

Baraka Power Limited

Directors' Report to the Shareholders

For the year ended June 30, 2023

Bismillahir Rahmanir Rahim

Dear Shareholders,
Assalamu Alikum,

I warmly welcome you all to the 16th Annual General Meeting of Baraka Power Limited on behalf of the Board of Directors and Management. 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 on June 30, 2023 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:

It is highly likely that electricity consumption per capital in Bangladesh will increase significantly as demand is expected to increase in line with GDP growth and the Government's master plan to generate 40,000 MW by 2030 and 60,000 MW by 2041.

The power sector of Bangladesh has experienced an outstanding progress in the last 15 (fifteen) years which is evident from the following table:

Particulars	2009 January	2023 September	Achievement in last 15 years
Total power plants	27	152	(+) 125
Production capacity MW (including captive and renewable energy)	4,942	28,562	(+) 23,620
Maximum production MW	3,268 6 January 2009	15,648 19 April 2023	(+) 12,380
Grid sub-station capacity (MVA)	15,870	64,000	(+) 48,130
Electricity import MW	-	2,656	(+) 2,656
Per capita electricity production (KWh)	220	602	(+) 382

Source: বিদ্যুৎ বিভাগ, বিদ্যুৎ, জ্বালানি ও খনিজ সম্পদ মন্ত্রণালয়, গণপ্রজাতন্ত্রী বাংলাদেশ সরকার কর্তৃক অক্টবর ২০২৩ এর প্রকাশনা” বাংলাদেশের বিদ্যুৎ খাত, অভাবনীয় সাফল্যের পনের বছল”

With more and more modernization of livelihood people are becoming more dependent on electricity-based tools and equipment. Due to the outbreak of COVID people all over the world became more familiar and habituated with online based machineries. Moreover, with the implementation of different mega projects that require significant electricity consumption it is expected that future electricity consumption will increase at a higher rate than ever before.

The primary component for a nation's socioeconomic progress is electricity. The government's goal of making Bangladesh one of the developed nations by 2041 is causing economic growth and development efforts to accelerate. Baraka Power Limited and its Group Companies have concentrated on several platforms for producing more power in order to meet the Government's aim as well as to carry out our corporate mission.

The Board is delighted to inform you that the power plant in Fenchugonj, Sylhet, is operating perfectly and produced 253,323 MWh of energy in 2022-23. Throughout the year 2022-2023, Baraka Power provided the national grid with a total of 243,066 MWh of electricity. Accordingly, the company was able to generate revenue totaling Tk. 1,402,052,394 in the fiscal year 2022-2023, which is Tk. 281,530,146 higher than the prior year.

You'll be pleased to know that our other power plants, including the Baraka Patenga 50MW, Baraka Shikalbaha 105MW and Karnaphuli Power 110MW are also operating very efficiently and providing electricity to the national grid as needed.

As a combined result, Consolidated NAV of the Company stood Tk. 21.99 on June 30, 2023 compared to Tk. 22.43 on June 30, 2022. Despite many odds we managed to do well in our operational performance and we are optimistic that in future also we will be able to bring good results for all of our stakeholders.

(i) 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	446,760	484,350	56.53%	93.45%	253,323	243,066

(ii) Risks and concerns

Interest rate risks

The schematic representation of the country's interest rates may be impacted by the money market's volatility. Due to the company's outstanding loans, any unfavorable changes to the interest rate structure could have an adverse influence on the company's operations.

Management perception

The company's management thinks that an increase in interest rates won't have a significant impact on the business. The corporation will look for alternative sources of finance if interest rates increase. Finance department constantly monitors bank interest rates and selects/shifts best alternative rates for borrowing and lending in order to reduce interest rate risk.

Exchange rate risks

Since the company imports machinery and equipment in exchange for foreign currencies, the company is subject to currency risk (USD and EURO). Unfavorable volatility or currency changes may raise import costs and hence have an impact on the company's profitability.

Management perception

The dangers linked to currency fluctuations are clearly understood by the company's management. Major foreign purchases of imported machinery and equipment have been completed. Currently, sources from a number of nations are used to purchase spare parts. Exchange rates are taken into consideration very carefully when negotiating prices with suppliers. Therefore, management does not anticipate that currency risk will negatively impact the Company's operations.

