

# DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED JUNE 30, 2020

*Bismillahir Rahmanir Rahim*

Dear Shareholders,  
Assalamu Alikum,

On behalf of the Board of the Directors and Management, I delightfully welcome you all to the 13<sup>th</sup> Annual General Meeting of Baraka Power Limited. We are pleased to present herewith the Directors' Report on operational activity of the company and the Auditors' Report along with the Audited Financial Statements of the company for the year ended June 30, 2020 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 capacity by power plants in our country.

Installed Capacity of Power Plants as of June (MW)	2019-20
Public Sector	
i) BPDB	5,590
ii) APSCL	1,444
iii) EGCB	957
iv) RPCL	182
v) NWPGL	1,395
vi) BPDB-RPCL JV	771
Private Sector	
i) IPP/SIPP	7,332
ii) Rental	1,301
REB (for PBS's only)	251
Power Import	1,160
<b>Total Installed Capacity (MW)</b>	<b>20,383</b>
Source: BPDB	



Power sector witnessed significant progress in power generation in the fiscal year 2019-20. During this fiscal year 1,773 MW new capacity added which raised the total generation capacity to 20,383 MW and annual increment of generation capacity was 7.50%. Electricity Demand is growing day by day. In order to mitigate the demand-supply gap, an aggressive plan is prepared by the Government for new generation addition. As part of the plan, 43 power generation projects of capacity 15,294 MW are now under construction. The plan envisages around 21,977 MW new generation addition by 2025.

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 291,780 Mwh of electricity and supplied 280,802 Mwh to the national grid during the year 2019-2020.

By selling of above units the company was able to earn revenue amounting Tk. 952,436,310 in the year 2019-2020.

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 139,365 MWh of electricity and supplied 134,310 MWh to the national grid during the year 2019-2020 earning revenue of Tk. 1,691,216,401 during the year ended on June 30, 2020. 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.

After starting Commercial Operation on August 20, 2019; our another subsidiary (by way of cross holding), Karnaphuli Power Limited has earned total revenue of Tk. 1,572,582,141 during the year ended on June 30, 2020 by generating 13,841 MWh of electricity and supplied 13,126 MWh.

As anticipated last year, due to full year operation of the newly constructed two power plants (i.e. Baraka Shikalbaha Power Limited and Karnaphuli Power Limited) the financial performance of the Company has boosted up. Consolidated NAV of the Company stood BDT 20.00 on June 30, 2020 compared to BDT 18.42 on June 30, 2019 and Consolidated EPS during the year 2019-20 stood at BDT 2.58 against BDT 1.71 during 2018-19. Despite imposition of nationwide lockdown due to the COVID-19 pandemic, this performance boost was possible. Although worldwide resumption of normal activities is still under threat by the disastrous CORONAVIRUS, we strongly hope and believe that after proper implementation of the Vaccine, demand for electricity will rise significantly as the industries will rush to fill-up the cumulative market demand.

(ii) Segment wise or Product wise performance:

Plant Particulars	Dependable Capacity (MwH)	Installed Capacity (MwH)	Plant factor (% on Dependable Capacity) based on generation		Energy Generation (MwH)	Energy Sold (MwH)
			Average	Maximum		
Fenchugonj, Sylhet - Gas Fired 51MW	447,984	484,350	65.10%	82.27%	291,780	280,802
Patenga, Chattogram - HFO Fired 50MW	439,200	489,421	31.64%	76.25%	139,365	134,310
Patiya, Chattogram - HFO Fired 110MW	966,240	1,024,832	2.60%	18.60%	13,841	13,126



## 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 2020, as the company has about Tk. 68.08 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 still 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 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, as economy of Bangladesh is growing and demand for power and electricity is increasing, 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, 2020	June 30, 2019	Solo Basis (Amount in taka)	
			Deviation	
			Amount	Percentage
Revenue	952,436,310	823,795,903	128,640,407	15.62%
Cost of Sales	508,261,875	374,539,675	133,722,200	35.70%
Gross Profit	444,174,435	449,256,228	(5,081,793)	(1.13)%
Net Profit After Tax	386,299,471	391,235,879	(4,936,408)	(1.26)%
Gross Profit Margin (%)	46.64%	54.53%	(7.90)%	
Net Profit Margin (%)	40.56%	47.49%	(6.93)%	

