

DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED JUNE 30, 2019

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alikum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 12th Annual General Meeting of Baraka Power Limited. We are pleased to present herewith the Directors' Report on operational activity of the company and the Auditors' Report along with the Audited Financial Statements of the company for the year ended June 30, 2019 thereon, for your valued consideration, approval and adoption.

Directors' Responsibilities towards Shareholders

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

(i) Industry Outlook and future development:

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

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



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

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

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

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

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

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

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

(ii) Segment wise or Product wise performance:

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



DIRECTORS' REPORT (Continued)

(iii) Risks and concerns

Interest rate risks

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

Management perception

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

Exchange rate risks

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

Management perception

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

Industry risks

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

Management perception

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

Market and technology-related risks

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

Management perception

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



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

Potential or existing government regulations

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

Management perception

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

Potential changes in global or national policies

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

Management perception

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

History of non-operation

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

Management perception

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

Operations risks

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

Management perception

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



DIRECTORS' REPORT (Continued)

Project duration risk

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

Management perception

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



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

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

Consolidated Basis (Amount in taka)

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

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

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

(vi) Related Party Transaction

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

Transactions with key management personnel:

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

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



DIRECTORS' REPORT (Continued)

Other Related Party Transactions

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

(vii) Utilization of IPO Proceeds:

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

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

(ix) Quarterly performances of the company are in line with the Annual Audited Financial Statements.



(x) **Director's Remuneration**

Payment to Directors during the year ended June 30, 2019:

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

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

- (xi) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- (xii) Proper books of account of the company have been maintained;
- (xiii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- (xiv) International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- (xv) The system of internal control is sound in design and has been effectively implemented and monitored;
- (xvi) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- (xvii) There are no significant doubts upon the company's ability to continue as a going concern;
- (xviii) Significant deviations from last year in operating results of the company has been highlighted and reasons thereof have been explained in financial results & profit appropriation;
- (xix) Key operating and financial data of last five years has been annexed in **Annexure I**;
- (xx) **Dividend:**
The Board of Directors of the company has recommended 10% cash dividend on 220,061,366 ordinary shares of Tk. 10 each for the year ended June 30, 2019 subject to approval by the shareholders at the 12th Annual General Meeting;
- (xxi) No bonus share or stock dividend has been or shall be declared as interim dividend;
- (xxii) **Board Meeting & Attendance:**
During the year ended June 30, 2018, total of 08 meetings were being held by the Board of Directors. The Directors who have attended the Board meeting are shown in **Annexure II** of this report.
- (xxiii) The pattern of shareholding has been reported in **Annexure-III** to disclose the aggregate number of shares;



DIRECTORS' REPORT (Continued)

(xxiv) Directors' appointment & re-appointment:

Changes in the Board of Directors after last AGM:

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

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

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

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

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

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

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

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

Financial Results & Profit Appropriation:

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

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

Auditors:

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

Audit Committee

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

Corporate Governance

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

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

Acknowledgement:

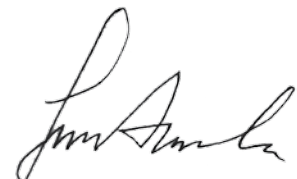
Board of Directors have always placed their deepest gratitude to the honorable shareholders for their kind co-operation and support towards the business of the company. The Directors assure the shareholders that, to the best of their knowledge, the Board would always try to uphold their interest in all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

The Board express their grateful appreciation to Bangladesh Power Development Board (BPDB), Power Cell of the Power Division, MPEMR, Jalalabad Gas T&D System Ltd., Banks & Financial Institutions, Insurance Companies, Service Providers, the Bangladesh Securities And Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), various Government Authorities, Individual and Agencies for their immense assistance, support and co-operation.

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

We look forward to even better days ahead.

On behalf of the Board of Directors,



Faisal Ahmed Chowdhury
Chairman

FINANCIAL SUMMARY

(Consolidated)

Annexure - I

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

BOARD MEETING AND ATTENDANCE

During the year ended June 30, 2019

Annexure - II

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



PATTERN OF SHAREHOLDING

As on June 30, 2019

Annexure - III

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

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

DECLARATION BY MD AND CFO

Annexure - IV

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

BARAKA POWER LIMITED

Declaration by MD and CFO

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

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

Dear Sirs,

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

- (1) The Financial Statements of Baraka Power Limited for the year ended on 30 June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


Fahim Ahmed Chowdhury
Managing Director
24 October 2019


Monowar Ahmed
Chief Financial Officer
24 October 2019

CORPORATE GOVERNANCE COMPLIANCE REPORT

Baraka Power Limited

Annexure - V

Status of Compliance with the Corporate Governance Code (CGC)

For the year ended 30th June 2019

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

(Report under Condition No. 9.00)

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		-
1(2)(e)	"The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only."	✓		-
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		-
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or bussiness association;	-	-	N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or bussiness 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;	✓		-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		-
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	✓		-
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc;	✓		-
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		-
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		-
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		-
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		-
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		-
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	The Company has declared 10% cash dividend
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		-
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	✓		-
1(5)(xxiii)(c)	Executives;	✓		-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓		-
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	✓		-
1(5)(xxiv) (b)	nature of his/her expertise in specific functional areas;	✓		-
1(5)(xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		-
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief disscission of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		-
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of fianacial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per 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			

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓	NRC has been formed on 30 September 2019 and recommendation of the NRC regarding code of conduct is expected in the next meeting of the NRC.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company		✓	Will be complied after finalization of the code of conduct
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;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the code of conduct for the company's Board or its member;	✓		-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		-
4.	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	✓		-
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 be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓		-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten)years of such experience;	✓		-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		-
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		-
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓		-
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓		-
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	✓		-
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		-
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		-
5(5)(b)	Monitor choice of accounting policies and principles;	✓		-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓		-
5(5)(d)	Oversee hiring and performance of external auditors.	✓		-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		-
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		-
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		-
5(5)(h)	Review the adequacy of internal audit function;	✓		-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		-
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		-
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat public Offering(RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission;	-	-	N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		-
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal internal audit and compliance process or in the financial statements;control system;	-	-	No such Incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws,regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such Incidence arose
5(6)(b)	Reporting to the Authorities:-			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		-
6.	Nomination and remuneration Committee(NRC).-	NRC has been formed by the Board on 30 September 2019		
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-		-
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-		-
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-		-
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		-
6(2)(b)	All member of the Committee shall be non-executive directors;	-		-
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		-
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		-
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		-
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		-
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-		-
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		-
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-		-
6(3)	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;	-		-

CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		-
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-		-
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	-	NRC has been formed by the Board on 30 September 2019 and meeting of the NRC will be held soon
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	No such event arose
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	-	-
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	-	-
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	-
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-	-	-
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-	-	-
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	-	-
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	-	-
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-	-	-
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	-
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	-	-
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	-	-
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-	-	-
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-	-	-
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 such certificate shall be disclosed in the Annual Report.	✓		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2019
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	✓		-
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		-

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Annexure - VI



PODDER & ASSOCIATES
Cost and Management Accountants

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

We have examined the compliance status to the Corporate Governance Code by Baraka Power Limited for the year ended on June 30, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission Except under conditions number 1(7)(a), 1(7)(b), 4(ii), & 6 those are related with NRC. The NRC is formed on 30th September 2019.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- (d) The governance of the company is satisfactory.

Place: Dhaka
Dated: 03rd December 2019

For Podder & Associates

Jayanta Kumer Podder
Cost & Management Accountants