Industry risks

The Company works in a sector where demand and supply are still out of balance. Even though the power industry is one of the most difficult and demanding in our nation, there is a danger that excessive competition could hurt the company's operations.

Management perception

Although in present days it seems that the nation's capacity of electricity production is more than that of its demand, the demand for electricity is rising gradually. There is basically little prospect of excessive competition in this case. Additionally, BPDB purchases all of the electricity generated by the company at a rate outlined in the Power Purchase Agreement that is likewise modified in accordance with the consumer pricing index. As a result, the business is shielded from any kind of loss brought on by inflation or competition.

Market and technology-related risks

The capacity of the generators used to generate the power greatly influences production capacity. The company's operations might experience severe turbulence should there be any disruption in the technologies it uses.

Management perception

Modern equipment and cutting-edge technologies are employed by the company. The plant is made up of 19 generator sets from GE Jenbacher, Austria, a well-known producer of gas-fueled reciprocating engines. The facility has a total installed capacity of 55.14 MW, although the contractual capacity is 51 MW. The plant has 8.11% of production reserve margin set aside to assure a constant supply of power. The company has a 15-year contract with GE Jenbacher for the supply of spare parts in order to minimize the possibility of disruptions. Additionally, the company's management takes timely maintenance of the machinery very seriously.

Potential or existing government regulations

Even while the company benefits greatly from the laws and regulations currently in place, there is a potential that the government will adopt a measure that would negatively impact the functioning and profitability of the business.

Management perception

In order to promote economic and social growth, the government is dedicated to offering all citizens dependable, cheap electricity. Therefore, the company's management is convinced that Baraka Power won't encounter any bad circumstances with regard to government policy.

Potential changes in global or national policies

Changes in domestic and international policy could have a negative impact on the company's operations. Any structural change in the power generation sector could have a detrimental effect on the company's revenue and profitability.

Management perception

Electricity is absolutely necessary for modern living. The modern way of life cannot exist without electricity. It is impossible for a nation to develop without an uninterrupted supply of electricity. Therefore, the power industry won't suffer any negative effects from national policies. On the other hand, there is very little likelihood that international policies will adversely affect the power industry in our nation.

History of non-operation

If a company ceases operations for a length of time throughout its operational life, the risk that it will do so again in the future for the same reasons or other likely reasons should be carefully considered.

Management perception

The Company has never stopped operating. Therefore, there is no risk in this regard. Additionally, the company is growing by adding more power plants and making investments in various industries, such as RMG and education. So, there is very little likelihood that they will stop working in the future.

Operations risks

The project's ability to function as planned is covered by operational risk. The corporation faces significant operational risk from the usage of technology, fuel supply arrangements, operation and maintenance (O&M) arrangements, and political conditions.

Management perception

Baraka Power Limited and Jalalabad Gas Transmission and Distribution Systems Ltd. (JGTDSL) signed a gas supply agreement on June 22, 2008, for a length of 15 years, to ensure that gas will be supplied as needed and to the agreed-upon specifications during the term of the agreement. Baraka Power Limited has hired qualified local engineers and personnel with previous experience working in power plants for the plant's O&M. Additionally, the plant's supplier, GE Jenbacher GmbH & Co., will provide all required replacement parts for a 15-year period with a warranty beginning on the date of delivery. Baraka Power Limited hires GE Jenbacher GmbH & Co. to provide the overhaul services during the major overhaul. The corporation built 19 generator units, so even during scheduled maintenance or any small issues, the supply of electricity won't be significantly impeded. Operational risk is present in all power projects, and given that this project will operate for 15 years, this risk is fairly considerable. The availability of technical competence in the nation, the supply agreement with the vendor, and the reserve margin of about 8.11% (installed capacity) all significantly reduce operational risk, though.

Project duration risk

With the understanding that it would be terminated fifteen (15) years after the start of commercial operations, unless earlier terminated in accordance with the terms of the agreement, the firm entered into a contract with the Bangladesh Power Development Board (BPDB).