Consolidated Basis (Amount in taka)				
Particulars	June 30, 2019	June 30, 2018	Deviation	
			Amount	Percentage
Revenue	4,655,440,480	4,060,472,271	594,968,209	14.65%
Cost of Sales	2,788,972,032	3,011,454,022	(222,481,990)	(7.39)%
Gross Profit	1,866,468,448	1,049,018,249	817,450,199	77.93%
Net Profit After Tax (Owners)	567,060,979	375,618,015	191,442,964	50.97%
Gross Profit Margin (%)	40.09%	25.83%	14.26%	
Net Profit Margin (%)	12.18%	9.25%	2.93%	

The aforementioned solo basis table shows that revenue and cost of sales increased. This increase is due to raise in energy proceeds. However, gross profit and net profit after tax has decreased slightly due to increase in COGS and operational expenses and reduction of other income than that of the previous year. Conversely, the consolidated basis table shows that the consolidated gross profit margin increased by 14.26% and net profit margin increased by 2.93%. This is mainly due to starting of Commercial Operation by Karnaphuli Power Limited during the last financial year.

(v) Other income of Tk. 199,207,012 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:**

	30-06-20 (Taka)	30-06-19 (Taka)
Employee Benefits	12,104,880	21,921,650
Total	12,104,880	21,921,650

Key management personnel include Vice Chairman & Head of Administration, Managing Director, Company Secretary and CFO.



## DIRECTORS' REPORT (Continued)

### B. 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 Fashions Limited	Subsidiary Company	Short term loan	340,733,155	184,301,292	20,454,850	504,579,597
Karnaphuli Power Limited	Subsidiary Company	Short term loan	398,294,404	1,948,061,665	1,546,562,983	799,793,086
		EPC Work	285,000,000	-	285,000,000	-
Baraka Shikalbaha Power Ltd.	Associate Company	Short term loan	772,208,840	1,614,031,580	1,579,914,164	806,326,256
		EPC Work	747,188,131	-	747,188,131	-
Royal Homes Limited	Common Management	Advance for Commercial Space	164,343,078	14,305,563	178,648,641	-
Royal Hospitality and Leisure Ltd.	Common Management	Short term loan	27,269,419	4,093,470	-	31,362,889
Royal Educare Limited	Common Management	Short term loan	47,876,299	8,745,181	56,621,480	-
		Preference Share	-	55,000,000	-	55,000,000
Queens Healthcare Limited	Common Management	Short term loan	2,773,414	447,753	-	3,221,167
Baraka Apparels Limited	Common Management	Short term loan	288,371,025	49,500,957	-	337,871,982

#### (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. 673.88 million during the year ended June 30, 2020.

(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, 2020:

Name	Designation	Period	30-06-2020	30-06-2019
Mr. Fahim Ahmed Chowdhury	Managing Director	July'19 to June '20	5,448,500	3,172,800
Mr. Gulam Rabbani Chowdhury	Director	July'19 to June '20	-	1,251,000
Mr. Md. Ahsanul Kabir	Vice-Chairman & Head of Administration	July'19 to June '20	3,647,500	2,673,000
Mr. Faisal Ahmed Chowdhury	Chairman	July'19 to June '20	-	1,251,000
<b>Total</b>			<b>9,096,000</b>	<b>8,347,800</b>

In Addition to the above, directors who attend the board meeting, have drawn board meeting attendance fee @ Tk. 11,000 (including VAT) per director per meeting. The total board meeting attendance fee during the year is Tk. 693,000.

