4,158,133	2.08%
	Mr. Nanu Kazi Mohammed Miah	Director	4,001,843	2.00%
	Mr. Robin Choudhury	Director	14,711,610	7.35%
	Dr. Md. Zakir Hossain	Independent Director	5,750	0.003%
	Mr. Helal Ahmed Chowdhury	Independent Director	-	-
	Mr. Fahim Ahmed Chowdhury	Managing Director	1,045,923	0.52%
	Mufti Abdul Mokshit Al Malum	Head of Internal Audit and Compliance	173,955	0.08%
	Ms. Rushina Ahmed Chowdhury	Spouse of Mr. Faisal Ahmed Chowdhury	478,885	0.24%
	Ms. Momtaz Chowdhury	Spouse of Mr. Gulam Rabbani Chowdhury	356,845	0.17%
	Ms. Shaheda Begum Shanti	Spouse of Mr. Robin Chowdhury	1,873,104	0.93%
	Ms. Mohibun Bari Chowdhury	Spouse of Mr. Abdul Bari	193,612	0.09%
	Ms. Tohmina Khatun	Spouse of Mr. Nanu Kazi Mohammed Mia	169,409	0.08%
	Ms. Abeda Khanom Chowdhury	Spouse of Mr. Fahim Ahmed Chowdhury	579,140	0.28%
c)	Executives *		-	-
d)	Shareholders holding 10% or More Voting interest		-	-

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

DECLARATION BY THE MD AND THE CFO

ANNEXTURE IV

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

Baraka Power Limited

Declaration by MD and CFO

Date: 27 October 2018
The Board of Directors
Baraka Power Limited
102-Azadi, Mirboxtola, Sylhet

Subject: Declaration on Financial Statements for the year ended on 30 June 2018

Dear Sirs,

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

- (1) The Financial Statements of Baraka Power Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Fahim Ahmed Chowdhury
Managing Director (MD)

Sd/-
Monowar Ahmed
Chief Financial Officer (CFO)

CGC COMPLIANCE REPORT

Annexure V

Baraka Power Limited

Status of Compliance with the Corporate Governance Code (CGC)
For the year ended 30th June 2018

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:
(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors.-			
1(1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The BPL Board is comprised of 09 Directors including Managing Director.
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		02 out of 09 directors are appointed as Independent Director
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		The Independent Directors have declared their compliances.
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		-
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		-
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		-
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		-
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		-
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓		-
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		-
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		-
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		-
1(2)(e)	"The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only."	✓		-
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		-
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	-	-	N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√	-	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	√	-	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	√	-	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	N/A
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	√	-	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√	-	
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√	-	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√	-	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive officer;	√	-	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	No such event arose
1(5)	The Directors' Report to the Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	√	-	
1(5)(ii)	The Segment-wise or product-wise performance;	√	-	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√	-	
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√	-	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√	-	
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√	-	
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any other instruments;	√	-	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc;	√	-	
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	√	-	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√	-	
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√	-	
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√	-	

CGC COMPLIANCE REPORT

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		-
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		-
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	The Company has declared 10% stock dividend
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		-
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name-wise details);	✓		-
1(5)(xxiii)(c)	Executives;	✓		-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓		-
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	✓		-
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓		-
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		-
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		-
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		-
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓	Formation of NRC is under process
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company		✓	Will be complied after finalization of the code of conduct
2	Governance of Board of Directors of Subsidiary Company:-			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		-
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		-
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		-
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		-
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		-
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		-
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		-
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		-
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the code of conduct for the company's Board or its member;	✓		-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		-

CGC COMPLIANCE REPORT

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4.	Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓		-
4(ii)	Nomination and Remuneration Committee		✓	Formation of NRC is under process
5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		-
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		-
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		-
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		-
5(2)(b)	The Board shall appoint members of the audit committee who shall benon-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓		-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten) years of such experience;	✓		-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		-
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		-
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓		-
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reson of absence of the regular chairperson shall be duly recorded in the minutes.	✓		-
5(3)(c)	Chairperson of the Audit Committee shall remin present in the Annual General Meeting (AGM);	✓		-
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		-
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		-
5(5)(b)	Monitor choice of accounting policies and principles;	✓		-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓		-
5(5)(d)	Oversee hiring and performance of external auditors.	✓		-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		-
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		-
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5.5(h)	Review the adequacy of internal audit function;	✓		-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		-
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		-
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat public Offering(RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:	-	-	N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		-
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal internal audit and compliance process or in the financial statements;control system;	-	-	No such Incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws,regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such Incidence arose
5(6)(b)	Reporting to the Authorities:-			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		-
6.	Nomination and remuneration Committee(NRC).-	Formation of NRC is under process		
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;		✓	Formation of NRC is under process
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		✓	Formation of NRC is under process
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).		✓	Formation of NRC is under process
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;		✓	Formation of NRC is under process
6(2)(b)	All member of the Committee shall be non-executive directors;		✓	Formation of NRC is under process
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;		✓	Formation of NRC is under process
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;		✓	Formation of NRC is under process

CGC COMPLIANCE REPORT

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		✓	Formation of NRC is under process
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		✓	Formation of NRC is under process
6(2)(g)	The company secretary shall act as the secretary of the Committee;		✓	Formation of NRC is under process
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;		✓	Formation of NRC is under process
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.		✓	Formation of NRC is under process
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;		✓	Formation of NRC is under process
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;		✓	Formation of NRC is under process
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;		✓	Formation of NRC is under process
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;		✓	Formation of NRC is under process
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		✓	Formation of NRC is under process
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);		✓	Formation of NRC is under process
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.		✓	Formation of NRC is under process
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		✓	Formation of NRC is under process
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:		✓	Formation of NRC is under process
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		✓	Formation of NRC is under process
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		✓	Formation of NRC is under process
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		✓	Formation of NRC is under process
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;		✓	Formation of NRC is under process
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		✓	Formation of NRC is under process
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		✓	Formation of NRC is under process
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;		✓	Formation of NRC is under process
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;		✓	Formation of NRC is under process

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;		✓	Formation of NRC is under process
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		✓	Formation of NRC is under process
7.	External or Statutory Auditors			
7(1)	The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely :-			
7(1) (i)	Appraisal or valuation services or fairness opinions;	✓		-
7 (1) (ii)	Financial information system design and implementation;	✓		-
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	✓		-
7 (1) (iv)	Broker –dealer services;	✓		-
7 (1) (v)	Actuarial services;	✓		-
7 (1) (vi)	Internal audit services or special audit services;	✓		-
7 (1) (vii)	Any services that the Audit Committee determines.	✓		-
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	✓		-
7 (1) (ix)	Any other service that creates conflict of interest	✓		-
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	✓		-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		-
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓		-
8(2)	The company shall keep the website functional from the date of listing.	✓		-
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	✓		-
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2018
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	-	✓	Board recommended the Professional for due appointment by the Shareholders in Upcoming AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		-

CERTIFICATE OF CORPORATE GOVERNANCE CODE

Annexure VI