Management perception

Due to the increasing demand for cheap power in our nation, management believes that there are no chances for an early termination of the contract. Targeting the planned development of the nation, the government of Bangladesh is pushing more local business owners to invest in this industry. Furthermore, there is potential to extend the period of the current agreement with the BPDB's consent because of Bangladesh's expanding economy and rising need for cheap electricity and power.

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

Solo Basis (Amount in taka)				
Particulars	June 30, 2023	June 30, 2022	Deviation	
			Amount	Percentage
Revenue	1,402,052,394	1,120,522,248	281,530,146	25.12%
Cost of Sales	992,659,886	697,189,673	295,470,213	42.38%
Gross Profit	409,392,508	423,332,575	(13,940,067)	-3.29%
Net Profit After Tax	334,590,206	440,069,256	(105,479,050)	-23.97%
Gross Profit Margin (%)	29.20%	37.78%	-8.58%	
Net Profit Margin (%)	23.86%	39.27%	-15.41%	

Consolidated Basis (Amount in taka)				
Particulars	June 30, 2023	June 30, 2022	Deviation	
			Amount	Percentage
Revenue	2,398,477,125	1,813,109,690	585,367,435	32.29%
Cost of Sales	1,857,585,593	1,327,717,136	529,868,457	39.91%
Gross Profit	540,891,532	485,392,554	55,498,978	11.43%
Net Profit After Tax (Owners)	131,559,974	501,355,942	(369,795,968)	-73.76%
Gross Profit Margin (%)	22.55%	26.77%	-4.22%	
Net Profit Margin (%)	5.49%	27.65%	-22.17%	

The three major component in the revenue of the Company are Capacity Proceeds, Variable Operational & Maintenance Proceeds (VOMP) and Energy Proceeds. The revenue of the Company has increased during the year due to the combined factors that Capacity proceeds has increased due to adjustment of Consumer Price Index (CPI), VOMP Proceeds decreased due to low demand of electricity during the year 2022-23 whereas energy proceeds are increased significantly as gas price increased significantly from the earlier year. In addition to that the consolidated revenue has also increased due to generation of higher revenue by our subsidiary company Baraka Fashions Limited.

Despite lower production than that of the previous year, the COGS of the Company increased due to significant increase of the gas price.

The solo basis gross profit margin decreased due to the lower demand from BPDB during the year whereas the consolidated gross profit margin increased due to better performance of the subsidiary company.

The solo basis net profit after tax decreased due to significant reduction in other income. However, the consolidated net profit has decreased mainly due to significant loss from associates.

(i) Other income of Tk. 34,071,715 is generated by the company from receivables with the related parties.

(ii) 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 IAS 24: Related Party Disclosures.

Transactions with key management personnel:

	30-06-23 (Taka)	30-06-22 (Taka)
Employee Benefits	15,524,557	13,794,844
Total	15,524,557	13,794,844

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

B. Other Related Party Transactions

Name of the Related Party	Nature of Relationships	Nature of Transactions	Transactions during the year ended on 30-06-23			
			Opening Balance	Addition	Adjustment	Closing Balance
Baraka Fashions Ltd.	Subsidiary Company	Short Term Loan	453,891,126	43,573,669	(15,000,000)	482,464,795
Karnaphuli Power Ltd.	Associate Company	Short Term Loan	129,803,785	46,500,000	(176,303,785)	-
Baraka Shikalbaha Power Limited	Associate Company	Short Term Loan	49,804,910	437,540,136	(487,345,046)	-
Baraka Patenga Power Ltd	Associate Company	Short Term Loan	-	253,411,474	(246,621,153)	6,790,321
Royal Educare Limited	Common Management	Preference Share	49,500,000	-	(5,500,000)	44,000,000
Queens Healthcare Limited	Common Management	Short Term Loan	3,923,837	-	(3,923,837)	-
Baraka	Common	Short Term	403,608,708	178,944,198	(403,608,708)	178,944,198

(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 Baraka Patenga Power Limited.