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

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

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

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



- (xv) The system of internal control is sound in design and has been effectively implemented and monitored;
- (xvi) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- (xvii) There are no significant doubts upon the company's ability to continue as a going concern;
- (xviii) Significant deviations from last year in operating results of the company has been highlighted and reasons thereof have been explained in the financial statements;
- (xix) Key operating and financial data of last five years has been annexed in **Annexure I**;
- (xx) **Dividend:**  
The Board of Directors of the company has recommended 15% dividend consisting of 8% cash and 7% stock on 220,061,366 ordinary shares of Tk. 10 each for the year ended June 30, 2020 subject to approval by the shareholders at the 13th 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, 2020, 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) **Directors' appointment & re-appointment:**  
Changes in the Board of Directors after last AGM:



Date	Changes	Reason of changes
25 October 2020	Mr. Afzal Rashid Choudhury appointed as Director representing NRB Ventures (Pvt.) Limited	Due to nomination by NRB Ventures (Pvt.) Limited, appointed by Board of Directors to comply with aggregate 30% shareholding requirement of BSEC.
25 October 2020	Mr. Md. Shirajul Islam appointed as Director representing Fusion Holdings (Pvt.) Limited	Due to nomination by Fusion Holdings (Pvt.) Limited, appointed by Board of Directors to comply with aggregate 30% shareholding requirement of BSEC.
25 October 2020	Mr. Monzur Kadir Shafi appointed as Director representing Karnaphuli Harbour Limited	Due to nomination by Karnaphuli Harbour Limited, appointed by Board of Directors to comply with aggregate 30% shareholding requirement of BSEC.
25 October 2020	In addition to his current position as Managing Director, Mr. Fahim Ahmed Chowdhury is appointed as Director representing Baraka Apparels Limited	Due to nomination by Baraka Apparels Limited, appointed by Board of Directors to comply with aggregate 30% shareholding requirement of BSEC.
25 October 2020	Mr. Abdus S Majid is appointed as Independent Director	To comply with requirement of condition 1.2(a) of the Corporate Governance Code issued by BSEC.
26 October 2020	Dr. Md. Zakir Hossain is reappointed as Independent Director for another term of 3 (three) years	Retired due to expiry of term & reappointed by the Board of Directors.

After completion of the last AGM, since 5 (five) new directors have been appointed by the Board of Directors; as per requirement of Section 86 of Schedule I of the Companies Act, 1994, the following newly appointed additional Directors will retire in the 13<sup>th</sup> AGM and being eligible offer them for being elected in the 13<sup>th</sup> AGM.

In addition to that, as per requirement of condition 1.2(c) of the Corporate Governance Code issued by BSEC



## DIRECTORS' REPORT (Continued)

appointment of Mr. Abdus S Majid as Independent Director with effect from October 25, 2020 and reappointment of Dr. Md. Zakir Hossain as Independent Director for another term of 3 (three) years with effect from October 26, 2020 will have to be approved by the shareholders in the 13<sup>th</sup> Annual General Meeting.

Moreover, as per Article No. 112, 113, 114 and 115 of the Article of Association of the company following Directors shall retire in the 13th Annual General Meeting by rotation and being eligible, offer them for re-election:

01. Mr. Faisal Ahmed Chowdhury
02. Engr. Md. Ahsanul Kabir
03. Mr. Abdul Bari
04. Mr. Gulam Rabbani Chowdhury
05. Mr. Nanu Kazi Mohammed Miah

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 June 30, 2020 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 2019-2020, 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, 2020 and recommended apportion of retained earnings as mentioned below:

<b>Profit available for appropriation:</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Profit after tax	386,299,471	391,235,879
Add: Undistributed profit brought forward from previous year	548,742,039	363,461,910
Prior years' adjustment	-	(5,899,970)
Total amount Available for Appropriation	935,041,510	748,797,819
<b>Appropriation:</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Final dividend for the year 2017-2018 (@10% Stock)		(200,055,780)
Final dividend for the year 2018-2019 (@10% Cash)	(220,061,366)	
Closing Retained Earnings at year end (before proposed dividend)	714,980,144	548,742,039
Proposed dividend for the year 2019-2020 (@8% Cash & @7% Stock)	(330,092,049)	
Retained Earnings after Proposed Dividend	384,888,095	548,742,039

### Auditors:

M/S Kazi Zahir Khan & Co., Chartered Accountants was appointed as the auditor of the company in its 12<sup>th</sup> AGM held on December 29, 2019. They have carried out the audit for the year 2019-2020 and will retire in the 13<sup>th</sup> AGM. Being eligible, M/S Kazi Zahir Khan & Co., Chartered Accountants have expressed their intention to be reappointed as statutory auditor of the company for the year 2020-2021. 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 2020-2021 at a fee of Tk. 250,000/- subject to approval by the shareholders in the 13th 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.