(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, 2023:

Name	Designation	Period	30-06-2023	30-06-2022
Mr. Fahim Ahmed Chowdhury	Managing Director	July 2022 to June 2023	10,674,180	8,811,000
Mr. Md. Ahsanul Kabir	Vice-Chairman & Head of Administration	July 2022 to June 2023	4,312,800	3,712,500
Total			14,986,980	12,523,500

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. 1,122,000.

- (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;

However, the independent Auditors have recognized the following Emphasis of Matter and Other Matters in their report. In these regards, the Auditors have explicitly stated that their opinion is not qualified in respect to those matters.

"Emphasis of Matter

We draw attention to note no. 3.12 of the Financial Statements, which describes that the company did not make WPPF provision during the year because of the Bangladesh Independent Power Producers Association (BIPPA) has applied to Ministry of Labor and Employment via Ministry of Power, Energy and Mineral Resources (MPEMR) to exempt the private power generation company from making provision of WPPF. Our opinion is not modified in respect to this matter.

Other Matter

- During our audit, we found that the company did not arrange any actuarial valuation to quantify actuarial liabilities which is noncompliance of IAS 19.
- The financial statements of subsidiary named Baraka Fashions Limited was audited by other auditors named Kazi Zahir Khan & co. Chartered Accountants who expressed unmodified opinions on that financial statements on 30 June 2023.
- During our audit management of the company was not able to provide us fixed asset register.

Our opinion is not qualified in respect to these matters."

- (viii) 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;
- (viii) The system of internal control is sound in design and has been effectively implemented and monitored;
- (ix) 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;
- (x) There are no significant doubts upon the company's ability to continue as a going concern; However, the independent Auditors have recognized the following Material Uncertainty Related to Going Concern in their report. In these regards, the Auditors have explicitly stated that their opinion is not qualified in this respect.

"Material Uncertainty Related to Going Concern:

We draw attention to Note 1.02 in the financial statements, the Company operates to generate and supply with the capacity of 51MW of electricity under the contract with BPDB. The initial contract period between BPDB and BPL was for 15 years from the commercial operation date. The remaining period of power supplying contract has just 362 days from October 26, 2023. If the company couldn't renew its contract period with BPDB, that may cast significant doubt on the Company's (stand-alone operation) ability to continue as a going concern. This status is applicable for the company's stand-alone financial statements. All the subsidiaries/associates are assumed going concern."

- (xi) Significant deviations, if any, from last year in operating results of the company has been highlighted and reasons thereof have been explained in the financial statements;
- (xii) Key operating and financial data of last five years has been annexed in **Annexure I**;
- (xiii) **Dividend:**
The Board of Directors of the company has recommended 5% cash dividend on 235,465,661 ordinary shares of Tk. 10 each for the year ended June 30, 2023 subject to approval by the shareholders at the 16th Annual General Meeting;
- (xiv) No bonus share or stock dividend has been or shall be declared as interim dividend;
- (xv) **Board Meeting & Attendance:**
During the year ended June 30, 2023, total 7 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.
- (xvi) The pattern of shareholding has been reported in **Annexure-III** to disclose the aggregate number of shares;
- (xvii) **Directors' appointment & re-appointment:**
Changes in the Board of Directors after last AGM:

Date	Changes	Reason of changes
20 March 2023	Mr. Faisal Ahmed Chowdhury resigned from the Board as Individual Director and appointed as a Nominated Director representing NRB Ventures (Pvt.) Limited	Restructuring of Board for better corporate practice
20 March 2023	Mr. Md. Ahsanul Kabir resigned from the Board as Individual Director and appointed as a Nominated Director representing Fusion Holdings (Pvt.) Limited	Restructuring of Board for better corporate practice
20 March 2023	Mr. Nanu Kazi Mohammed Miah resigned from the Board as Individual Director and appointed as a Nominated Director representing NRB Ventures (Pvt.) Limited	Restructuring of Board for better corporate practice
20 March 2023	Mr. Abdul Bari retired from the Board	Retired due to selling of entire shareholding

As per Article No. 112, 113, 114 and 115 of the Article of Association of the company following Directors shall retire in the 16th Annual General Meeting by rotation and being eligible, offer them for re-election:

01. Mr. Nanu Kazi Mohammed Miah
02. Mr. Monzur Kadir Shafi
03. Mr. Gulam Rabbani Chowdhury
04. Mr. Afzal Rashid Choudhury
05. Mr. Md. Shirajul Islam

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

- (viii) Management's Discussion and Analysis signed by MD has been reported in the Annual Report.
- (ix) Declaration by the MD and the CFO to the Board regarding Financial Statements for the year ended on June 30, 2023 has been reported in **Annexure IV**.
- (x) 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 2022-2023, financial performance of your company shows a satisfactory result. The Directors take pleasure in reporting the financial results of the company for the year ended June 30, 2023 and recommended apportion of retained earnings as mentioned below:

Profit available for appropriation:	June 30, 2023	June 30, 2022
Profit after tax	334,590,206	440,069,256
Add: Undistributed profit brought forward from previous year	984,686,385	780,082,790
Total amount Available for Appropriation	1,319,276,591	1,220,152,046
Appropriation:	June 30, 2023	June 30, 2022
Final dividend for the year 2020-2021 (@10% Cash dividend)		(235,465,661)
Final dividend for the year 2021-2022 (@10% Cash dividend)	(235,465,661)	
Closing Retained Earnings at year end (before proposed dividend)	1,083,810,930	984,686,385
Proposed dividend for the year 2022-2023 (@5% Cash dividend)	(117,732,830.50)	
Retained Earnings after Proposed Dividend	966,078,099.50	

Auditors:

M/S Malek Siddiqui Wali, Chartered Accountants have carried out the audit for the year 2022-23 and will retire in the 16th AGM. Accordingly, being eligible, Malek Siddiqui Wali, Chartered Accountants have expressed their intention to be appointed as statutory auditor of the company for the year 2023-2024 and the Board has recommended to reappoint Malek Siddiqui Wali, Chartered Accountants as the statutory auditor of the Company for the year 2023-2024 at a fee of Tk. 2,50,000/- (excluding VAT) subject to approval by the shareholders in the 16th Annual General Meeting.

Audit Committee

The Board of Directors established an audit committee at its meeting on August 13, 2011. Three board members, including two Independent Directors, make up the committee. The member secretary of the committee is the corporation's company secretary. Reporting to the Board is the responsibility of the Audit committee. The committee supports the Board in carrying out its oversight duties with regard to concerns pertaining to Internal Control, Financial Reporting, Risk management, and Auditing.

Corporate Governance

Corporate governance describes the procedures, frameworks, and data that are used to guide and monitor a company's management. The procedures for creating responsibility between the Board, senior management, and shareholders are established by the corporate governance structure, which also serves to safeguard the interests of pertinent stakeholders. Additionally, it lays out the framework for how the organization's power structure will be decided. The management's obligations to the company's employees and shareholders are spelled out in explicit terms. The status of corporate governance compliance is disclosed separately in **Annexures V and VI**.

Acknowledgement:

Honorable shareholders have always received the Board of Directors' sincere gratitude for their unwavering cooperation and support to the company's operations. The directors reassure the shareholders that, the board will always work to protect their interests during all phases of the company's operations.

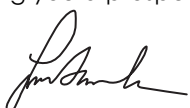
The Board wishes to express its appreciation to the Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), various Government Authorities, Individuals and Agencies, as well as the Bangladesh Power Development Board (BPDB), Power Cell of the Power Division, MPEMR, Jalalabad Gas T&D System Ltd., banks and financial institutions, insurance companies, service providers,

The Board is appreciative of the sincere efforts made by the Company's workers. The organization could not have been as successful as it is without the genuine commitment and passion of the employees. We think your company, Baraka Power, will succeed more in the future because to their tireless efforts.