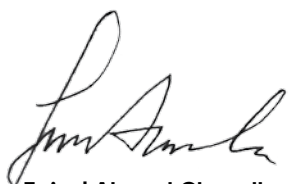
The Board express their gratitude to Bangladesh Power Development Board (BPDB), Power Cell of the Power Division, MPEMR, Jalalabad Gas T&D System Ltd., Banks & Financial Institutions, Insurance Companies, Service Providers, the Bangladesh Securities And Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), various Government Authorities, Individuals 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 our success. 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.

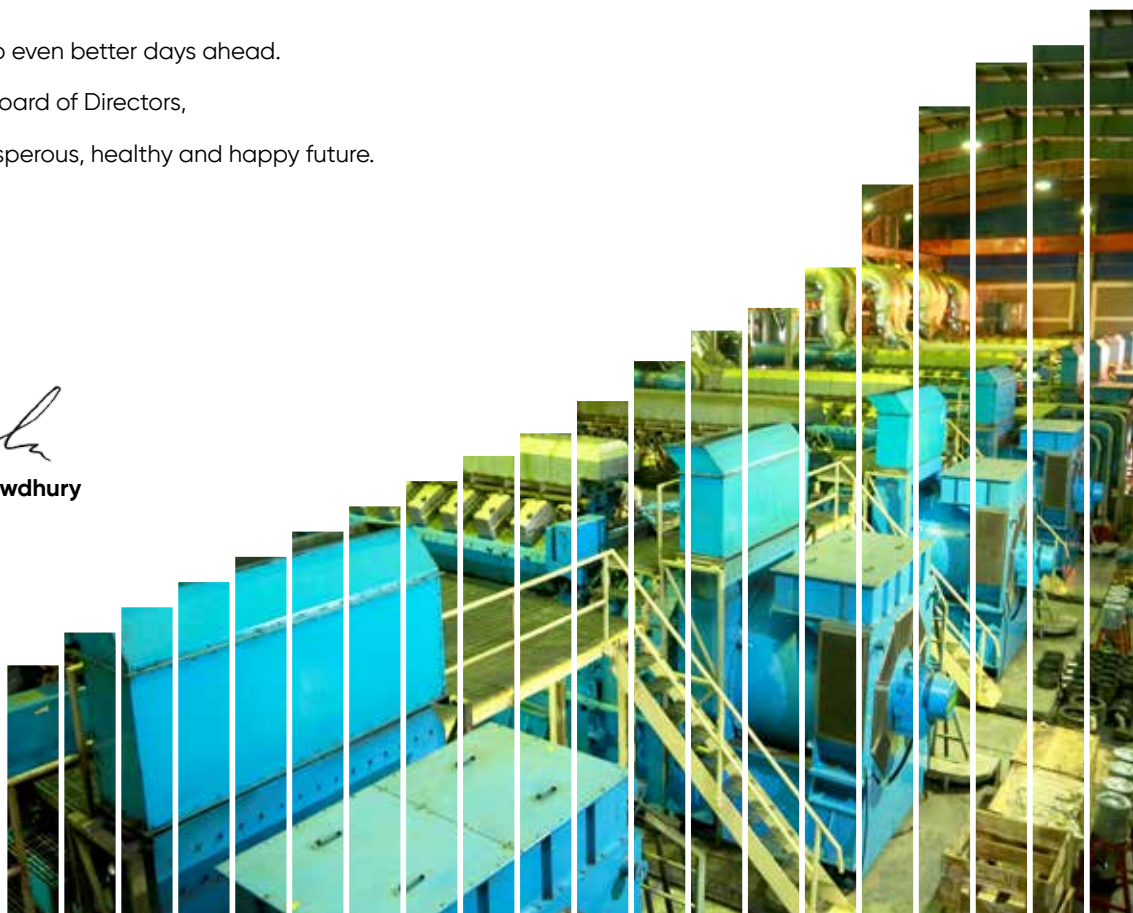
On behalf of the Board of Directors,

Wishing you a prosperous, healthy and happy future.