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

Annexure - I FINANCIAL SUMMARY (Consolidated)

Particulars	June 30,2023	June 30,2022	June 30,2021	June 30,2020	June 30,2019
FINANCIAL POSITION					
Non-Current Assets	4,680,226,133	4,948,280,694	12,530,823,710	12,832,188,235	12,665,790,373
Current Assets	2,221,952,509	2,070,596,974	6,321,429,280	5,068,545,578	4,854,139,139
TOTAL ASSETS	6,902,178,642	7,018,877,668	18,852,252,990	17,900,733,813	17,519,929,512
Share Capital	2,354,656,610	2,354,656,610	2,354,656,610	2,200,613,660	2,200,613,660
Share Premium	970,000,000	970,000,000	970,000,000	970,000,000	970,000,000
Retained Earnings	1,853,665,550	1,957,571,237	1,599,180,033	1,231,960,116	885,376,323
Non-Controlling Interest	(151,279,361)	(176,476,726)	1,138,531,123	924,309,398	836,974,616
Non-Current Liabilities	455,763,164	821,588,717	3,534,457,561	2,838,202,110	2,843,617,270
Current Liabilities	1,419,322,548	1,091,598,657	9,255,427,663	9,736,667,959	9,784,928,328
TOTAL EQUITY & LIABILITIES	6,902,178,642	7,018,877,668	18,852,252,990	17,900,733,813	17,519,929,513
OPERATING RESULTS					
Revenue	2,398,477,125	1,813,109,690	6,195,339,412	4,655,440,480	4,060,472,271
Gross Profit	540,891,532	485,392,554	2,262,373,394	1,866,468,448	1,082,621,719
Operating Profit	438,337,824	377,651,147	1,982,866,469	1,587,455,565	859,252,623
Income Tax Expenses	119,529,055	127,266,163	120,035,352	78,195,456	70,304,258
Non Controlling Interest	25,197,429	(24,821,295)	262,166,172	138,998,760	39,093,682
Net Profit after tax	156,757,403	476,534,647	697,311,966	567,060,979	375,397,741
FINANCIAL RATIOS					
Gross Profit Margin (%)	22.55%	26.77%	36.52%	40.09%	26.66%
Net Profit Margin (%)	5.49%	27.65%	11.26%	12.18%	9.25%
OTHER INFORMATION					
Face value per share	10	10	10	10	10
Proposed Dividend	5% Cash	10% Cash	10 % cash	7 % stock and 8 % cash	10 % cash
Earnings Per share (EPS)	0.56	2.13	2.96	2.58	1.71
Net Assets value (NAV) per Share	21.99	22.43	20.91	20.00	18.42
Net Operating Cash Flows Per Share (NOCFPS)	(0.11)	(0.59)	3.44	5.58	1.97

BOARD MEETING AND ATTENDANCE

Board Meeting and Attendance During the year ended June 30, 2023

Annexure - II

Number of Board Meetings and Attendance Status

Sl.	Name of Directors	Number of meetings held whilst Board Members	Meeting attendance	Remarks
1	Mr. Faisal Ahmed Chowdhury	7	7	
2	Engr. Md. Ahsanul Kabir	7	7	
3	Mr. Abdul Bari	6	3	Retired on 20-3-2023
4	Mr. Gulam Rabbani Chowdhury	7	7	
5	Mr. Nanu Kazi Mohammed Miah	7	6	
6	Mr. Robin Choudhury	7	0	Leaves were approved by the Board
7	Mr. Afzal Rashid Choudhury	7	4	
8	Mr. Md. Shirajul Islam	7	6	
9	Mr. Monzur Kadir Shafi	7	6	
10	Mr. Khaled Mahmood	7	7	
11	Professor Dr. Dhiman Kumar Chowdhury	6	6	Appointed on 12-9-2022
12	Professor Dr. Md. Ali Noor	6	6	Appointed on 12-9-2022
13	Mr. A. B. M. Fozle Hoda	6	5	Appointed on 12-9-2022
14	Mr. Shahud Ahmed	6	6	Appointed on 12-9-2022
15	Mr. Fahim Ahmed Chowdhury	7	7	



THE PATTERN OF SHAREHOLDING

as on June 30, 2023

Annexure - III

SI #	Name of Shareholders	Status	No. of Shares Held	Percentage (%) of Share Holding
a)	Parents/Subsidiary/Associate Companies			
	Baraka Shikalbaha Power Ltd	Associate Company and Nominated Mr. Gulam Rabbani Chowdhury as Director	4,800,000	2.04%
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 & Nominee Director of NRB Ventures (Pvt.) Limited	-	-
	Mr. Md. Ahsanul Kabir	Vice Chairman & Nominee Director of Fusion Holdings (Pvt.) Limited	-	-
	Mr. Nanu Kazi Mohammed Miah	Nominee Director of NRB Ventures (Pvt.) Limited	-	-
	Mr. Fahim Ahmed Chowdhury	Managing Director & Nominee Director of Baraka Apparels Limited	1,177,551	0.50%
	Mr. Afzal Rashid Choudhury	Nominee Director of NRB Ventures (Pvt.) Limited	670,007	0.28%
	Mr. Md. Shirajul Islam	Nominee Director of Fusion Holdings (Pvt.) Limited	33,566	0.01%
	Mr. Monzur Kadir Shafi	Nominee Director of Karnaphuli Harbour Limited	-	-
	Mr. Gulam Rabbani Chowdhury	Nominee Director of Baraka Shikalbaha Power Limited	-	-
	Mr. Robin Chowdhury	Director	17,315,563	7.35%
	NRB Venturs (Pvt.) Limited	Nominated Mr. Afzal Rashid Choudhury, Mr. Faisal Ahmed Chowdhury & Mr. Nanu Kazi Muhammed Miah as director	18,837,253	8.00%
	Fusion Holdings (Pvt.) Limited	Nominated Md. Shirajul Islam & Mr. Md. Ahsanul Kabir as Director	19,787,992	8.40%
	Karnaphuli Harbour Limited	Nominated Mr. Monzur Kadir Shafi as Director	5,223,493	2.22%
	Baraka Apparels Limited	Nominated Mr. Fahim Ahmed Chowdhury as Director	6,142,549	2.61%
	Mr. Khaled Mahmood	Independent Director	-	-
	Mr. A.B.M Fozle Hoda	Independent Director	-	-
	Mr. Shahud Ahmed	Independent Director	-	-
	Mr. Md. Ali Noor	Independent Director	-	-
	Mr. Dhiman Kumar Chowdhury	Independent Director	20,000	0.01%
	Mr. Mufi Abdul Mokshit Al Malum	Head of Internal Audit and Compliance	50,757	0.02%
	Mr. Monowar Ahmed	Chief Financial Officer	26,910	0.01%
	Ms. Tohmina Khatun	Spouse of Mr. Nanu Kazi Mohammed Mia	11,073	0.0047%
	Ms. Shaheda Begum Shanti	Spouse of Mr. Robin Chowdhury	1,873,104	0.80%
	Ms. Abeda Khanom Chowdhury	Spouse of Mr. Fahim Ahmed Chowdhury	10,000	0.0042%
	Ms. Shubina Ahmed Chowdhury	Spouse of Mr. Monzur Kadir Shafi	29,202	0.01%
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

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

Baraka Power Limited Declaration by MD and CFO

Date: 26 October 2023
The Board of Directors
Baraka Power Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2023

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 2023 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 2023 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
26 October 2023



Monowar Ahmed
Chief Financial Officer
26 October 2023

CORPORATE GOVERNANCE COMPLIANCE REPORT

Baraka Power Limited

Status of Compliance with the Corporate Governance Guideline (CGC)

For the year ended June 30, 2023

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)

ANNEXURE-C

As Per condition no.1(5)(xxvi)