**Faisal Ahmed Chowdhury**

Chairman



# FINANCIAL SUMMARY

(Consolidated)

## Annexure - I

Particulars	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
<b>FINANCIAL POSITION</b>					
Non-Current Assets	12,832,188,235	12,665,790,373	6,337,713,093	6,013,295,059	5,980,581,835
Current Assets	5,068,545,578	4,854,139,139	3,836,108,164	2,766,230,092	2,273,735,211
<b>TOTAL ASSETS</b>	<b>17,900,733,813</b>	<b>17,519,929,512</b>	<b>10,173,821,257</b>	<b>8,779,525,151</b>	<b>8,254,317,046</b>
Share Capital	2,200,613,660	2,200,613,660	2,000,557,880	1,739,615,550	1,656,776,720
Share Premium	970,000,000	970,000,000	970,000,000	970,000,000	970,000,000
Retained Earnings	1,231,960,116	885,376,323	789,802,008	790,296,274	663,882,068
Non-Controlling Interest	924,309,398	836,974,616	877,191,969	802,120,236	726,278,701
Non-Current Liabilities	2,838,202,110	2,843,617,270	2,457,041,294	2,703,792,065	3,109,918,629
Current Liabilities	9,736,667,959	9,784,928,328	3,079,445,263	1,773,760,083	1,127,460,928
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>17,900,733,813</b>	<b>17,519,929,513</b>	<b>10,173,821,257</b>	<b>8,779,525,151</b>	<b>8,254,317,046</b>
<b>OPERATING RESULTS</b>					
Revenue	4,655,440,480	4,060,472,271	3,580,312,392	3,485,450,033	2,960,310,153
Gross Profit	1,866,468,448	1,082,621,719	1,100,164,797	1,115,095,144	1,125,957,975
Operating Profit	1,587,455,565	859,252,623	854,881,811	988,436,034	966,601,907
Income Tax Expenses	78,195,456	70,304,258	61,824,130	69,083,031	53,804,430
Non Controlling Interest	138,998,760	39,093,682	101,598,694	152,785,759	140,379,795
<b>Net Profit after tax</b>	<b>567,060,979</b>	<b>375,397,741</b>	<b>349,745,355</b>	<b>457,769,550</b>	<b>439,055,840</b>
<b>FINANCIAL RATIOS</b>					
Gross Profit Margin (%)	40.09%	26.66%	30.73%	31.99%	38.04%
Net Profit Margin (%)	12.18%	9.25%	9.77%	13.13%	14.83%
Return on Capital Employed (%)	19.44%	11.11%	12.05%	14.11%	13.56%
Debt Equity Ratio	40 : 60	46 : 54	44 : 56	47 : 53	52 : 48
<b>OTHER INFORMATION</b>					
Face value per share	10	10	10	10	10
Proposed Dividend	7 % stock and 8 % cash	10 % cash	10 % stock	15 % stock and 5% cash	5 % stock and 15% cash
Earnings Per share (EPS)	2.58	1.71	1.75	2.63	2.65
Net Assets value (NAV) per Share	20.00	18.42	18.80	20.12	19.86
Net Operating Cash Flows Per Share (NOCFPS)	5.58	1.97	4.74	3.52	5.08

## BOARD MEETING AND ATTENDANCE

During the year ended June 30, 2020

### Annexure - II

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

Mr. Afzal Rashid Choudhury, Mr. Md. Shirajul Islam, Mr. Monzur Kadir Shafi, Mr. Fahim Ahmed Chowdhury and Mr. Abdus S Majid became Directors of the Company with effect from October 25, 2020.