Condition No.	Title	Compliance Status (Put \checkmark 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).	\checkmark	–	The Boards of Directors are comprised of 14 (fourteen) 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);	\checkmark	–	There are 05 (five) Independent Directors
1 (2)(b)	For the purpose of this clause "independent director" means a 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;	\checkmark	–	–
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;	\checkmark	–	–
1 (2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	\checkmark	–	–
1 (2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	\checkmark	–	–
1 (2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	\checkmark	–	–
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;	\checkmark	–	–
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;	\checkmark	–	–
1 (2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	\checkmark	–	–
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);	\checkmark	–	–
1 (2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	\checkmark	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓	–	Duly appointed by the Board of Directors and approved by shareholders in AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	✓	–	–
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓	–	–
1(3)	Qualification of Independent Director.-			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements 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; or	–	–	–
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; or	✓	–	Mr. Shahud Ahmed is former Head of HRD, Trust Bank Limited
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; or	✓	–	Mr. Khaled Mahmood is former Chairman of BPDB
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓	–	Dr. Dhiman Kumar Chowdhury is Professor and Chairman of Department of Accounting & Information System, Faculty of Business Studies, University of Dhaka and Dr. Md. Ali Noor is former Professor and Chairperson of the Department of Accounting & Information Systems at Jagannath University and Present Pro-Vice Chancellor of Bangladesh University of Business & Technology
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;	✓	–	Mr. A. B. M. Fozle Hoda is a Cost and Management Accountant
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	✓	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission	√	–	Mr. Khaled Mahmood, former Chairman of BPDB does not have educational background of bachelor degree in Economics/ Commerce/Business/Law. In this regard BSEC provided its consent vide letter no. BSEC/CFD/7:13/2011/Part-ii/544 dated 16 May 2022
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);	√	–	No such issue arose
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.;	–	–	No such matter to explain
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	√	–	No such matter to explain
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;	√	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓	–	–
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	–	–
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓	–	–
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	–	–
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓	–	–
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	–	No such matter to explain
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 Board of Directors has recommended 5% cash dividend for the year ended June 30, 2023.
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; and	✓	–	–
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓	–	–
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	✓	–	–
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓	–	–
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓	–	–
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓	–	–
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	–	–	N/A

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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), at condition No.6, 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 including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓	–	
2	Governance of Board of Directors of Subsidiary Company:-			
				Baraka Power Limited has 1 subsidiary company namely Baraka Fashions Limited
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.	✓	–	

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)	Appointment			
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: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√	–	–
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; and	√	–	In Practice
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;	√	–	In Practice
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 in violation of the code of conduct for the company's Board or its member;	√	–	In Practice
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√	–	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; and	√	–	–
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 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)	Constitution of the Audit Committee			

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	–	Audit Committee (AC) is comprised of 3 (three) members including two Independent Directors
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;	✓	–	All the AC members are non-executive Directors including Independent Directors;
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)	Chairperson of the Audit Committee			
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;	✓	–	Mr. A. B. M. Fozle Hoda, Independent Director is Chairperson of Audit Committee
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): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓	–	–
5(4)	Meeting of the Audit Committee			
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)	Role of Audit Committee			
	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓	–	–
5(5)(b)	monitor choice of accounting policies and principles;	✓	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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; and	√	–	–
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;	√	–	–
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 on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	–	–	No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	–	–	No such Incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	–	–	No such Incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	–	–	No such Incidence arose
5(6)(b)	Reporting to the Authorities:-			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	–	–	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	–	–	No such reportable incidence arose
6.	Nomination and remuneration Committee(NRC).-			
6(1)	Responsibility to the Board of Directors			

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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;	✓	–	NRC is comprised of 03 (three) members including an Independent Director
6(2)(b)	All member of the Committee shall be non-executive directors;	✓	–	All the NRC members are non-executive Directors including an Independent Director
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓	–	The NRC members are duly 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;	–	–	No such occurrence during the year
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓	–	In Practice
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;	✓	–	Mr. Shahud Ahmed, Independent Director is the Chairperson of the NRC
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;	✓	–	–
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	–	–	No such issue 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);	✓	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 company 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 statements;	✓	–	–
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:	✓	–	–

CORPORATE GOVERNANCE COMPLIANCE REPORT (continued)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓	–	–
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓	–	–
8(2)	The company shall keep the website functional from the date of listing.	✓	–	–
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	✓	–	–
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	–	Required certification has been obtained from "H. RAHMAN & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2023.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	✓	–	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓	–	

H. RAHMAN ASSOCIATES

Professional Accountant & Business Advisor

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

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, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

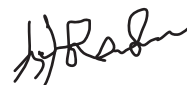
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- (d) The Governance of the company is satisfactory.

For H. Rahman Associates



Md. Hafizur Rahman
Cost & Management Accountants

Place: Dhaka
Dated: November 26, 2023