## PATTERN OF SHAREHOLDING

As on June 30, 2020

### 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	2.08%
	Mr. Md. Ahsanul Kabir	Director & Vice Chairman	5,488,737	2.49%
	Mr. Abdul Bari	Director & Vice Chairman	4,405,737	2.00%
	Mr. Gulam Rabbani Chowdhury	Director	4,573,946	2.08%
	Mr. NanuKazi Mohammed Miah	Director	4,402,026	2.00%
	Mr. Robin Choudhury	Director	16,182,770	7.35%
	Dr. Md. Zakir Hossain	Independent Director	6,325	0.00%
	Mr. Helal Ahmed Chowdhury	Independent Director	-	-
	Mr. Fahim Ahmed Chowdhury	Managing Director	1,100,515	0.50%
	Mufti Abdul Mokshit Al Malum	Head of Internal Audit and Compliance	121,412	0.06%
	Monowar Ahmed	Chief Financial Officer	21,500	0.01%
	Ms. Rushina Ahmed Chowdhury	Spouse of Mr. Faisal Ahmed Chowdhury	106,766	0.05%
	Ms. Mohibun Bari Chowdhury	Spouse of Mr. Abdul Bari	369,333	0.17%
	Ms. Momtaz Chowdhury	Spouse of Mr. Gulam Rabbani Chowdhury	202,729	0.09%
	Ms. Tohmina Khatun	Spouse of Mr. NanuKazi Mohammed Mia	10,349	0.00%
	Ms. Shaheda Begum Shanti	Spouse of Mr. Robin Chowdhury	1,873,104	0.85%
	Ms. AbedaKhanom Chowdhury	Spouse of Mr. Fahim Ahmed Chowdhury	569,000	0.26%
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

\*\* Mr. Afzal Rashid Choudhury (representing NRB Ventures (Pvt.) Limited), Mr. Md. Shirajul Islam (representing Fusion Holdings (Pvt.) Limited), Mr. Monzur Kadir Shafi (representing Karnaphuli Harbour Limited), Mr. Fahim Ahmed Chowdhury (representing Baraka Apparels Limited) and Mr. Abdus S Majid became Directors of the Company with effect from October 25, 2020.

# 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: 27 October 2020  
The Board of Directors  
Baraka Power Limited  
102-Azadi, Mirboxtola  
Sylhet

## **Subject: Declaration on Financial Statements for the year ended on 30 June 2020**

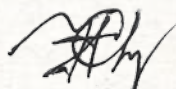
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Baraka Power Limited for the year ended on 30 June 2020 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.

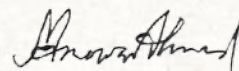
In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2020 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  
27 October 2020



**Monowar Ahmed**  
Chief Financial Officer  
27 October 2020

# 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 13 Directors.
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);	✓		03 out of 13 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 direct or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		-
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		-
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓		-
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		-



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		-
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓	-	After last AGM one new Independent director has been appointed by the board and waiting for approval in the next 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.	✓		Dr. Md. Zakir Hossain was re-appointed by the Board for another term of 3 (three) years
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		-
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	-	-	N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	✓		-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	N/A
1(3)(c)	The independent director(s) shall have at least 10( ten) years of experiences in any field mentioned in clause (b);	✓		-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	N/A



## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	✓		-
1(5)	The Directors' Report to the Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		-
1(5)(ii)	The Segment-wise or product-wise performance;	✓		-
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		-
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	✓		-
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing etc.;	✓		-
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;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 8% cash and 7% 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;	✓		-

## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		-
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		-
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		-
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	✓		-
2	<b>Governance of Board of Directors of Subsidiary Company:-</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		-
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		-
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		-
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		-
3.	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		-
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		-
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		-
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		-
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.	✓		-
4.	<b>Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:</b>			
4(i)	Audit Committee;	✓		-
4(ii)	Nomination and Remuneration Committee	✓		-
5.	<b>Audit Committee.-</b>			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		-



## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

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

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

## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		-
6.	<b>Nomination and remuneration Committee(NRC).-</b>			
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;	-	-	N/A
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;	✓		-
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:	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		-
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	No such 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.	✓		-
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;	✓		-



## CORPORATE GOVERNANCE COMPLIANCE REPORT (Continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	<b>Maintaining a website by the Company.-</b>			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓		-
8(2)	The company shall keep the website functional from the date of listing.	✓		-
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	✓		-
9.	<b>Reporting and Compliance of Corporate Governance.-</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
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, 2020. 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:

- 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;
- 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;
- 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
- The governance of the company is satisfactory.

Place: Dhaka  
Dated: 6<sup>th</sup> December 2020

**Podder & Associates**  
Cost & Management Accountants